

MPI

ANNUAL REPORT



2013

CONTENTS

P.01 Chairman's message

P.02 Profile

P.04 Governance

P.06 MPI in brief

P.08 International presence

P.10 Key figures

P.11 Market data

P.12 Financial information

DEAR SHAREHOLDERS,

Fiscal year 2013 was a year of strategic deployment, growth potential and financial success. It marked a new stage in the future development of MPI.

The strong increase in Seplat's activities – a 56% increase in production and 41% increase in sales – allowed MPI to post outstanding results. In addition, Seplat was granted "Pioneer" status, which exempts it from corporation tax for five years.

Furthermore, in late 2013, MPI reduced its stake in Seplat from 45% to 30% in order to offer its subsidiary better conditions for its initial public offering. The success of Seplat's dual listing in London and Lagos in early 2014 justifies its gamble four years ago to team up with quality partners in order for its business to take off.

MPI will be searching out new fields and looking at new horizons for an opportunity to repeat this success. The investment in Saint-Aubin Energie opened up new growth prospects for your Company by rebalancing and diversifying its asset portfolio.

In Myanmar, the privileged partnership with PetroVietnam brings hope of new collaborations. In Canada, the partnership with the government of Quebec, in a new area, has been the source of much envy from around the world and offers multiple promises for the future.

In 2013, MPI reaffirmed its ability to create value and to find new growth drivers. In 2014, the Group intends to strengthen its presence in high-potential regions and will remain attentive to any opportunities that may arise.

Jean-François Hénin
Chairman of the Board of Directors







MPI is active in the oil industry today via equity interests in the Nigerian company Seplat and Saint-Aubin Energie (SAE). The latter is currently operating in Canada and Myanmar. Seplat is an oil company listed on the stock exchanges in London (LSE) and Lagos (NSE), following its IPO on 14 April 2014. Following this transaction, the Company's equity interest was diluted to 21.76% of the share capital.

As a result of this interest in Seplat, as at the date of this Annual Report, the Company has indirect rights in four onshore fields (Oil Mining Licences) 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 2013, the Company began 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 Saint-Aubin Energie, an investment company formed through a partnership between the Company and Maurel & Prom.

Saint-Aubin Energie also owns 50% of a company that has been selected by the Iraqi authorities to participate in future permit allocations.

GOVERNANCE

WITH EFFECT FROM 27 AUGUST 2014, THE MANAGEMENT TEAM IS STRUCTURED AS FOLLOWS:

MR JEAN-FRANÇOIS HÉNIN

Chairman

- Graduate of the IAE Sorbonne Business School (Paris) in Economics
- Treasury and Foreign Exchange Director of Société Lyonnaise de Dépôts, Treasurer of Thomson CSF, Chief Executive Officer of Altus Finance, Vice-Chairman of the supervisory board of Altus Finance, Chairman & Chief Executive Officer of Electricité et Eaux de Madagascar (EEM).
- He has been the Chairman of Maurel & Prom since March 1996.

MR MICHEL HOCHARD

Deputy Chief Executive Officer

- Graduate of the ICN Business School (Nancy) and Chartered Accountant
- Internal auditor in the Department of Finance at ELF Aquitaine, Head of the Finance Division for Africa & the Middle East, Director of Finance of the SNEAP, then at ELF Aquitaine production and ELF E&P, Deputy Head of HR at ELF E&P, Director of Operations at PricewaterhouseCoopers BPO, member of the management committee of GEOS.
- He joined Maurel & Prom as Chief Financial Officer in 2007, and was appointed Deputy Chief Executive Officer on 27 August 2014.

MR XAVIER BLANDIN

Chief Executive Officer

- Graduate of the HEC business school and former student of the ENA administrative college
- Deputy Director for France with the International Monetary Fund in Washington and financial attaché at the French Embassy in the United States, head of the Banks and Banking Regulation office at the Treasury Department, technical advisor to the cabinets of Mr Cabana and subsequently Mr Balladur, head of the public enterprise office and Assistant Director of the Treasury Department.
- From 1991 to the end of December 2010, Mr Blandin worked in the banking sector, first at Banque Paribas and then at BNP Paribas, where he was a member of the Executive Committee of the Corporate Finance Department before becoming Senior Banker.
- Xavier Blandin has been a director of the Company since 22 September 2011.





BOARD OF DIRECTORS

**AUGUSTINE OJUNEKWU
AVURU**
Director

XAVIER BLANDIN
Director

NATHALIE DELAPALME
Independent director

CAROLINE CATOIRE
Director

JEAN-FRANÇOIS HÉNIN
Chairman of the Board of Directors

MACIF, represented by **M. OLIVIER ARLES**
Independent director

**EMMANUEL DE MARION DE
GLATIGNY**
Director

**AMBROSIE BRYANT
CHUKWUELOKA ORJIAKO**
Director

ALEXANDRE VILGRAIN
Independent director

AUDIT COMMITTEE

NATHALIE DELAPALME
Chair, Independent director

EMMANUEL DE MARION DE GLATIGNY
Director

CAROLINE CATOIRE
Director

APPOINTMENTS AND COMPENSATION COMMITTEE

EMMANUEL DE MARION DE GLATIGNY
Chairman, director

ALEXANDRE VILGRAIN
Independent director

NATHALIE DELAPALME
Independent director

MPI IN BRIEF

MPI WAS FORMED BY MAUREL & PROM, A GROUP SPECIALISING IN THE EXPLORATION AND PRODUCTION OF HYDROCARBONS AND DERIVING FROM THE SPIN-OFF OF ACTIVITIES IN NIGERIA BY ETABLISSEMENTS MAUREL & PROM.

MPI has been listed on NYSE Euronext Paris since 15 December 2011, after shareholders approved the distribution of 100% of MPI's capital at the General Shareholders' Meeting of 12 December 2011. MPI is a holding company seeking new opportunities worldwide for the purpose of developing its portfolio of assets.

Present only in Nigeria until 2012, MPI began its expansion in 2013 through the creation of a new joint investment vehicle with Maurel & Prom: **Saint-Aubin Energie**.

Via Saint-Aubin Energie, MPI made its entry into Myanmar (gas) and Canada (conventional and non-conventional hydrocarbons) and recently qualified as an operator in Iraq.

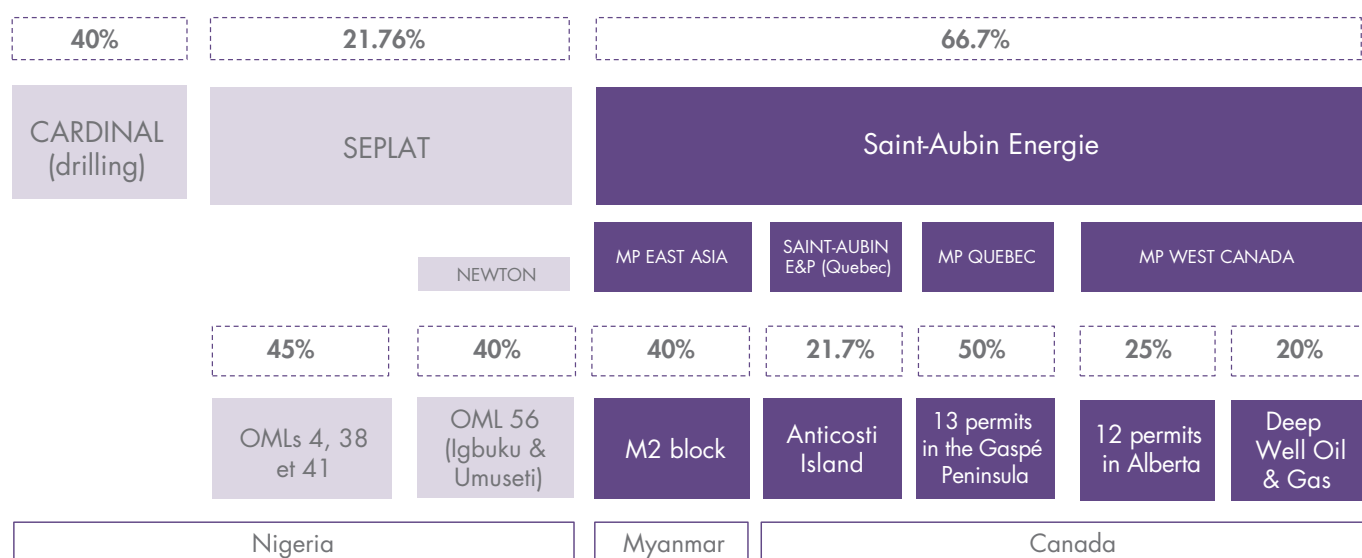
LANDMARKS





GROUP ORGANISATION CHART

MPI (at 30 June 2014)



IN 2012

- Increase in production
- Agreement signed with SPDC

IN 2013

- Creation of Saint-Aubin Energie (Maurel & Prom 1/3, MPI 2/3)
- Entry into Myanmar
- Entry into Canada

LATE 2013

- Sale of 15% of Seplat
- MPN becomes MPI

IN 2014

- Seplat listed in Lagos and London

2012

2013

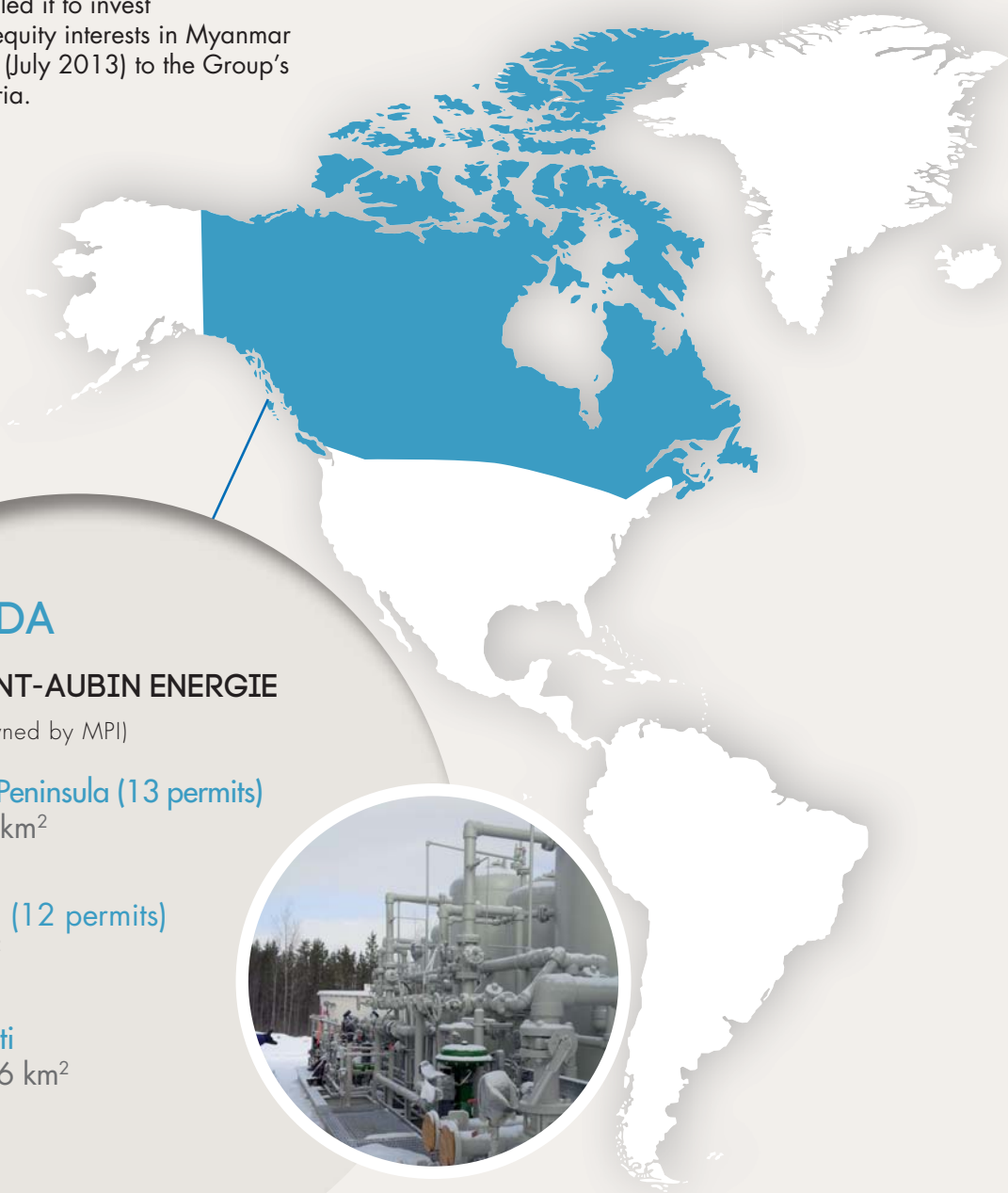
2014

INTERNATIONAL PRESENCE

ACTIONS UNDERTAKEN IN 2013 TO EXPAND THE ASSET BASE

ALLOWING THE GROUP TO BENEFIT FROM A BALANCED PORTFOLIO COMPRISED OF HIGH QUALITY ASSETS.

MPI's international roll-out led it to invest in new countries, adding equity interests in Myanmar (April 2013) and Canada (July 2013) to the Group's portfolio of assets in Nigeria.



CANADA

VIA SAINT-AUBIN ENERGIE

(66.67% owned by MPI)

- **Gaspé Peninsula (13 permits)**
1,892 km²
50%
- **Alberta (12 permits)**
31 km²
25%
- **Anticosti**
6,195.6 km²
21.7%

NIGERIA

VIA SEPLAT

(21.76% owned by MPI)

- OMLs 4,38 and 41
2,650 km²
45%
- OPL 283
40%



MYANMAR

VIA SAINT-AUBIN ENERGIE

(66.67% owned by MPI)

- M2 block
9,652 km²
40%

KEY FIGURES

Since fiscal year 2012, the Company has consolidated Seplat using the equity method, as authorised by IAS 31, and no longer via proportionate consolidation.

Pursuant to this standard, MPI has not recorded any sales.

The operating income of €29 million was largely the result of a consolidated capital gain of €31 million on the sale of 14.9% of Seplat's share capital. The Company also recorded operating costs of €2 million (for the statutory audit, financial communications, legal fees, etc.).

Financial income corresponds mainly to the repayment of advances to Seplat and Saint-Aubin Energie.

The share of Seplat's net income from equity associates is €170 million.

Accordingly, MPI's net income stood at €196 million at 31 December 2013, compared to €51 million in 2012.

At 31 December 2013, the Company held cash and cash equivalents of €225.8 million.

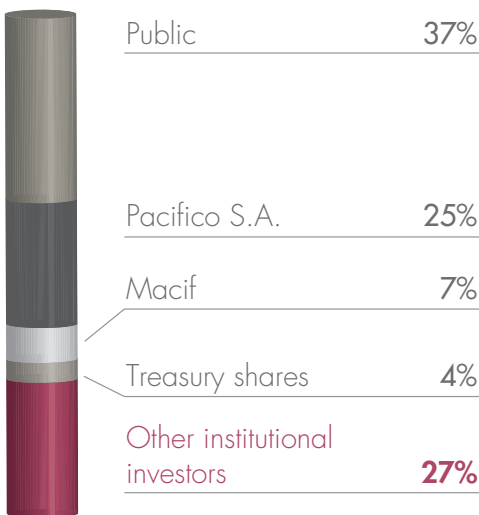
<i>(in millions of euros)</i>	2013	2012
Sales	0	0
Operating income	29	(2)
Financial income	4	5
Income before tax	33	3
Net income from consolidated companies	31	3
Equity associates	165	48
Net income from continuing activities	196	51
Cash and cash equivalents at end of period	226	106

MARKET DATA

SHAREHOLDING AS AT 31 DECEMBER 2013

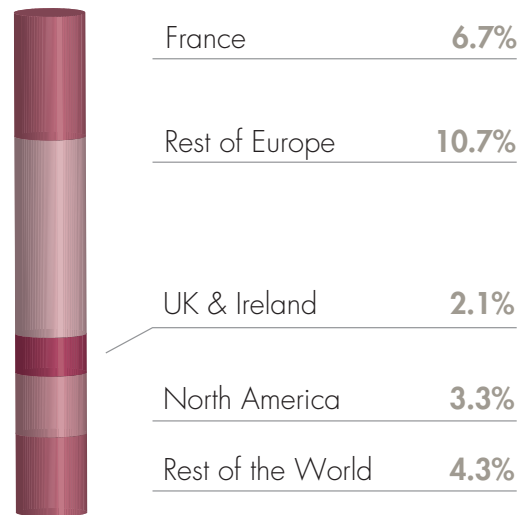
Breakdown by type of holder

(% of capital)



Geographic breakdown

(% of capital)



STOCK MARKET

MPI is eligible for the French "PEA PME" investment scheme.

ISIN CODE: FR0011120914-MPI NYSE
EURONEXT PARIS

Total number of shares: 115,336,534
Treasury shares: 4,348,542
Shares outstanding: 110,987,992
Inclusion in the CAC PME index



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FINANCIAL INFORMATION

1	PRESENTATION OF THE COMPANY	19	5	INFORMATION ABOUT THE COMPANY AND ITS CAPITAL	85
	1.1 Profile and history	20		5.1 Information about the Company	86
	1.2 Description of the Group's business	22		5.2 Information about capital	94
	1.3 Development potential for MPI	27		5.3 Related-party transactions	103
	1.4 Financial information	28		5.4 Large contracts	105
	1.5 Investments	36		5.5 Special statutory auditors' report on regulated agreements and commitments	107
	1.6 Information regarding trends and strategy	37			
2	RISK FACTORS	39	6	FINANCIAL STATEMENTS	111
	2.1 Major risks related to the Company's oil activities	40		6.1 Consolidated financial statements for the year ended 31 December 2013	112
	2.2 Financial risks	42		6.2 Company financial statements for the year ended 31 December 2013	138
	2.3 Risks related to the Company's holding of a minority interest of 21.76% in Seplat, its only significant operational asset, located in Nigeria	44		6.3 Company income in the last five fiscal years	154
	2.4 Other risks	46		6.4 Q1 2014 sales	155
	2.5 Company insurance	47		6.5 Interim financial statements as at 30 June 2014	157
3	CORPORATE GOVERNANCE	49	7	ADDITIONAL INFORMATION	173
	3.1. Administrative, management and supervisory bodies and executive management	50		7.1 Publicly available documents	174
	3.2 Compensation and benefits	61		7.2 Information on equity interests	174
	3.3 Operation of the administrative and management bodies	66		7.3 Provisional calendar	174
	3.4 Statutory auditors' report, 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	74		7.4 Person responsible for the Annual Report	175
				7.5 Statutory auditors	176
				7.6 Glossary	177
				7.7 Concordance tables	179
4	CORPORATE, SOCIAL AND ENVIRONMENTAL RESPONSIBILITY	75			
	4.1 Corporate information	76			
	4.2 Environmental information	81			
	4.3 Information on corporate commitments to promote sustainable development	83			



A public limited company with capital of €11,533,653.40
Registered office: 51 rue d'Anjou, 75008 Paris
RCS Paris 517 518 247

ANNUAL REPORT 2013



Pursuant to its general regulations, particularly Article 212-13, the Autorité des Marchés Financiers (AMF) registered this Annual Report on 27 October 2014, under number R.14-065. This document may only be used in support of a financial transaction if it is accompanied by a prospectus duly approved by the *Autorité des Marchés Financiers*. It was prepared by MPI under the responsibility of its signatories.

The registration, pursuant to the provisions of Article L. 621-8-11 of the French Monetary and Financial Code, was performed after the AMF verified that the document is complete and comprehensible and that the information it contains is consistent. It does not imply that the AMF has verified the accounting and financial elements presented herein.

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

- ▶ 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; and
- ▶ Seplat's base prospectus was drawn up in preparation for its stock market listing in London and Lagos on 14 April 2014.

Copies of this Annual Report are available free of charge from MPI (51, rue d'Anjou – 75008 Paris) as well as on the websites of MPI (www.mpienergy.com), and the Autorité des Marchés Financiers (www.amf-france.org).

DISCLAIMER

PRELIMINARY REMARKS

In this Annual Report:

- ▶ the term "**Listing**" refers to the listing of shares of Maurel & Prom Nigeria (now called 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 Établissements 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**" refers to 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 with 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 Annual Report is provided at the end of this document.

FORWARD-LOOKING INFORMATION

This Annual Report contains forward-looking statements concerning the outlook and development strategies of the Company, particularly in Section 1.6 of this Annual Report. This information is sometimes identified by the use of the future or conditional tenses or by forward-looking terminology, such as “consider”, “plan”, “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 any other variation 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. This information is provided in various sections of this Annual Report

and contains data about the Company’s intentions, estimates and objectives with regard to the market in which it operates, its strategy, growth, results, financial position, cash and forecasts. The forward-looking statements contained herein are current as at the date of this Annual 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 guarantee that the objectives and forecasts expressed in this Annual Report will be achieved.

EQUAL ACCESS TO INFORMATION

The information contained in this Annual Report, as at the date stated herein, satisfies in all significant aspects the principle that

all shareholders have equal access to information about the Company.

RISK FACTORS

This Annual 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 thus 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 Seplat’s 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.

1.1	PROFILE AND HISTORY	20
1.1.1	General presentation	20
1.1.2	Organisation chart and change in consolidation scope	21
1.2	DESCRIPTION OF THE GROUP'S BUSINESS	22
1.2.1	Seplat's assets and activities	22
1.2.2	Saint-Aubin Energie's assets and activities	25
1.3	DEVELOPMENT POTENTIAL FOR MPI	27
1.4	FINANCIAL INFORMATION	28
1.4.1	Review of MPI's financial position	28
1.4.2	Contractual commitments	35
1.4.3	Borrowing and financing	36
1.4.4	Restriction on the use of capital	36
1.5	INVESTMENTS	36
1.5.1	Principal investments made, planned or covered by firm commitments from the management bodies of the Company	36
1.5.2	Financing of investments	37
1.5.3	Property, plant and equipment	37
1.6	INFORMATION REGARDING TRENDS AND STRATEGY	37
1.6.1	Development of the Saint-Aubin Energie investment vehicle	37
1.6.2	Seplat's IPO	37
1.6.3	Development strategy	38

1

PRESENTATION OF THE COMPANY

1.1 PROFILE AND HISTORY

1.1.1 GENERAL PRESENTATION

The Company was created by the Maurel & Prom Group, a group specialising in hydrocarbon exploration and production, in order to acquire 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 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.

The Company became an independent in 2011, after Maurel & Prom's shareholders approved the distribution of 100% of the Company's capital during an Ordinary General Shareholders' Meeting held on 12 December 2011. Since 15 December 2011, all of the Company's shares have been listed for trading on the NYSE Euronext regulated market in Paris.

MPI is active in the oil industry today via equity interests in the Nigerian company Seplat and Saint-Aubin Energie (SAE). The Company is currently operating in Canada and Myanmar.

Seplat is an oil company listed on the Stock Exchanges in London (LSE) and Nigeria (NSE), following its IPO on 14 April 2014.

Following this transaction, the Company's equity interest was diluted to 21.76% of the share capital.

As a result of this interest in Seplat, as at the date of this Annual 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.

From 2013, the Company began 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 Saint-Aubin Energie, an investment company formed through a partnership between the Company and Maurel & Prom.

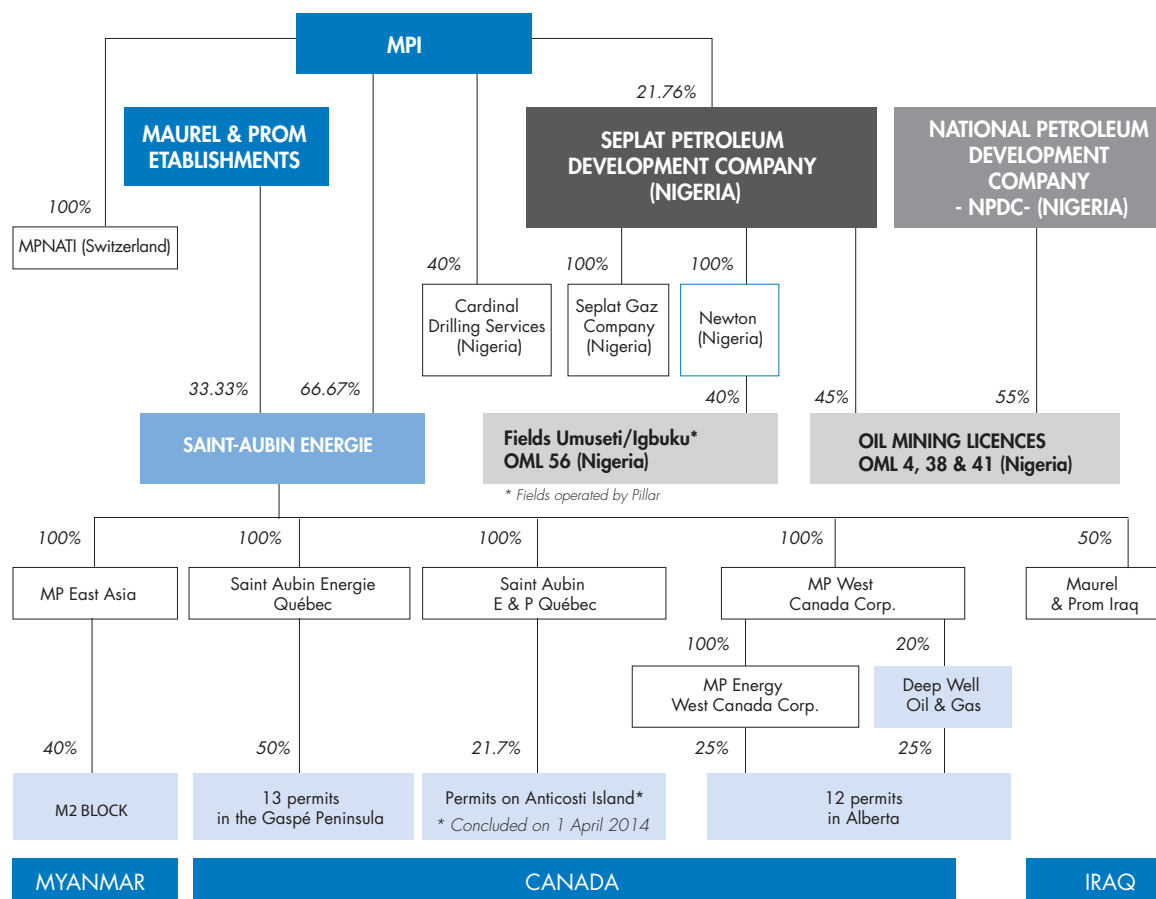
Saint-Aubin Energie also owns 50% of a company that has been selected by the Iraqi authorities to participate in future permit allocations.

Formerly known as Maurel & Prom Nigeria, the Company's name became MPI with effect from the Combined General Shareholders' Meeting of Thursday 20 June 2013.

1.1.2 ORGANISATION CHART AND CHANGE IN CONSOLIDATION SCOPE

1.1.2.1 Group organisation chart

As at 1 September 2014, the Company holds equity interests of 21.76% in Seplat (Nigeria) and 66.67% in Saint-Aubin Energie (France):



1.1.2.2 Change in consolidation scope

(a) Seplat

During the second half of 2013, the Company sold a total of 14.9% of its interest in Seplat to three UK investment funds. Following these transactions, MPI held 30.1% of Seplat's capital.

Since 14 April 2014, Seplat's shares have been traded simultaneously on the London Stock Exchange (LSE; ISIN code: NGSeplat0008) and the Nigerian Stock Exchange in Lagos (NSE). Following this IPO, the Company, which previously held 30.1% of Seplat's share capital, had its holding diluted to 21.76% of Seplat's share capital (after exercising 97% of the overallotment option). On 22 April 2014, Seplat used part of the IPO proceeds to pay off the outstanding balance of US\$48 million on the shareholder loan granted to it by the Company on 25 June 2010. The remaining proceeds of the IPO 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 operations in Nigeria on behalf of Seplat.

(b) Saint-Aubin Energie

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 Annual Report, this partnership has developed the projects described in Section 1.2.2 of this Annual Report.

1.2 DESCRIPTION OF THE GROUP'S BUSINESS

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 Annual Report, the Company's exploration/production activities are located in Nigeria, through Seplat, and in Myanmar and Canada via Saint-Aubin Energie.

As at the date of this Annual Report, the Company holds equity interests or stakes in oil projects through subsidiaries or companies that, with the exception of Seplat, do not operate said projects.

1.2.1 SEPLAT'S ASSETS AND ACTIVITIES

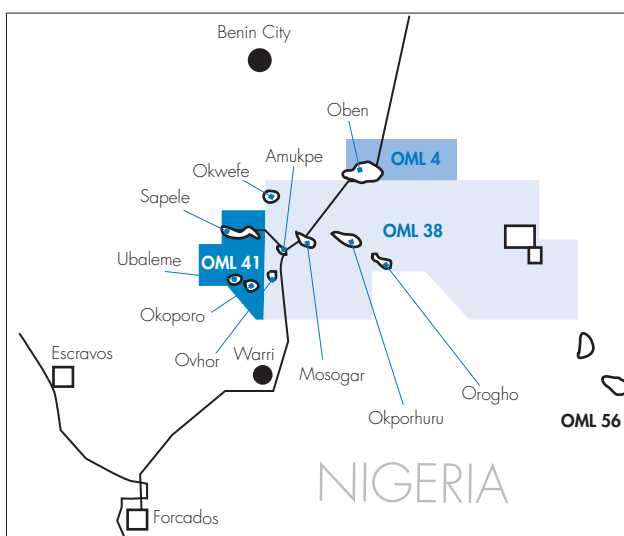
1.2.1.1 Seplat's asset portfolio

Seplat has operator status for OMLs 4, 38 and 41. These OMLs include developed fields in production (Oben, Amukpe, Ovhor, Sapele, Okporhuru and Orgho), discovered, undeveloped fields and a 24-inch pipeline with a capacity of 144,000 bopd (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 subsidiary Newton in the marginal fields operated by Pillar on OML 56 (Umuseti/Igbuku), denominated as OPL 283 (formerly OML 56).

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



Seplat plans to develop its gas assets to take advantage of the growth in demand for gas in Nigeria. To this end, Seplat is devoting a significant proportion of its human and financial resources to expansion work that will increase its gas production, processing and routing capacity.

Production capacity is expected to rise from 150 to 300 Mcf by 2015. This is the first phase of a programme to reach at least 450 Mcf by the end of fiscal year 2017.

The presence of Nigerian co-investors in Seplat, which was increased as a result of Seplat's recent listing on the Nigerian Stock Exchange in Lagos should make it easier to secure local support for developing oil fields for which it holds the operating permit, exploring fields that are as yet undeveloped and applying for new permits, 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 2012 Annual Report as registered with the Autorité des Marchés Financiers 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 is exempt from corporation tax for up to five years, with retroactive effect from 1 January 2013. This new, retroactively applicable status allowed the Company to post a deferred tax income of US\$93 million for fiscal year 2013.

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

The reserves of OMLs 4, 38 and 41 corresponding to the reserves that include the estimated quantities of oil assumed to be commercially recoverable from known concentrations through development projects, starting at a given date and in the future, depending on the defined conditions, 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

P1+P2+P3 reserves <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 fiscal year.

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

1.2.1.3 Seplat's activities during fiscal year 2013

Production at OMLs 4, 38 and 41 was an average of 51,380 bopd 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 bopd during fiscal year 2013, compared with 32,260 bopd 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.

Description of the Group's business

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 Annual Report).

The gas sales business saw Seplat record sales of 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, as NGC was not able to fully extract the projected quantities due to the unavailability of one of the buyer's gas plants.

In 2013, Seplat began a programme of significant investment to increase its gas production capacities, particularly on the Oben field. This programme will be stepped up during fiscal year 2014.

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 potentially open up a new area for exploration in the region under licence to Seplat. The well has been suspended pending further evaluation.

1.2.1.4 Seplat's activity in the first half of 2014

Seplat	%	Gross production		Seplat share		
		Oil bopd	Gas mmcf	Oil bopd	Gas mmcf	Equivalent in hydrocarbons bopd
OMLs 4, 38, 41	45%	46,579	78.4	20,961	35.3	26,842
OPL 283	40%	1,333	-	533	-	533
TOTAL		47,912	78.4	21,494	35.3	27,375

Average hydrocarbon production ⁽¹⁾ in the first half of 2014 was 27,375 bopd ⁽¹⁾, compared to 27,183 bopd in H1 2013. It would be 32,388 bopd if only the 17 days of planned downtime were taken into account, instead of the 45 days of actual downtime recorded in the first half of 2014.

The new oil export route via the Warri refinery was completed and tested, with a first delivery made in March 2014 (capacity of 100,000 bopd). In future, this should reduce the impact of third-party shut-downs of export infrastructure.

Average production from the fields of OMLs 4, 38 and 41 was 20,961 bopd in the first half of 2014, compared with 22,737 bopd in the same period in 2013, reflecting 28 days of unplanned downtime (out of a total of 45 days of downtime) on the Trans Forcados pipeline.

Seplat's average daily oil production for 2014 from OMLs 4, 38 and 41 and OPL 283 is expected to be between 23,000 and 25,000 bopd. Average daily gas production for the full year should be between 38 and 45 Mmscfd.

This corresponds to an estimated average production of 29,000 to 33,000 bopd of hydrocarbons (oil and gas).

Furthermore, Seplat has decided to increase gas production to meet growing domestic demand. It is currently investing to increase its capacity by 150 Mmscfd, to reach 300 Mmscfd in 2015. This represents the first phase of a gas processing expansion programme to achieve production of 450 Mmscfd in 2017. Two new units, each with a production capacity of 75 Mmscfd, are en route to the Oben site where works are being finalised. The installation of the new units is expected to be completed no later than the end of 2014.

(1) Liquid hydrocarbon production volumes as measured at the LACT unit for the pumping stations for OMLs 4, 38 and 41 and OPL 283. Volumes stated are subject to reconciliation and validation, and will differ from sales volumes during the period.

Bopd: barrels of oil equivalent per day.

Seplat announced its interim results to 30 June 2014 in a press release dated 25 July 2014, which has been excerpted below:

	June 2014 (US\$M)	June 2013 (US\$M)	Chg.
Revenues	388	419	-7%
Gross profit	247	250	-1%
Operating profit	173	220	-22%
Profit before tax	156	210	-26%
Operating cash flow	265	11	ns
Seplat share (bopd)	27,375	27,183	1%
Sale price - oil (US\$/bbl)	110	109	-
Sale price - gas (US\$/mcf)	1.60	1.43	12%

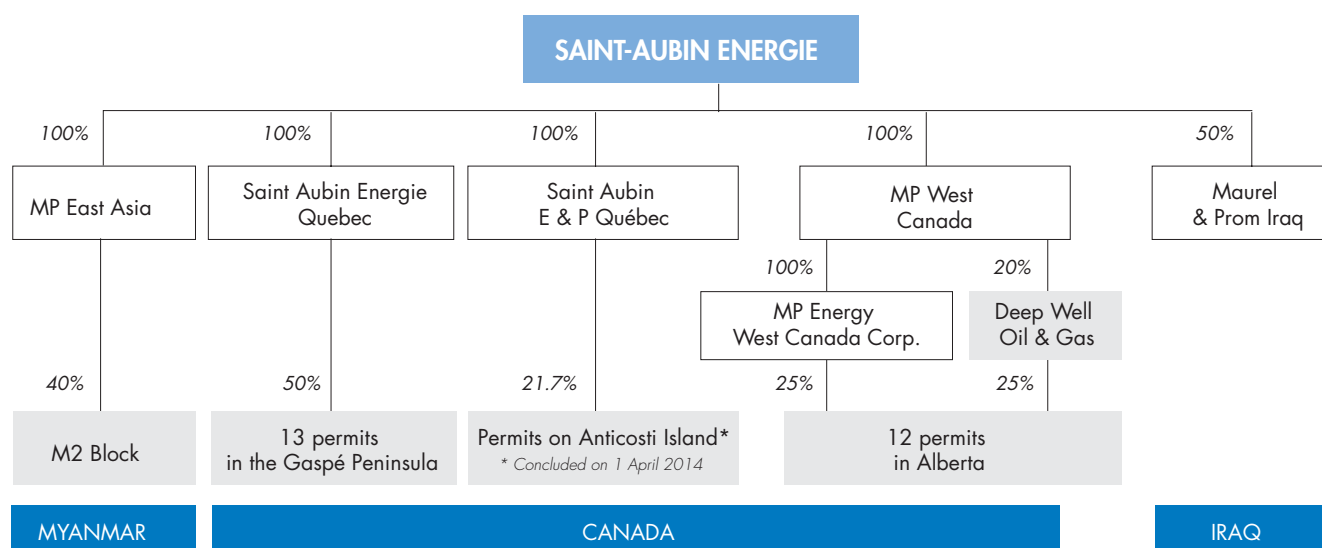
1.2.2 SAINT-AUBIN ENERGIE'S ASSETS AND ACTIVITIES

Saint-Aubin Energie was set up by Maurel & Prom (with one-third ownership) and MPI (two-thirds ownership) for the joint development of new projects. The investments made by Saint-Aubin Energie amounted, for MPI, to €38 million at 31 December 2013 and €41.1 million at 30 June 2014.

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. These 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 Saint-Aubin Energie's asset portfolio

Saint-Aubin Energie, which is 66.67% owned by MPI, holds assets in Canada (in Alberta, the Gaspé Peninsula and Anticosti Island), and in Myanmar and Iraq.

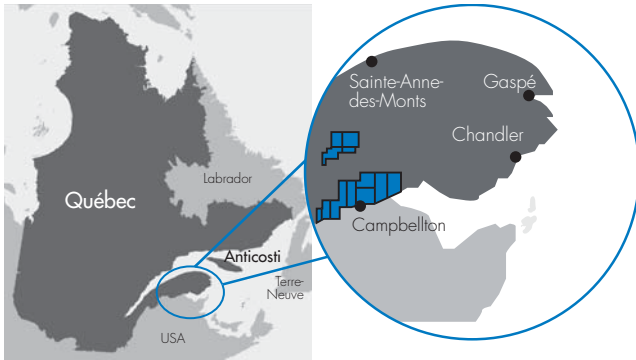


Description of the Group's business

(a) Gaspé Peninsula

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 ticker symbol PEA-TSXV) to develop 13 hydrocarbon prospecting permits covering 1,892 km² of the Gaspé Peninsula in Canada.

Although the prospection targets are in unconventional reservoirs, this does not preclude the presence of conventional deposits.



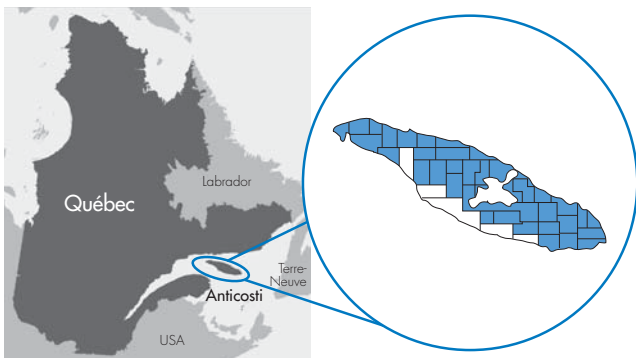
(b) Anticosti

On 1 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 in partnership 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 partnership with Pétrolia in the Gaspé Peninsula, and the recent agreement between MPI and the government of Quebec on Anticosti Island, are providing a potentially significant first experience of the field of non-conventional oil.

(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 (which holds 50% of these permits).

In addition, Saint-Aubin Energie acquired 20% of Deep Well Oil & Gas (a company with its head office in Edmonton, Alberta, Canada, whose shares are listed on the OTCQB exchange under the symbol DWOG, and which holds 25% of these permits) and no shareholder agreement exists to which Saint-Aubin Energie is party.

(d) 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 Annual 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 5 billion cubic feet.

(e) Iraq

In August 2013, Maurel & Prom Iraq, a company in which Saint-Aubin Energie and PIA Consulting each hold a 50% stake, 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.

1.2.2.2 Saint-Aubin Energie's operations during fiscal year 2013 and the first half of 2014

(a) Canada

Also in Canada, at Sawn Lake, Alberta, two parallel wells were drilled by Andora. These two wells – a steam injection well and an oil production well – will serve as a pilot to determine the quality of the SAGD.

The results of this phase will be interpreted to allow the operator to carry out a series of additional drilling operations.

On 21 May 2014, steam injection began in the two horizontal drilling wells at the SAGD Demonstration Pilot, with the aim of preheating the oil between the two wells.

Steam injection into the reservoir should allow oil production to begin in the second half of 2014.

The first phase of the exploration programme for the Anticosti project is currently underway, consisting of 15 to 18 stratigraphic wells. This summer campaign will use four drilling rigs, and well sampling at Caribou, Sainte-Marie and Canard began in late July.

(b) Myanmar

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. A second exploration well is scheduled for drilling and the operator is negotiating a contract for a drilling platform.

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

(c) Iraq

As at the date of this Annual Report, there is no exploration activity to speak of in Iraq, given the overall situation in the country. Nevertheless, 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 MPI

The partnership established by the Company and Maurel & Prom through the creation of Saint-Aubin Energie allows the Company to access a greater number of opportunities whilst diversifying risk.

The Company continues to examine investment and development opportunities outside of Nigeria in order to pursue growth 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 maintains an interest in Nigeria, which remains an attractive country in terms of investment in the hydrocarbon sector.

For its development, the Company has a strong cash base, €226 million at 31 December 2013 (€237 million at 30 June 2014), as well as the ability to raise funding because it currently has no debt of its own.

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 simplifying 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 MPI'S FINANCIAL POSITION

1.4.1.1 Accounting method and framework

(a) Change in accounting method

As indicated in the introduction to Section 1.4 of this Annual 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 via proportional consolidation.

This change in accounting method is described in the Company's 2012 Annual Report, 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 company financial statements were prepared in accordance with (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 Commission Regulation (EC) No. 809/2004, the following information is included by way of reference in this Annual Report:

- ▶ 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 of this Annual Report and in the documents mentioned in this section of the Annual 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 Annual Report.

1.4.1.2 Consolidated financial statements for the year ended 31 December 2013

The change in accounting method (move from proportional consolidation to the equity method) described above in 1.4.1.1 (a) of this Annual 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 activities, are not relevant in this case for assessing the Company's performance. 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) Consolidated financial statements for the MPI Group**(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
NET INCOME, GROUP SHARE	196,360	50,824

Sales

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

Operating income

The Company's consolidated operating income for the year ended 31 December 2013 was a profit of €29 million, compared to a loss of €1.9 million for the previous fiscal 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

The Company's consolidated financial income 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 to €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 net 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 "net income from equity associates" are explained in the section on the presentation of Seplat's results for the year ended 31 December 2013.

Consolidated net income

Consolidated net income, for the year ended 31 December 2013, was €196.4 million versus €50.8 million the previous year, due to (i) capital gains on sales of Seplat securities over the period (+€30.9 million) and (ii) the recognition of income from equity associates totalling €165.1 million (compared to €48.2 million in 2012) reflecting the ramping up of Seplat's production and its new "Pioneer industry" tax status.

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	196,361	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
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

<i>In thousands of euros</i>	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
Equity, MPI Group share	461,025	296,216
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 mainly 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 2013 and 31 December 2012:

<i>In thousands of euros</i>	31/12/2013	31/12/2012
Net income before tax	198,067	51,322
Net increase (reversals) of amortisation, depreciation and provisions	31	0
Gains (losses) on asset disposals	(38,031)	0
Other financial items	0	(1)
Share of net income from equity associates	(165,131)	(48,229)
Payment of tax due	1,398	(5,933)
Other calculated 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 net income for 2013 of €145,536 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 published as at 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, was reduced to 35% with effect from September and then to 30.1% at the end of the fiscal year, following sales of securities (see Section 1.6.2 of this Annual Report).

Net income for the period

	31/12/2013		31/12/2012	
	<i>Thousands of US dollars</i>	<i>Thousands of euros</i>	<i>Thousands of US dollars</i>	<i>Thousands of euros</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

Sales

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

		Q1	Q2	Q3	Q4	2013	2012	Change 2013/2012
Number of days	<i>d</i>	90	91	92	92	365	366	
Recognised entitlements	<i>b</i>	3,454,031	4,841,288	4,085,087	4,704,230	17,084,636	11,807,088	45%
	<i>bopd</i>	38,378	53,201	44,403	51,133	46,807	32,260	
Seplat share	<i>b</i>	1,554,314	2,178,580	1,838,289	2,116,904	7,688,086	5,313,190	45%
	<i>bopd</i>	17,270	23,940	19,981	23,010	21,063	14,517	
Sales - Oil	<i>b</i>	1,188,873	2,037,859	2,344,451	2,116,904	7,688,086	5,187,409	48%
	<i>bopd</i>	13,210	22,394	25,483	23,010	21,063	14,173	
Sales - Oil	<i>USSM</i>	135	218	262	236	852	600	42%
Sales - Gas	<i>USSM</i>	3	3	6	6	18	26	-33%
Other	<i>USSM</i>	0	0	0	0	0	4	N/A
Newton oil sales*	<i>USSM</i>			6	5	10		
SEPLAT SALES	<i>USSM</i>	139	221	274	246	880	629	40%

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.

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 totalled 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 negative financial income corresponds to interest charges on debt comprising a line of credit 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 to US\$266 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 an exemption from corporation tax for up to 5 years. This new status, applicable with retroactive effect from 1 January 2013, allowed the Company to post a deferred tax income of US\$93 million for fiscal year 2013.

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).

Dividends

Seplat plans to distribute a "standard" dividend based on its results and an additional dividend, based on current projects and available cash. In February 2014, it paid out US\$40 million in respect of the dividend for the year ended 31 December 2013 (US\$0.05 per share for the basic dividend and US\$0.05 on an exceptional basis). The basic dividend for the year ended 31 December 2014 should not be lower than US\$0.10, it being specified that Seplat's Board of Directors reserves the right to modify the amount of the dividend paid to shareholders.

1.4.1.3 Company financial statements for the year ended 31 December 2013

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 to three UK investment funds. These sales were made for a price of €109.4 million (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 ConocoPhillips' 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 to 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 in the amount 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; this did not change during the fiscal year ended 31 December 2013, and it was repaid in full before Seplat's IPO on 14 April 2014.

The Company's sales for the year ended 31 December 2013 amounted to €0.04 million, compared to €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 the Company's overheads into account, 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.

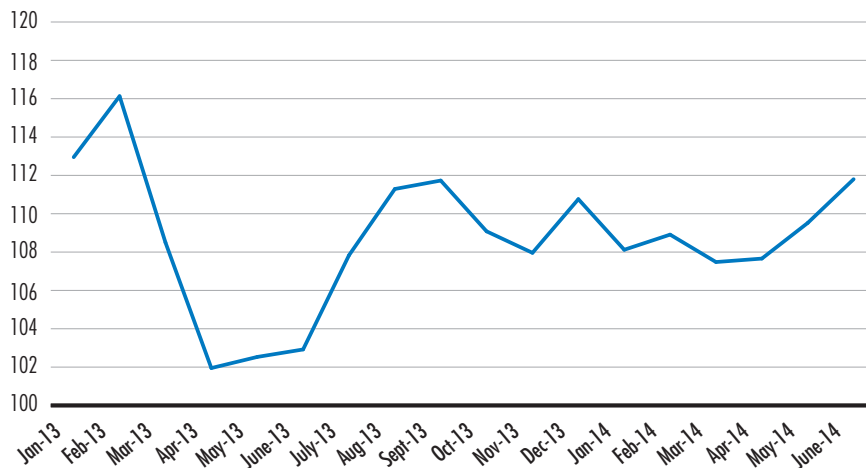
The Company's financial income for the year ended 31 December 2013 was -€8 million, compared to €12.5 million for the year ended 31 December 2012. It primarily comprises income from interest on the advances granted to Seplat and Saint-Aubin Energie (€2.7 million) and from foreign exchange differences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

Foreign exchange differences in the order of -€8.5 million resulted 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 cash resources in US dollars (US\$305.5 million).

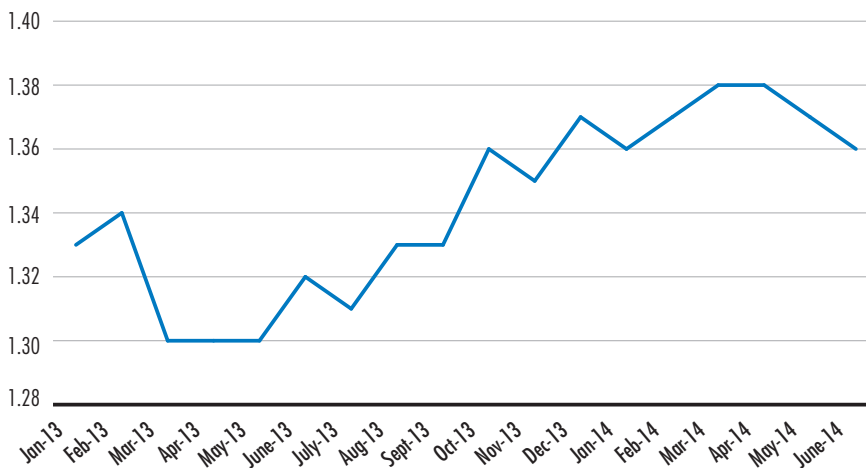
1.4.1.4 Financial position at 30 June 2014

(a) Economic environment

The price of Brent averaged US\$108.9 per barrel in H1 2014, up from US\$107.5 in H1 2013.



In the first half of 2014, the average €/US\$ exchange rate was 1.370 compared to 1.313 in the first half of 2013. The €/US\$ exchange rate on 30 June 2014 was 1.366 compared to 1.308 on 30 June 2013.



(b) Financial information

The MPI Group operates through (i) its equity interests in Nigeria, mainly in Seplat and (ii) the projects it has undertaken, primarily in Canada and Myanmar, in partnership with the Maurel & Prom Group through the joint investment company set up between the two groups: Saint-Aubin Energie.

The Group's net income rose sharply from €20 million in June 2013 to €55 million at the end of June 2014, due to the substantial increase in income resulting from the consolidation of Seplat via the equity method and a dilution gain of €29 million generated from the subsidiary's IPO.

At 30 June 2014, MPI's cash level totalled €237 million. The Group has a strong ability to raise funding because it currently has no debt of its own. The detailed financial statements as at 30 June 2014 are presented in Section 6.5 of this Annual Report.

The balance sheet total amounted to €502.2 million. It is composed primarily of the value of Seplat's securities (€223 million), the amount of the advances granted to Saint-Aubin Energie to finance its investments in Myanmar and Canada (€41 million), and the available cash at 30 June 2014 (€237 million).

1.4.2 CONTRACTUAL COMMITMENTS

1.4.2.1 Financial debt

As at the date of this Annual Report, the Company has not set up any financing agreements.

In contrast, Seplat benefits from a financing agreement set up on 12 June 2012 with retroactive effect from 25 August 2011, in respect of which US\$335 million had been drawn at 31 December 2013.

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

At 30 June 2014 for the Company and at the close of fiscal year 2013 for Seplat, neither of these companies 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 1.4.2.3 below.

1.4.2.3 Financing commitments

Seplat's acquisition of 45% of the rights to OMLs 4, 38 and 41 was partly financed 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 its amount to US\$550 million, of which US\$275 million 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 loan facility with retroactive effect from 25 August 2011 (the "**Syndicated Loan Facility**"). The Syndicated Loan Facility replaces the Bridge Loan, of which US\$258 million had been drawn down at the end of 2011.

The Syndicated Loan 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 outstanding in respect of the line of credit 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 concerned.

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

To secure the Syndicated Loan Facility, the Company and its Partners pledged the shares held in Seplat to the lending institutions. In addition, Seplat agrees under the Syndicated Loan 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 marked out an intensive three-year drilling programme to enable it to achieve its stated objective of increasing production to a level of 85,000 bopd of oil and 250 million cubic feet of gas by 2016. The achievement of this programme entails the use of several drilling rigs working at full capacity over the duration of the programme.

Furthermore, Cardinal Drilling Services, owned by MPI (with a 40% share), Shebah (34%) and Platform (26%) obtained bank financing of USD\$30 million in 2012.

1.4.2.4 Purchase/lease of property, plant and equipment

As at the date of this Annual Report, the Company has not acquired or leased 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 Allenne British Virgin Islands Ltd on 16 November 2010, giving it an exclusive option on the possible leasing or acquisition of the Trinity Spirit floating oil production, storage and offloading unit (FPSO). In this regard, Seplat paid Allenne 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.

1.4.3 BORROWING AND FINANCING

Consolidated cash flow and potential funding requirements for the year ended 31 December 2013 are described in Section 1.4.1 of this Annual Report.

As at the date of this Annual Report, the Company has not concluded any financing agreements. In contrast, Seplat's current borrowings are those described in Section 1.4.2 of this Annual Report.

1.4.4 RESTRICTION ON THE USE OF CAPITAL

At the date of this Annual Report, no restrictions exist regarding the use of the capital available to the Company.

1.5 INVESTMENTS

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

The Company developed a programme of investments 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 venture – 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 began in Canada in the second half of 2013. Saint-Aubin Energie and Pétrolia entered into an agreement for joint hydrocarbon exploration on thirteen permits on the Gaspé Peninsula in Quebec. In addition, MP West Canada, a wholly owned subsidiary of Saint-Aubin Energie, acquired 20% of the capital of Deep Well Oil & Gas for US\$22 million and, at the same time, bought up half of the equity interests held by that company in the Peace River oil sands of Alberta, Canada. It also has an option on 56 other blocks for which Deep Well Oil &

Gas is the operator. With regard specifically to the twelve blocks acquired, it has committed to investing up a maximum of US\$40 million, of which US\$14 million was still to be financed by MPI at 30 September 2014; according to the results of the pilot, Saint-Aubin Energie will contribute to the financing of up to US\$110 million for the development and production phase.

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 comprising fifteen to eighteen stratigraphic wells and three exploration wells with completion, for an amount not exceeding US\$60 million, financed by Saint-Aubin (E&P) Québec Inc. (a subsidiary of Saint-Aubin Energie) (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 could be paid up in the second half of 2014.

With regard to Seplat, the agreement signed with 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.

1.5.2 FINANCING OF INVESTMENTS

The MPI Group's investments described in the section above are financed by the Company's available cash resources. These liquid assets will also allow the Company to take advantage of opportunities that may arise in the global oil industry.

1.5.3 PROPERTY, PLANT AND EQUIPMENT

The Company does not own facilities or equipment, since it is not an operator.

1.6 INFORMATION REGARDING TRENDS AND STRATEGY

1.6.1 DEVELOPMENT OF THE SAINT-AUBIN ENERGIE INVESTMENT VEHICLE

On 1 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 in partnership 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.

This transaction expands the presence of Saint-Aubin Energie (two-thirds owned by MPI) in Canada in a number of key operational areas.

1.6.2 SEPLAT'S IPO

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 Seplat's stock market listing on the London and Lagos Stock Exchanges.

Since 14 April 2014, Seplat's shares have been traded simultaneously on the London Stock Exchange (LSE; ISIN code: NGSeplat0008) and the Nigerian Stock Exchange in Lagos (NSE). Following this IPO, the Company, which previously held 30.1% of Seplat's share capital, had its holding diluted to 21.76% of Seplat's share capital (after exercising 97% of the overallotment option). Part of the proceeds from the issue were used by Seplat on 22 April 2014 to repay all of the sums outstanding in respect of the shareholders' loan granted by the Company to Seplat on 25 June 2010 in the amount of US\$48 million. The remaining proceeds of the IPO will mainly be used to finance new acquisitions.

1.6.3 DEVELOPMENT STRATEGY

The Group's objective is to become an independent player in the oil industry by expanding into areas where prospects are good.

The Company's partial withdrawal from Seplat's capital provided it with a strong cash base, giving it the means for development in Nigeria, Canada and Myanmar.

The Company continues to examine investment opportunities in order to pursue growth in exploration and production operations in high-potential areas.

Saint-Aubin Energie

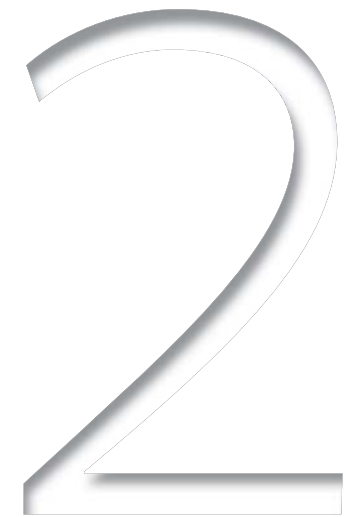
The purpose of this joint venture is to support development projects put forward by either of the partners. Under this partnership, future development projects for oil exploration and production will be conducted jointly by the two companies through the joint venture (with the specific exception of projects 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 conjunction with another partner).

The interest 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.

The partnership enables the Company to access a large number of opportunities while diversifying the risks.

Nigeria

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.



RISK FACTORS

2.1	MAJOR RISKS RELATED TO THE COMPANY'S OIL ACTIVITIES	40
2.1.1	Risks related to exploration, the replacement of reserves and decisions affecting permits	40
2.1.2	Risks related to the identification and assessment of reserves and resources	40
2.1.3	Risks related to hydrocarbon production capacity	40
2.1.4	Industrial and environmental risks	41
2.1.5	Risks related to competition	41

2.2	FINANCIAL RISKS	42
2.2.1	Risks of fluctuations in hydrocarbon prices	42
2.2.2	Foreign exchange risks	42
2.2.3	Liquidity risks	43
2.2.4	Market risk	43

2.3	RISKS RELATED TO THE COMPANY'S HOLDING OF A MINORITY INTEREST OF 21.76% IN SEPLAT, ITS ONLY SIGNIFICANT OPERATIONAL ASSET, LOCATED IN NIGERIA	44
2.3.1	Risks related to the lack of a controlling interest in Seplat	44
2.3.2	Risks related to Seplat	44
2.3.3	Risks related to maintaining a presence in Nigeria	45

2.4	OTHER RISKS	46
2.4.1	Risks related to operational dependency on the Maurel & Prom Group	46
2.4.2	Risks related to shareholders and to the management of the Company	46
2.4.3	Risks related to disputes	47

2.5	COMPANY INSURANCE	47
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The Company has conducted a review of the risks that might have a significant adverse effect on its activities, financial position and/or results (or on its capacity to achieve its objectives), and believes that there are no other significant risks to which it is exposed as at the date of this Annual Report, either directly or indirectly, beyond those presented below.

However, the possibility exists that other risks, unknown or not considered as at the date of this Annual Report, and likely to have a significant negative impact on the Company, may or could exist. The occurrence of any one of these risks could have a significant adverse effect on the activities, financial position and results of the Company, its image, its outlook and its future share price.

2.1 MAJOR RISKS RELATED TO THE COMPANY'S OIL ACTIVITIES

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

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 to pursue exploration. At the time 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 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 explorations 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 activities, earnings and prospects in Nigeria.

2.1.2 RISKS RELATED TO THE IDENTIFICATION AND ASSESSMENT 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 drilling of production or injection wells and the implementation of 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 Canada, including Alberta, the Gaspé Peninsula and Anticosti Island), the Company is exposed to the industrial and environmental risks inherent in the business of hydrocarbon exploration and production. These risks include eruptions of crude oil or natural gas during drilling, wellhead collapses, and hydrocarbon spills or leaks that generate 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 interruptions of activities and causing environmental damage with certain direct consequences for the health and economic wellbeing of local communities.

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

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.

It should be noted that the Company has no involvement as an operator in the projects where it is present; nevertheless, it ensures that the operators apply the most stringent standards, such as API (American Petroleum Institute), ISO, ASME, GE GAP Guidelines and the Environmental Impact Assessment Act Cap E12 LFN 2004, where applicable.

With regard to the preventive measures taken by Seplat (which is the Company's main operational asset) to limit industrial and commercial risks, Seplat is required to conduct an environmental impact study prior to the start of any expansion or development projects. These studies allow it to examine and assess the safety risks and the impact on the environment of the planned work. In order to allow it to identify, quantify and prevent the occurrence of such risks, Seplat relies on its own expertise, as well as on external experts approved by the governments of the country involved. Lastly, Seplat systematically works to obtain approval from the relevant ministry for its surface installations, particularly with respect to their safety. This approval may also be required by Seplat's insurers and/or by the Nigerian government (public safety). However, such approval cannot always prevent accidents, which could have a significant negative impact on Seplat's activities, the financial consequences of which may not be fully covered by Seplat's insurance policies.

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 RISKS OF FLUCTUATIONS IN HYDROCARBON PRICES

Both the economy and, more specifically, 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 Annual Report, no specific policy to hedge this risk has been implemented by the Company, due in particular to the costs of implementation and the related 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 net income as at 30 June 2014 to fluctuations in the price of hydrocarbons (in millions of euros):

	Changes in barrel price	
	+9.7%	-9.7%
Percentage change	+9.7%	-9.7%
Impact on consolidated net income	+9.7	-9.7
Impact on consolidated net equity	+22.1	-22.1

2.2.2 FOREIGN EXCHANGE RISKS

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 in the Company's consolidated financial statements to the €/US\$ exchange rate, 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) as at 30 June 2014 of a 10% increase or decrease in the €/US\$ exchange rate on that date is set out below (in millions of euros):

	Impact on net 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
US\$	0.0	0.0	-45.2	55.4
Other currencies				
TOTAL	0.0	0.0	- 45.2	55.4

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 Annual Report, there is no foreign exchange hedging in place.

The Company's consolidated foreign exchange position at 30 June 2014 breaks down as follows (in US\$ million):

	Assets and liabilities	Foreign currency commitments (c)	Net position before hedging (d) = (a)-(b)+/-(c)	Hedging financial instruments (e)	Net position after hedging (f) = (d) - (e)
Non-current financial assets	60	0	60	0	60
Equity associates	304	0	304	0	304
Other current assets	0	0	0	0	0
Derivative instruments	0	0	0	0	0
Other creditors and miscellaneous liabilities					
Cash and cash equivalents	319	0	319	0	319
US\$ EXPOSURE	683	0	683	0	683

2.2.3 LIQUIDITY RISKS

As with 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 30 June 2014, 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 activities 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.

Risks related to the Company's holding of a minority interest of 21.76% in Seplat, its only significant operational asset, located in Nigeria

2.3 RISKS RELATED TO THE COMPANY'S HOLDING OF A MINORITY INTEREST OF 21.76% IN SEPLAT, ITS ONLY SIGNIFICANT OPERATIONAL ASSET, LOCATED IN NIGERIA

As at the date of this Annual Report, the Company's only significant operational 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 described below.

The Company is therefore exposed to risks related to the lack of a controlling interest in Seplat, risks which could affect Seplat, and risks related to the exclusive presence of Seplat in Nigeria.

2.3.1 RISKS RELATED TO THE LACK OF A CONTROLLING INTEREST IN SEPLAT

As a minority shareholder of Seplat, the Company is also exposed to the risk of decisions being taken regarding Seplat that are contrary to the Company's interests; Seplat's listing led the founding shareholders, including MPI, to terminate the shareholders' agreement that had bound them since December 2009, and under which MPI had been given a right of veto on all major decisions concerning the Seplat and joint control along with the

other founding shareholders. Due to the importance of its equity interest in Seplat's capital, the Company is assured of holding a position on Seplat's Board of Directors and continues to participate actively in decisions made by the Board of Directors, upon which it has a considerable influence. Seplat continues to be consolidated by the Company using the equity method.

2.3.2 RISKS RELATED TO SEPLAT

Seplat remains the sole significant operational asset as at the date of this Annual Report, making the Company particularly sensitive to risks that may affect it. The risks to the Company described in sections 2.1 and 2.2 of this Annual Report 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 in this Annual Report. This document is available on its website at www.seplatpetroleum.com.

The materialisation of the risks identified (and others which may not have been identified in this document) may have a significant detrimental impact on Seplat's activities and results, and therefore also on the Company. Generally speaking, all industrial risks which affect Seplat, its activities and its share price, are likely to have a significant adverse effect on the Company and/or its share price.

The Company highlights the following risks in particular, which may affect Seplat and have a significant detrimental impact on its operations and its financial position, 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 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% being owned by NPDC; any disagreement persisting between Seplat and NPDC and/or significant delay with respect to the financing obligations incumbent upon NPDC could have a long-term effect on production from OMLs 4, 38 and 41, leading to 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

Risks related to the Company's holding of a minority interest of 21.76% in Seplat, its only significant operational asset, located in Nigeria

and came into operation during the first quarter of 2014, giving Seplat an alternative channel for exporting fluids and allowing it to reduce 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 Annual 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 production from OMLs 4, 38 and 41 prior to its acquisition of 45% of the rights in these OMLs on 30 July 2010; Seplat does, however, have sufficient production information to set reasonable and informed production targets and is able to draw on 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;

2.3.3 RISKS RELATED TO MAINTAINING A PRESENCE IN NIGERIA

Seplat's exploration and production activities, as well as its hydrocarbon reserves, are all located in Nigeria.

Due to political and economic instability in Nigeria, this emerging country is particularly exposed to political, economic and health (haemorrhagic fever) risks as well as significantly higher risks to the safety and security of people and property than in countries with more developed economies. In addition, there is an increased risk of acts of terrorism, armed conflicts and criminal activities, corruption, and risks relating to the inadequacy of Nigerian state infrastructure and changes to the regulations governing the oil business (Nigeria has specific and stringent regulations surrounding the exploration and exploitation of hydrocarbons, changes to which could have significant adverse effects on Seplat's activities, outlook, financial position and results) and their interpretation by the Nigerian courts.

Furthermore, the Company draws the attention of investors to the fact that any future Company investment in emerging countries with characteristics similar to those of Nigeria may be subject to risks similar to those previously described.

However, Seplat's activities in Nigeria are now spread over several exploration and production areas by virtue of its three permits (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.

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

2.4 OTHER RISKS

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

The Company's activities were, until its 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 this purpose, the Maurel & Prom Group has made a commitment, in the context of the Transitional Services Agreement (see Section 5.4.2 of this Annual 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, renewable once 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 Services Agreement, under the terms of which it committed to providing certain services to Seplat. This Transitional Services Agreement may be renewed under the same terms before its next maturity date.

As at 30 June 2014, 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 THE MANAGEMENT OF THE COMPANY

As at the date of this Annual Report, Pacifico, the principal shareholder of Maurel & Prom, holds around 25% of the Company's capital and voting rights. This significant equity interest could delay or prevent a third party from purchasing the Company's securities (particularly through the launch of a public 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 market price.

In addition, it cannot be excluded that conflicts of interest may arise between the Company and Maurel & Prom, particularly due to there being directors common to Maurel & Prom and the Company, and because as at the date of this Annual 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 Annual 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 or in relation to Seplat by the equivalent local authorities.

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
- ▶ liability for offices, not including professional public liability, and basic legal protection.

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

3

CORPORATE GOVERNANCE

3.1. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND EXECUTIVE MANAGEMENT	50
3.1.1 <i>Members of the management and supervisory bodies of the Company and Seplat</i>	50
3.1.2 <i>Potential conflicts of interest on the Company's administrative bodies and executive management</i>	60

3.2. COMPENSATION AND BENEFITS	61
3.2.1 <i>Compensation and benefits of all types given to corporate officers</i>	61
3.2.2 <i>Equity interest of corporate officers in the Company's capital</i>	65

3.3. OPERATION OF THE ADMINISTRATIVE AND MANAGEMENT BODIES	66
3.3.1 <i>Terms of office of members of the administrative and management bodies</i>	66
3.3.2 <i>Deliberations of the Board of Directors</i>	67
3.3.3 <i>Assessment of the work of the Board of Directors</i>	67
3.3.4 <i>Prevention of insider trading</i>	68
3.3.5 <i>Information on the service contracts binding members of the administrative and management bodies to the Company or to any of its subsidiaries</i>	68
3.3.6 <i>Committees of the Board of Directors</i>	69
3.3.7 <i>Declaration relating to corporate governance</i>	71
3.3.8 <i>Internal control and risk management</i>	71

3.4. STATUTORY AUDITORS' REPORT, 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	74
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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 mid-cap companies

published by Middelnext in December 2009 (see Section 3.3.7 of this Annual 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 (*société anonyme*) with a Board of Directors. A brief description of the key provisions of the Articles of Association and bylaws for the Board of Directors, particularly its operating procedures and powers, can be found in Section 5.1.2 of this Annual Report.

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 20 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. The term of office for directors is three years. Members of the Board of Directors may be re-elected.

The bylaws of the Board of the Directors, in its version of 22 September 2011, specifies the criteria listed below that are reviewed by the Appointments and Compensation Committee and the Board in order to qualify an independent director; 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 so 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, the Company's Board of Directors, at its meeting of 22 September 2011, 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.

Mr Xavier Blandin is no longer considered to be independent since his appointment as Chief Executive Officer on 27 August 2004 (see Article 3.1.1.1.b) of this Annual Report).

As at the date of this Annual 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, France.

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

His term of office was renewed for a period of three years by the Ordinary and Extraordinary General Shareholders' Meeting of 19 June 2014, and will expire at the close of the General Shareholders' Meeting called in 2017 to approve the financial statements for fiscal year 2016.

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' 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 technical director at Allied Energy Resources, a Nigerian oil production company. Augustine Ojunekwu Avuru was also a member of the ministerial committee for the restructuring of the Directorate of Petroleum Resources and 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, director

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

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 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, Xavier 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 Ballardur (1986-1988), head of the public enterprise office (1988-1989) and assistant director to the Treasury Department (1989-1991).

From 1991 to late December 2010, Xavier 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 Caroline Catoire

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

Caroline Catoire was appointed as director of the Company by the General Shareholders' Meeting of 19 June 2014 for a term of three years, until the General Shareholders' Meeting called in 2017 to approve the financial statements for fiscal year 2016.

Caroline Catoire is a graduate of the Ecole Polytechnique and the Ecole Nationale des Ponts et Chaussées. She began her career in 1980 at Total in the economic studies department, before moving to the oil trading department. In 1990, she joined the finance department as director of management control and later took on the role of corporate finance director. In 2002, she was recruited by Suez as executive director of Sita France, with responsibility for finance, information systems and legal affairs.

Since 2009, Caroline Catoire has been a director, the Chief Financial Officer and a member of the Executive Committee of the Saur Group. She is also a director and a member of the Audit and Risk Committee at Crédit Agricole, and a director of Coved, CER and Sedud.

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 term of three years, until the General Shareholders' Meeting called in 2014 to approve the financial statements for the year ended 31 December 2013.

His term of office was renewed for a period of three years by the Ordinary and Extraordinary General Shareholders' Meeting of 19 June 2014, and will expire at the close of the General Shareholders' Meeting called in 2017 to approve the financial statements for fiscal year 2016.

Nathalie Delapalme spent the early part of her career in the Senate, between 1984 and 1985 and then from 1997 to 2002, primarily as a civil servant and then as advisor to the National Finance, Budgetary Control 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 Minister for Foreign Affairs from 2002 to 2007. From 2007 to 2010 she held the position of General Inspector of Finances for the Inspectorate-General of Finance (IGF), and in June 2010 she joined the Mo Ibrahim Foundation as Executive Director for 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 a director of the Company by the General Shareholders' Meeting of 15 November 2010 for a term of three years, 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 fiscal year 2015.

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 Établissements 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 the Company became a public limited company in December 2004. Since the adoption of the status of a public limited company with a Board of Directors in June 2007, he has served as Chairman of the Board of Directors and Chief Executive Officer of Établissements Maurel & Prom. He has been the Chairman of the Board of Directors of Établissements Maurel & Prom since 26 May 2014.

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, France

MACIF was appointed as a director of the Company by the General Shareholders' Meeting of 7 October 2011 for a term of three years, until the General Shareholders' Meeting called in 2014 to approve the financial statements for the 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.

His term of office was renewed for a period of three years by the Ordinary and Extraordinary General Shareholders' Meeting of 19 June 2014, and will expire at the close of the General Shareholders' Meeting called in 2017 to approve the financial statements for fiscal year 2016.

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'Études 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 director of the Company by the General Shareholders' Meeting of 15 November 2010 for a term of three years, until the General Shareholders' Meeting called in 2013 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 fiscal year 2015.

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 term of three years, until the General Shareholders' Meeting called in 2014 to approve the financial statements for the year ended 31 December 2013.

His term of office was renewed for a period of three years by the Ordinary and Extraordinary General Shareholders' Meeting of 19 June 2014, and will expire at the close of the General

Shareholders' Meeting called in 2017 to approve the financial statements for fiscal year 2016.

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 Teaching 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 and 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 term of three years, until the General Shareholders' Meeting called in 2013 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 fiscal year 2015.

Mr Vilgrain has been Chief Executive of the Somdia Group since 1995. Appointed to succeed his father, Jean-Louis Vilgrain, as head of the Group, he now runs all Somdia 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 with outlets in a number of countries across 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.

Ms Caroline Catoire

Positions held in French companies

Director of Saur Group, Crédit Agricole, Coved, CER and Sedud.

Positions held in foreign companies

None.

Ms 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.

Mr 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 Établissements 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 Établissements 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 Établissements 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.; Gestépargne

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) 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; (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., 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; 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); Tuw Tuw (Poland); and Vivium (Belgium).

In 2010

MACIF served as (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 Tuw Tuw in Poland.

In 2009

MACIF served as (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 Tuw Tuw in Poland.

Offices held in French companies by Mr 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; 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) 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) a director of Compagnie Foncière de la MACIF S.A.S., (ii) permanent representative of Mutavie, a director of 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 Mr 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 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 Zebbra 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 Sominfo 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).

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 Annual Report and following the Company's Ordinary and Extraordinary General Shareholders' Meeting of 19 June 2014, the Board of Directors comprises two women and seven men and is therefore compliant with the provisions of French Law 2011-103 of 27 January 2011 on balanced male/female representation on boards of directors.

(b) Chief Executive Officer

Pursuant to the provisions of Article 20 of the Company's Articles of Association, the meeting of the Board of Directors of 27 August 2014 appointed Xavier Blandin as Chief Executive Officer of the Company, replacing Michel Hochard, who previously held the role from 22 September 2011. In addition to his role as Chief Executive Officer of the Company, Mr Blandin retains his role as a director of the Company (see Section 3.1.1.1 (i) of this Annual Report).

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, with the mere publication of the Articles of Association alone not constituting such proof.

(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 taking responsibility for the executive management 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

The meeting of the Board of Directors of the Company of 27 August 2014 appointed Michel Hochard as Deputy Chief Executive Officer of the Company.

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 that company, Chief Financial Officer of SNEAP and then of Elf Aquitaine Production. He was director of operations for PricewaterhouseCoopers BPO. *Inter alia*, he has held the positions of Chief Executive Officer of Établissements Maurel & Prom since 26 May 2014 and Chief Financial Officer of Établissements Maurel & Prom (from September 2007).

Positions held in French companies

Michel Hochard has been the Chief Executive Officer of Maurel & Prom since 26 May 2014.

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, senior director 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 served as the permanent representative of Établissements Maurel & Prom on the Board of Directors of Maurel & Prom Congo (Congo) since 2009 and of Maurel & Prom Volney 5 since December 2010.

(e) Family ties

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

(f) Legal information

As at the date of this Annual Report, and to the best of the Company's knowledge, during the past five years at least, no member of the Board of Directors, the Chief Executive Officer or the Deputy Chief Executive Officer 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:
 - 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
 - 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 share in the oil reserves

the Company had just acquired. The inclusion of this third-party share 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 a hydrocarbon exploration and production company of making a fundamental distinction between its own share and a third-party share, and the clear anomaly caused by the inclusion of the third-party share in the price calculation. 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 bylaws 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 Annual Report.

3.1.1.2 Members of the management and supervisory bodies of Seplat

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 Annual 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 this Annual Report, the Chairman of the Board of Directors since 3 March 2010 has been a director of Shebah, Ambrosie Bryant Chukwueloka Orjiako; the composition of the Board of Directors of Seplat is as follows:

Mr Michel Hochard, 64, director

The biography of Mr Michel Hochard can be found in Section 3.1.1.1(d) of this Annual Report under positions held in the Company.

Mr Macaulay Agbada Ofurhie, 68, director

Macaulay Agbada Ofurhie has been a director of Seplat since 14 December 2009. He holds a Bachelor of Science degree 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 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 Chairwoman 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 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 positions 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 in 1991, he held various positions during 25 years spent at BP plc.

In addition to his offices at Seplat, he is also an independent director at the Payments Council Limited and senior board advisor 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 Kofi 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 began 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 made a peer by Her Majesty Queen Elizabeth II in 2007.

Mr Ambrosie Bryant Chukwueloka Orjiako, 52, Chairman

The biography of Ambrosie Bryant Chukwueloka Orjiako can be found in Section 3.1.1.1 (a) (i) of this Annual Report under positions held in the Company.

(b) Managing director

The meeting of the Board of Directors on 1 May 2010 appointed Mr Augustine Ojunekwu Avuru as Managing Director of Seplat.

The biography of Augustine Ojunekwu Avuru can be found in Section 3.1.1.1 (a) (i) of this Annual Report under positions held in the Company.

(c) Executive directors**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 leading engineering companies (Aker Kvaerner, Amec Process and Energy, and Brown & 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 Langed 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 was awarded 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 of 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 concluded by the Company and Seplat and by the Company and Établissements 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 concluded by the Company and Établissements Maurel & Prom.

Jean-François Hénin is both a director and the Chairman of the Company's Board of Directors, and was Chairman and Chief Executive Officer of Établissements Maurel & Prom up until 26 May 2014. He remains Chairman of the Board of Directors of Établissements 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 Établissements 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 Établissements Maurel & Prom. Ambrosie Bryant Chukwueloka Orjiako ceased to be a director of the Company and of Établissements Maurel & Prom on 26 March 2013, having submitted his resignation to the members of the Board of Directors of Établissements Maurel & Prom on that date. In addition, since that date, Gérard Andreck, who was a director of Établissements 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 Annual Report, there are no potential conflicts of interest for (i) members of the Board of Directors between their duties in respect of the Company and their private interests, or (ii) the Chief Executive Officer, Xavier Blandin, between his duties in respect of 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 Middelnext 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 with regard to the recommendations of the Middelnext Corporate Governance Code.

Furthermore, directors have an obligation to contribute toward good governance as defined in the Middelnext 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 Section 3.2.1.2 of this Annual 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 Annual Report) and paid in 2014.

3.2.1.1 Non-executive corporate officers

The members of the Board of Directors of the Company receive directors' 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, the sum 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***	61,111	8,333	44,493	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	150,000	75,000	130,000	75,000	280,000	150,000

* Xavier Blandin was subsequently appointed as Chief Executive Officer of the Company on 27 August 2014.

** 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.

*** For the year ended 31 December 2013, Mr Hénin, in his capacity as Chairman of the Board of Directors, received directors' fees that were increased by €80,000, of which €50,000 was paid in respect of the fixed portion and €30,000 in respect of the variable portion.

In addition, corporate officers receive no special benefits in kind. There is no supplementary pension plan in place for corporate officers.

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, meeting 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 Chief Executive Officer's compensation, for which the amount and the form will be determined at a later date.

During fiscal year 2013, the Chairman and Chief Executive Officer were also directors of Seplat. As such, they received the following sums in respect of fiscal year 2013:

- ▶ 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⁽¹⁾.

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 Annual Report and do not receive a severance package or any other sum which is or might be due when they leave the Company.

(1) Michel Hochard was Chief Executive Officer of the Company until 27 August 2014.

Details of compensation, options and shares granted to executive corporate officers

	2012	2013
Jean-François Hénin, Chairman of the Board of Directors		
Compensation due in respect of the fiscal year	36,000	50,000
Value of options allocated during the fiscal year	-	-
Value of performance options allocated during the fiscal year (detailed in Table 4)	-	-
Directors' fees	18,639	105,604
TOTAL	54,639	155,604
Michel Hochard, Chief Executive Officer		
Compensation due in respect of the fiscal year	30,000	50,000
Value of options allocated during the fiscal year	-	-
Value of performance options allocated during the fiscal year (detailed in Table 4)	-	-
TOTAL	30,000	50,000

Summary table of compensation granted to executive corporate officers

	2012		2013	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Jean-François Hénin, Chairman of the Board of Directors				
Fixed compensation	36,000	36,000	50,000	50,000
Non-recurring compensation	-	-	-	-
Attendance fees	18,639	36,458	105,604	105,604
Benefits in kind	-	-	-	-
TOTAL	54,639	72,458	155,604	155,604
Michel Hochard, Chief Executive Officer				
Fixed compensation	30,000	30,000	50,000	50,000
Variable compensation	-	-	-	-
Non-recurring compensation	-	-	-	-
Attendance fees	-	-	-	-
Benefits in kind	-	-	-	-
TOTAL	30,000	30,000	50,000	50,000

Following the changes made to the executive management of the Company at the Board of Directors' meeting of 27 August 2014, it was decided that for the fiscal year that will end on 31 December 2014, the annual compensation awarded to Mr Hochard, who became Deputy Chief Executive Officer on that date, will be maintained at €150,000. Mr Blandin, who was appointed Chief Executive Officer with effect from that date, will receive annual compensation of €120,000. A variable portion of compensation may be awarded to theat a future meeting of the Board of Directors.

(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 the future employees of the Company.

3.2.1.3 Stock options and bonus shares

The Board of Directors of the Company received authorisation from the Ordinary and Extraordinary General 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.

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 a portion of the equity interest 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.

Furthermore, a long-term incentive programme for employees and corporate officers, which may take the form of an allocation of bonus preference shares (share category to be created in advance), convertible to ordinary shares, was granted shareholder approval at the Combined General Shareholders' Meeting of 19 June 2014.

As at the date of registration of this Annual Report, no preference shares have been awarded under this programme.

Bonus shares allocated to each corporate officer

Bonus shares allocated by the General Shareholders' Meeting	No. and date of plan	Number of shares allocated during the fiscal year	Vesting date	Availability date	Performance conditions
Jean-François Hénin, Chairman of the Board of Directors					
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
Michel Hochard, Chief Executive Officer					
Single shares	Extraordinary General Shareholders' Meeting of 7 October 2011 and Board of Directors' meeting of 26 March 2014	45,000	20 June 2015	20 June 2017	<ul style="list-style-type: none"> ▶ Sale of a portion of Seplat's capital ▶ Diversification of the Company's assets ▶ Level of the share price
TOTAL	N/A	N/A	20 June 2015	20 June 2017	N/A

Bonus shares allocated and made available to each corporate officer	No. and date of plan	Number of shares made available during the fiscal year	Vesting conditions
Jean-François Hénin, Chairman of the Board of Directors	N/A	N/A	N/A
Michel Hochard, Chief Executive Officer*	N/A	N/A	N/A
TOTAL	-	-	-

* Michel Hochard was Chief Executive Officer of the Company until 27 August 2014, when he was appointed Deputy Chief Executive Officer.

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

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 following the Company's listing on the NYSE Euronext regulated market in Paris on 15 December 2011; a summary of this Code is provided in Section 7.3.4 of this Annual 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
Caroline Catoire	0
Nathalie Delapalme	100
Jean-François Hénin*	28,749,616
MACIF	8,324,204
Emmanuel de Marion de Glatigny**	144,097
Ambrosie Bryant Chukwueloka Orjiako	0
Alexandre Vilgrain	0
Roman Gozalo	11,566

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

** 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, 23,250 shares.

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's 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 financial statements	Director
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
		27 August 2014	Chief Executive Officer
Nathalie Delapalme	7 October 2011	General Shareholders' Meeting called to approve the 2016 financial statements	Director
MACIF, represented by Olivier Arlès*	7 October 2011	General Shareholders' Meeting called to approve the 2016 financial statements	Director
Ambrosie Bryant Chukwueloka Orjiako	7 October 2011	General Shareholders' Meeting called to approve the 2016 financial statements	Director
Augustine Ojunekwu Avuru	7 October 2011	General Shareholders' Meeting called to approve the 2016 financial statements	Director
Caroline Catoire	19 June 2014	General Shareholders' Meeting called to approve the 2016 financial statements	Director
Michel Hochard**	27 August 2014	General Shareholders' Meeting called to approve the 2014 financial statements	Deputy 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.

** Michel Hochard was Chief Executive Officer of the Company until 27 August 2014; the Board of Directors decided to appoint Xavier Blandin as Chief Executive Officer with effect from that date, with Michel Hochard as Deputy Chief Executive Officer.

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

- ▶ 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 Shareholders' Meeting; setting of the agenda and draft resolutions;
- ▶ creation of subsidiaries;
- ▶ allocation of bonus shares;
- ▶ activation of the share repurchase plan;
- ▶ 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, once a year and at the invitation of the Chairman of the Board, an assessment of its own operations and the preparation of its work. 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 mid-caps published by Middlednext in December 2009, to which the Company adheres.

At the initiative of the Chairman of the Board of Directors, 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 of Directors (number of directors, the number of independent directors, the professional backgrounds of the directors, average age, the number of women on the Board, the representation of foreign nationalities on the Board), the work 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, the quality of the minutes), the work of the committees, the efficiency of the Board and the compensation of members of the Board of Directors.

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, work and effectiveness of the Board of Directors and with the compensation of members of the Board of Directors. 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 should 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 the directors, the Chairman, the Chief Executive Officer and, if applicable when such positions exist, the Vice-Chairman, the Deputy Chief Executive 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 adopted, at its meeting of 22 September 2011, 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 entered 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 such securities (options, units of FCPE mutual funds, etc.) (referred to collectively as the **"Securities"**).

The code of conduct on the prevention of insider trading repeats 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 conduct 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 conduct 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 (shares must be held in registered form, percentage holding of bonus shares and shares resulting from the exercising of stock options, prohibition of potentially transactions considered to be speculative, closed periods, 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 conduct on the prevention of insider trading sets out the sanctions that can be applied against insider trading 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 conduct on the prevention of insider trading specifies that:

- ▶ the administrative sanctions decided by the AMF's Sanctions Commission can be up to €100 million or may be deducted from any profits realised; and
- ▶ the criminal sanctions imposed 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 among its members; the objective is for at least two-thirds of the committee to be independent directors.

Since the stock market listing, the Audit Committee had comprised the following directors:

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

At its last meeting on 27 August 2014, the Board of Directors took official note of Xavier Blandin's resignation from his duties as member and Chairman of the Audit Committee, following his appointment as Chief Executive Officer of the Company. The Board of Directors appointed Caroline Catoire, an independent director, as a member of the Audit Committee and Nathalie Delapalme was appointed as Chair of the Audit Committee.

The membership of the Company's Audit Committee is now as follows:

- ▶ Ms Nathalie Delapalme, Chair, independent director;
- ▶ Mr Emmanuel de Marion de Glatigny, director; and
- ▶ Ms Caroline Catoire, 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 meeting of the Board of Directors of the Company held on 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 covation 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 regularly reports 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 attention of 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 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 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) Duties of the Appointments and Compensation Committee

(i) Selection and appointment duties

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, where applicable).

The Appointments and Compensation Committee bases its proposals for the compensation of executive corporate officers on such principles as thoroughness, the 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 20 June 2013 set the amount of the directors' fees to be distributed among Board members for fiscal year 2013 at €280,000. All €280,000 of this budget was used (see Section 3.3.6.2 of this Annual Report). It is noted that, on the recommendation of the meeting of the Appointments and Compensation Committee of 25 March 2014, the meeting of the Board of Directors of 26 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. This was approved by the General Shareholders' Meeting of 19 June 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 exceptional 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.

3.3.7 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

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.

small and mid-caps published by Middlednext in December 2009. The Company has 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 the price of oil and the legal and political risks related to Seplat's exploration and production zones, as described in sections 2.2.1 and 2.3 of this Annual Report and 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 Annual 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 weight, contribution and precedence of activities and their pace of development will be taken into consideration in the risk assessment. The action plans decided upon 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 work to certify the financial statements, and deliver 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 effectiveness 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; and
- ▶ 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 such 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, by the implementation of a secure IT system, by an internal organisational structure that is subject to approval and authorisation and by 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 risks, as well as risks associated with related-party transactions and conflicts of interest;
 - ▶ supervising Seplat's policy and practices 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 within 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 activities;
 - ▶ the review of the results of independent audits of the Group's performance as regards environmental, health, safety and community relations issues, the review 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.

Statutory auditors' report, 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

3.4 STATUTORY AUDITORS' REPORT, 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

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

It is our duty:

- ▶ to report on any matters relating to the information contained in the chairman's report, regarding the internal control and risk management procedures relating to the preparation and processing of accounting and financial information; and
- ▶ to certify that the report contains 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 accuracy 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 of 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 no matters to report on the information concerning 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

Daniel DE BEAUREPAIRE

François CARREGA



4.1	CORPORATE INFORMATION	76
4.1.1	Employment	76
4.1.2	Organisation of work	79
4.1.3	Industrial relations	79
4.1.4	Health and safety	79
4.1.5	Training	80
4.1.6	Equality of treatment	80
4.1.7	Promotion of and compliance with the International Labour Organisation's Fundamental Conventions	80

4.2	ENVIRONMENTAL INFORMATION	81
4.2.1	General environmental policy	81
4.2.2	Pollution and waste management	81
4.2.3	Sustainable use of resources	82
4.2.4	Climate change	82
4.2.5	Protection of biodiversity	83

4.3	INFORMATION ON CORPORATE COMMITMENTS TO PROMOTE SUSTAINABLE DEVELOPMENT	83
4.3.1	Regional, economic and social impact of the Company's activities	83
4.3.2	Relations between individuals or organisations with an interest in the Company's activities	83
4.3.3	Subcontractors and suppliers	84
4.3.4	Fair practices	84
4.3.5	Other actions undertaken to promote human rights	84

CORPORATE,
SOCIAL AND
ENVIRONMENTAL
RESPONSIBILITY

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 the 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 Annual 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 obligations of corporate transparency in social and environmental matters.

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

It is noted that, as at the date of this Annual Report, the Company holds 21.76% of Seplat's capital, following the completion of the Seplat stock market listing on 14 April 2014 (and after exercising the overallotment 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 financial statements, and this information must pertain to the Company itself and to all its subsidiaries within the meaning of Article L. 233-1 of the French Commercial Code or to the companies that it controls within the meaning of Article L. 233-3 of the 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 was it an operator of any of the oil projects (described in sections 1.1.2 and 1.2.2 of this Annual 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 term 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 entered into 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

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

Geographic distribution (registered workforce, 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.

In order to attract quality employees and make them partners 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 and who has worked for MPI for three months or more may benefit 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 distributions 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 index and (iv) the increase in hydrocarbon reserves within the equity interests held by the Company.

Payments will be allocated among Company employees 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 work.

Employee 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 made by 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 in respect of this plan is €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 all forms of pollution, 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 activities undertaken by the 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 workplace accidents suffered by 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 provided 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, and pays close attention to the balance of men and women.

4.1.6.3 Anti-discrimination policy

The Group is committed to full compliance with the principles of non-discrimination, as set out in applicable French (declaration of the rights of man and of citizens, laws and decrees in force), European and local texts.

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 training 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 controlling its energy consumption and the optimal management of its release of waste products.

Furthermore, and as a result of its activities, 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 activities. It shall ensure that environmental protection and compliance with local regulations and 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 and 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 the HSE policy and the managers of the subsidiaries are tasked with the same responsibility within their own organisations.

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; nevertheless, this issue is taken into consideration in the management team's decision-making process.

4.2.2 POLLUTION AND WASTE MANAGEMENT

The Company monitors issues relating to pollution and waste management. However, with regard to its operations during fiscal year 2013, the Company did not produce any hazardous 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 activities, 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 activities and with projects in which it has an interest via Saint-Aubin Energie.

(b) Water

Owing to the nature of its activities, 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 activities, particularly with regard to managing water.

(c) Soil

Insofar as is possible, and in keeping with its activities, 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 activities 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 activities, the Company uses fresh water for domestic purposes. In 2013, its consumption of fresh water was not quantifiable, and remained insignificant.

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

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

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

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

4.2.3.4 Land use

Given the nature of its activities, 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 facilities. The quantity of gas flared can also depend on whether or not processes have been put in place for reinjecting gas and establishing infrastructures for processing gas, using the gas internally at the facility, the commercial markets for the hydrocarbons extracted and 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, adapting 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 citizens.

The adaptation strategy necessitates the inclusion of the impacts of climate change in the risk management system at the sector level and throughout the entire value chain. It entails the development of 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, in accordance 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 ACTIVITIES

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

The nature of the Company's activities 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 activities, the Company ensures that the operators of 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 INDIVIDUALS OR ORGANISATIONS WITH AN INTEREST IN THE COMPANY'S ACTIVITIES

4.3.2.1 Conditions for dialogue with such individuals or organisations

Owing to the nature of its activities, 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 entails 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 practices in terms of ethics. As part of this drive for continuous improvement, the Company encourages its subsidiaries to implement best practices 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 therefore not 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 actions to promote human rights. However, it ensures compliance with human rights in projects with which it may be involved.

5.1	INFORMATION ABOUT THE COMPANY	86
5.1.1	Company information	86
5.1.2	Company charter and Articles of Association	87
5.2	INFORMATION ABOUT CAPITAL	94
5.2.1	General information regarding capital	94
5.2.2	Major shareholders	100
5.2.3	Dividend distribution policy	102
5.3	RELATED-PARTY TRANSACTIONS	103
5.3.1	Services agreement	103
5.3.2	Shareholder loan	104
5.3.3	Independent first demand guarantee	104
5.4	LARGE CONTRACTS	105
5.4.1	Seplat shareholders' agreement	105
5.4.2	Transitional Services Agreement	105
5.4.3	Other agreements	106
5.5	SPECIAL STATUTORY AUDITORS' REPORT ON REGULATED AGREEMENTS AND COMMITMENTS	107

5

INFORMATION ABOUT THE COMPANY AND ITS CAPITAL

5.1 INFORMATION ABOUT THE COMPANY

5.1.1 COMPANY INFORMATION

(a) Corporate name

As at 31 December 2013, the Company's corporate name is 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 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 Annual Report, the Company holds a 21.76% equity interest 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 Annual 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 by correspondence 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 by correspondence 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 by correspondence. However, in the event of a capital increase through capitalisation of reserves, profits or issue premiums, the resolutions of the meeting are passed on the basis of the quorum and majority required for Ordinary General Shareholders' Meetings.

5.1.2 COMPANY CHARTER AND 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.

5.1.2.1 Form – Corporate purpose – Registered office – Term

(a) Corporate form

The Company is a public limited company with a Board of Directors governed by the laws and regulations in force on public limited companies, as well as by the Company's Articles of Association.

(b) Corporate purpose

The Company has the following purpose, both in France and abroad:

- ▶ the holding and management of all shares and membership rights and, to this end, the acquisition of interests in any company, group or association, particularly by way of purchase, subscription and contribution, as well as the sale in any form of the said shares or membership rights;
- ▶ the prospecting and exploitation of all mineral deposits, particularly liquid or gaseous hydrocarbon deposits and related products;
- ▶ the leasing, acquisition, transfer and sale of all wells, land, deposits, concessions, operating permits and prospecting permits, either on its own account or on behalf of third parties, whether by participation or otherwise, and the transport, storage, processing, transformation and trading of all natural or synthetic hydrocarbons, all liquid or gaseous products or by-products of the subsoil, and all minerals or metals;
- ▶ the acquisition, management or sale of any buildings;
- ▶ trading in any products and commodities;
- ▶ the issuance of any guarantees, first demand guarantees, collateral and other sureties, particularly to the benefit of any group, undertaking or company in which it holds an interest, in the context of its activities, and the financing or refinancing of its activities; and
- ▶ generally speaking, the Company's direct or indirect participation in all commercial, industrial, real estate, agricultural and financial transactions, in France or other countries, either by the formation of new companies or by the contribution, subscription or purchase of shares or membership rights, merger, joint venture or otherwise, and generally all transactions of any kind whatsoever directly or indirectly

related to these activities and likely to facilitate development or management.

(c) Registered office

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

It may be transferred under the conditions provided for by Article L. 225-36 of the French Commercial Code.

(d) Term

Unless dissolved or extended, as provided for in the Company's Articles of Association, the Company's term is set at ninety-nine years beginning on 13 October 2009, i.e. until 12 October 2108.

5.1.2.2 Provisions relating to the Board of Directors and executive management

(a) Board of Directors

(i) Bylaws

The Board of Directors has a set of bylaws specifying the operating procedures of the Company's Board of Directors. The bylaws, which were adopted by the Company's Board of Directors on 22 September 2011, came into effect on 15 December 2011. This document is available on the Company's website.

(ii) Composition

The Company is governed by a Board of Directors comprising at least three (3) and no more than twelve (12) members, appointed by the General Shareholders' Meeting, subject to the exception provided for by law in the event of a merger.

A legal entity may be appointed as a director, but that person must, in accordance with the conditions provided for by law, appoint an individual who will be its permanent representative on the Board of Directors.

(iii) Term of office – Age limit

The term of office for directors is three (3) years. A director's office shall end after the Ordinary General Shareholders' Meeting called to approve the financial statements for the past fiscal year and held in the year during which that director's term of office expires.

The number of Board members over the age of seventy (70) may not exceed one-third of the members in office. When this number is exceeded, the eldest member shall be deemed to have resigned.

Directors may be re-elected indefinitely, subject to the application of the above provisions relating to the age limit. They may be dismissed at any time by the General Shareholders' Meeting.

In the event of a vacancy due to the death or resignation of one or more directors, the Board of Directors may make provisional appointments subject to ratification by the next Ordinary General Shareholders' Meeting, within the limits and in accordance with the conditions established by law. In the event of non-ratification, any previous resolutions adopted and actions taken shall no longer be valid.

In the event of a vacancy due to the death, resignation or dismissal of a director, the director appointed under the conditions set out above by the Board of Directors to replace the outgoing director shall remain in office, subject to ratification by the General Shareholders' Meeting, only for the remainder of his/her predecessor's term of office.

If the number of directors falls below three (3), the remaining members (or the statutory auditors, or a designated representative, at the request of any interested party, by the president of the Commercial Court) must immediately convene a General Shareholders' Meeting with a view to appointing one or more new directors in order to bring the number of Board members up to the legal minimum.

(iv) Powers of the Board of Directors

The Board of Directors determines the strategies for the Company's business and ensures their implementation. Subject to the powers expressly given to the Shareholders' Meetings and within the limits of the corporate purpose, it addresses all questions relating to the proper functioning of the Company and governs, through its decisions, the affairs that concern it.

In its relations with third parties, the Company is bound even by acts of the Board of Directors that are not included 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 that purpose or that, given the circumstances, the third party could not ignore that fact), with the mere publication of the Articles of Association alone not constituting such proof.

The Board of Directors carries out the audits and controls that it deems necessary.

Each director receives all the information necessary for the performance of his/her duties, and may obtain all necessary documents from the Chairman and Chief Executive Officer.

The Board of Directors may grant to one or more of its members, or to third parties, who may or may not be shareholders, any special mandates for one or more specific purposes.

It may also decide to create specialised committees within it. These committees, whose composition and powers are determined by the Board, perform their activities under the responsibility of the latter.

(v) Notices of meeting and deliberations

The Board of Directors meets as often as required by the interests of the Company, when convened by its Chairman or Chief Executive Officer and as often as he/she sees fit, at the place specified in the notice of meeting.

When the Board of Directors has not met for more than two months, at least one-third of the Board's members may ask the Chairman to convene a Board meeting to consider a specific agenda. The Chairman is then bound to act on such requests.

A notice of meeting may be made by any means.

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

Decisions are taken by the majority of its members present or represented. In the case of a tied vote, the Chairman of the meeting has the casting vote.

Subject to legal and regulatory provisions, meetings of the Board of Directors may be conducted via videoconferencing or other telecommunications methods under the conditions provided for in the bylaws adopted by the Board of Directors.

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

Copies or excerpts of these minutes are issued and certified in accordance with the law.

(vi) Bureau of the Board of Directors

The Board of Directors chooses a Chairman from among its own members, who should be an individual, and, if it deems it necessary, one or more vice-chairmen. It sets the term of their mandate, which cannot exceed the term of their mandate as a director. The Board can terminate these mandates at any time.

The age limit for holding the position of Chairman of the Board of Directors is set at seventy (70) years of age. The Board of Directors recommended to the Ordinary and Extraordinary Shareholders' Meeting of 20 June 2013 that it raise the age limit for serving as Chairman of the Board of Directors to seventy-five (75) years of age.

If the Chairman of the Board of Directors reaches this age during his term of office, he shall be deemed to have automatically resigned.

In the event of the temporary incapacity or death of the Chairman, the Vice-Chairman of the Board of Directors who is most senior in age is delegated to act as Chairman. In the case of temporary incapacity, this delegation is given for a limited term and is renewable. In the case of death, it is valid until a new Chairman is elected.

The Board of Directors also appoints and determines the term of office of a secretary, who may be chosen either from among the directors or from outside their number. In the absence

of the Chairman and Vice-Chairmen, the Board of Directors shall appoint a director present to chair the meeting.

If, as the result of simple omission, the Board has not expressly re-elected the meeting officers whose terms of office as directors have not expired, such re-election is considered to have taken place automatically, and it falls to a subsequent board meeting to formalise this re-election as necessary.

(vii) Compensation of directors

Members of the Board of Directors may receive compensation in respect of directors' fees, the total amount of which, determined by the General Shareholders' Meeting, is distributed by the Board of Directors at its discretion.

In particular, the Board of Directors may allocate a greater share to those directors who are members of the specialised committees created by the Board of Directors.

(viii) Chairman of the Board of Directors

The Chairman of the Board of Directors organises and directs the work of the Board of Directors, and reports on this work to the General Shareholders' Meeting.

The Chairman oversees the proper functioning of the Company's bodies and ensures, in particular, that the directors are capable of fulfilling their duties.

The Board of Directors determines the amount, manner of calculation and payment of the Chairman's compensation, if applicable. The Chairman may be removed from office at any time by the Company's Board of Directors.

(ix) Observers

The Board of Directors may appoint one or more observers to the Company, who must be individuals, and whose number may not exceed four.

The term of office for each of the observers is set at three (3) years.

Observers are called upon to attend and observe meetings of the Board of Directors, and may be consulted by it; they may also present observations at the General Shareholders' Meetings on the proposals submitted to them, if they deem it appropriate. They must be invited to each meeting of the Board of Directors. The Board of Directors may assign specific tasks to observers. Subject to the provisions of Article L. 823-19 of the French Commercial Code, they may sit on committees created by the Board of Directors. The observers shall have access to the same documents and information as those provided to directors and shall be bound by the same obligations of loyalty and confidentiality.

The Board of Directors may decide to pay observers a proportion of the directors' fees allotted to it by the General Shareholders' Meeting, and authorise the reimbursement of expenses incurred by observers during the course of their work for the Company.

(b) Executive management

In accordance with the legal and regulatory provisions, the Company's executive management is assumed under the responsibility of either the Chairman of the Board of Directors or another individual appointed by the Board of Directors and holding the title of Chief Executive Officer.

The choice between these two methods of exercising the executive management is made by the Board of Directors, which must inform the shareholders and third parties accordingly under the conditions provided for by law.

The decision of the Board of Directors regarding the choice of the methods of exercising the executive management is taken on the basis of a majority vote by the directors present or represented.

A change in the methods of exercising the executive management does not entail any change to the Articles of Association.

(i) Chief Executive Officer

Depending on the choice made by the Board of Directors, executive management is ensured either by the Chairman or by an individual appointed by the Board of Directors and holding the title of Chief Executive Officer.

If the Board of Directors chooses to separate the functions of Chairman and Chief Executive Officer, it appoints the Chief Executive Officer, sets the term of his/her office, determines his/her compensation and, where applicable, establishes the limits on his/her powers.

The age limit for holding the position of Chief Executive Officer is set at seventy (70) years of age. If the Chief Executive Officer reaches this age during his term of office, he shall be deemed to have automatically resigned.

The Chief Executive Officer may be removed from office at any time by the Board of Directors.

The Chief Executive Officer is vested with the broadest powers to act on behalf of the Company in any circumstance. He/she exercises these powers within the limit of the corporate purpose and subject to those that the law expressly attributes to the General Shareholders' Meeting and to the Board of Directors.

The Chief Executive Officer 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, with the mere publication of the Articles of Association alone not constituting such proof.

(ii) Deputy Chief Executive Officers

At the proposal of the Chief Executive Officer, the Board of Directors may appoint one or more individuals as Deputy Chief Executive Officer, with the responsibility of assisting the Chief Executive Officer.

The maximum number of Deputy Chief Executive Officers is set at two (2).

In agreement with the Chief Executive Officer, the Board of Directors determines the scope and extent of the powers granted to Deputy Chief Executive Officers.

With regard to third parties, Deputy Chief Executive Officers have the same powers as the Chief Executive Officer.

The age limit for holding the position of Deputy Chief Executive Officer is set at seventy (70) years of age. If the Deputy Chief Executive Officer reaches this age during his term of office, he shall be deemed to have automatically resigned.

At the proposal of the Chief Executive Officer and Deputy Chief Executive Officers may be removed from office at any time by the Board of Directors.

The Board of Directors determines the compensation of Deputy Chief Executive Officers.

In the event of the termination of duties or incapacity of the Chief Executive Officer, the Deputy Chief Executive Officers retain, unless decided otherwise by the Board of Directors, their functions and powers until such time as a new Chief Executive Officer has been appointed.

5.1.2.3 Share capital and shares

(a) Change in share capital

The share capital may be reduced or increased by decisions of the Extraordinary General Shareholders' Meeting under the conditions set by the laws and regulations. The Extraordinary General Shareholders' Meeting may nevertheless delegate to the Board of Directors, in accordance with any conditions authorised by the laws and regulations, the necessary powers for the purposes of deciding or implementing a capital increase or any other issue of transferable securities.

(b) Payment for shares

In the event of a capital increase, the shares subscribed should be paid-up at the time of subscription, as decided by the Extraordinary General Shareholders' Meeting or by the Board of Directors acting by delegation of the Extraordinary General Shareholders' Meeting, either in full or for a portion that may not be less than a quarter of the price of each share subscribed in cash and, in any case, within a period of five years, by decision of the Board of Directors, which sets the amount of the sums called, as well as the place and time at which the payments must be made. The amount of shares to be subscribed is payable either at the registered office or at any other place indicated for this purpose.

The Board of Directors also determines the conditions under which shareholders may be authorised to pay for their shares in advance.

Any call for funds should be brought to the attention of the shareholders 15 days prior to the date set for payment by a notice published in a newspaper authorised to carry legal notices in the place of the registered office or by a registered letter with acknowledgement of receipt.

As at its due date, any late payment shall automatically entail the payment of 6% interest to the Company without the need for a court order, but without prejudice to the personal action that may be brought by the Company against the defaulting shareholder and forced execution measures provided for by law.

(c) Form of shares

Fully paid-up shares may be registered or bearer shares, at the shareholder's discretion.

They shall be registered in an individual account under the terms and conditions provided for by the applicable legal and regulatory provisions.

The Company is entitled, at any time, under the terms and conditions provided for by the legal and regulatory provisions, to ask the central custodian responsible for managing the account for the issuing of its shares for the identity of holders of securities conferring voting rights immediately or in the future in its General Shareholders' Meetings, as well as the number of securities held by each of them and, where applicable, the restrictions to which the securities may be subject.

(d) Obligation to declare the crossing of thresholds

In addition to the thresholds provided by the applicable legal and regulatory provisions, any individual or legal entity, acting alone or in concert, that comes to directly or indirectly hold a number of shares representing a percentage of the capital or voting rights equal to or greater than 2%, or a multiple of 2%, as long as it does not hold, alone or in concert, a total number of shares representing more than 50% of the Company's capital and voting rights, must inform the Company of the total number of shares conferring entitlement to the Company's capital that it holds, by registered letter with acknowledgement of receipt sent to the registered office within a period of four trading days from the date on which the aforementioned ownership thresholds are exceeded.

At the request, recorded in the minutes of the General Shareholders' Meeting, of one or more shareholders holding at least 2% of the Company's capital or voting rights, any failure to comply with this obligation shall be penalised, with respect to the shares exceeding the percentage that should have been declared, by the withdrawal of the right to vote at any General Shareholders' Meeting that may be held until the end of a two-year period following the date on which the notification was formally recorded.

The same duty of information applies, with the same timescale and under the same conditions, each time the fraction of share capital or voting rights held by a shareholder falls below one of the thresholds mentioned above.

For the calculation of the thresholds mentioned above, the shares and voting rights held are taken into account, as well as – even if the person concerned does not personally hold shares or voting rights otherwise – comparable shares or voting rights in application of Article L. 233-9 of the French Commercial Code, in relation to

the total number of shares making up the Company's capital and the total number of voting rights attached to those shares.

The total number of voting rights is calculated on the basis of all shares to which voting rights are attached, including shares not eligible for voting rights.

(e) Rights and obligations attached to shares

Each share confers a right to an equal share in the Company's profits and corporate assets.

Shareholders are not committed beyond the nominal amount of the shares that they possess.

Ownership of a share automatically entails adherence to the Company's Articles of Association and the decisions of its General Shareholders' Meetings.

The heirs, creditors, assignees or other representatives of a shareholder may not call for the affixing of seals on the Company's assets and securities, nor request their distribution or sale at auction, nor interfere in any way in its management. In order to exercise their rights, they must refer to the statements of corporate assets and to the decisions of the General Shareholders' Meetings.

Each time it is necessary to own several shares in order to exercise any right, in the event of any exchange, consolidation or allocation of shares or as a consequence of a capital increase or reduction, merger or other transactions, the owners of single shares or those owning a smaller number than that required may not exercise these rights unless they personally decide to group together such shares or buy or sell the necessary shares or allocation rights, as the case may be.

The shares are indivisible in the view of the Company, which recognises only one owner for each share. The joint owners of indivisible shares may be represented at General Shareholders' Meetings by one person only. The voting right attached to the share belongs to the usufructuary at Ordinary General Shareholders' Meetings and to the bare owner at Extraordinary General Shareholders' Meetings.

A double voting right is conferred to fully paid-up shares for which a registration in the Company's records is demonstrated for at least four years as at the date on which they are fully paid up, without interruption, in the name of the same shareholder.

Furthermore, in the event of a capital increase through the capitalisation of reserves, profits or issue premiums, the double voting right is conferred – immediately upon the issue of any registered shares allocated free of charge – to a shareholder who had old shares benefiting from this same entitlement.

Any share converted to bearer form or whose ownership is transferred loses the double voting right, but this right may be reinstated when the new holder of the securities provides evidence of registration for an uninterrupted period of at least four (4) years.

However, a transfer through inheritance, liquidation of marital property between spouses, or an inter-vivos donation to a spouse

or relative entitled to inherit does not lose the right acquired and does not interrupt the aforementioned four-year period. The merger or demerger of the Company has no effect on the double voting right which may be exercised within the beneficiary companies if the Articles of Association of those companies have constituted it.

(f) Transfer of shares

Shares may be freely transferred, by way of an inter-account transfer under the conditions provided for by the laws and regulations.

5.1.2.4 General Shareholders' Meetings

(a) Provisions common to General Shareholders' Meetings

A duly convened General Shareholders' Meeting represents all shareholders. Its decisions are binding for all shareholders, even those who are absent, dissenting or legally incapable.

Every shareholder, regardless of the number of shares that he/she owns, has the right to participate in General Shareholders' Meetings, be it personally, by appointing a proxy, or by voting by correspondence, in accordance with current laws and regulations.

Any shareholder may also send a proxy to the Company without indicating the name of their representative. All such powers of attorney without indication of the name of the proxy shall be considered as a vote in favour of the resolutions submitted or approved by the Board of Directors to the General Shareholders' Meeting.

Proof of the right to participate in the Company's General Shareholders' Meetings, in whatever form, may be demonstrated via book entry or share registration under the conditions and within the time periods stipulated by current regulations.

Remote or proxy voting forms, as well as shareholding certificates, may be prepared, if the Board of Directors so stipulates, in electronic form, duly signed under the conditions provided for by the applicable laws and regulations.

For this purpose, the form may be directly entered and signed electronically on the website set up by the meeting's clearing agent. The electronic signing of the form may be conducted (i) by entering, under conditions that comply with the provisions of the first sentence of the second paragraph of Article 1316-4 of the French Civil Code, an identifying code and a password, or (ii) by using any other process that meets the conditions defined in the first sentence of the second paragraph of Article 1316-4 of the French Civil Code. The proxy or vote thus expressed before the meeting through this electronic means, as well as the acknowledgement of receipt given, if any, shall be considered as a written, irrevocable document enforceable against all parties, except in cases of sales of securities, which are subject to the notification provided for in section IV of Article R. 225-85 of the French Commercial Code.

The procedures for sending postal and proxy voting forms shall be specified by the Board of Directors in the advance notice and notice of meeting.

The Board of Directors may organise, under legal and regulatory conditions, the participation and voting of shareholders at the Shareholders' Meeting via videoconferencing or any other means of telecommunication that allows them to be identified and that complies with legal and regulatory requirements; the Board shall ensure the effectiveness of the means of identification.

For the calculation of the quorum and majority required for any Shareholders' Meeting, shareholders who attend the General Shareholders' Meeting via videoconferencing or other means of telecommunication that allows them to be identified in accordance with legal and regulatory conditions shall be deemed present.

(i) Convening of General Shareholders' Meetings

Shareholders' Meetings are convened, under conditions stipulated by law, by the Board of Directors or, otherwise, by the statutory auditors or by any other legally authorised persons.

Meetings are held at the registered office or at any other place specified in the advance notice.

(ii) Agenda of General Shareholders' Meetings

The agenda is set by the body that calls the meeting.

However, one or more shareholders, or the works council, if it exists, have the right, subject to current laws and regulations, to request that items or draft resolutions are added to the agenda.

The meeting may not deliberate on any matter not included in the agenda. However, it may, under any circumstances, remove one or more members of the Board of Directors from office and appoint their replacement.

(iii) Chairing of General Shareholders' Meetings

The General Shareholders' Meeting is chaired by the Chairman of the Board of Directors or, in his/her absence, by a member of the Board of Directors appointed by the Board. Otherwise, the meeting elects its own Chairman.

Meetings convened by the statutory auditors are chaired by the auditor who is most senior in age.

The Chairman of the meeting is assisted by two tellers who constitute, with the Chairman, the meeting officers. The roles of tellers are performed by two willing shareholders present at the start of the meeting who represent, both in their own right and by virtue of the powers conferred upon them, the greatest number of shares. The meeting officers appoint a secretary, who may be chosen from outside the members of the meeting.

(iv) Attendance sheet

At each meeting, an attendance sheet is drawn up containing the first and last names and domiciles of the shareholders present, represented or voting by correspondence and of any of their proxies, as well as the number of shares held by each of them. This sheet, drawn up under the conditions provided for by Article R. 225-95 of the French Commercial Code and to which the proxies of the represented shareholders and postal voting forms are annexed, is initialled by the shareholders present or their proxies and certified as accurate by the meeting officers. It is filed at the registered office and must be communicated to any requesting person under the conditions laid down by the laws and regulations in force.

(v) Deliberations of General Shareholders' Meetings

Subject to the double voting right provided for in the Company's Articles of Association, each shareholder has as many votes as the number of shares that he/she owns or represents.

The deliberations are recorded in minutes, which are entered in a special register. These minutes are signed by the meeting officers. Copies or excerpts of minutes are signed by the Chairman of the Board of Directors.

(b) Ordinary General Shareholders' Meetings

The Ordinary General Shareholders' Meeting makes all decisions other than those stipulated in Articles L. 225-96 and L. 225-97 of the French Commercial Code concerning the competence of Extraordinary General Shareholders' Meetings.

The Ordinary General Shareholders' Meeting is convened each year by the Board of Directors, within six months of the end of the fiscal year.

Ordinary General Shareholders' Meetings may also be convened extraordinarily.

The deliberations of the Ordinary General Shareholders' Meeting are valid at the first convening only if the shareholders present, represented or voting by correspondence possess at least one-fifth of the shares with voting rights.

If these conditions are not satisfied, the meeting is reconvened. At this second meeting, the deliberations are valid irrespective of the number of shares present or represented.

Resolutions of the Ordinary General Shareholders' Meeting are passed by a majority of votes held by the shareholders present, represented or voting by correspondence.

(c) Extraordinary General Shareholders' Meetings

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 by correspondence 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 by correspondence 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 by correspondence. However, in the event of a capital increase through capitalisation of reserves, profits or issue premiums, the resolutions of the meeting are passed on the basis of the quorum and majority required for Ordinary General Shareholders' Meetings.

5.1.2.5 Fiscal year – Dividend

(a) Term of the fiscal year

The fiscal year has a one-year term beginning on 1 January and ending on 31 December.

(b) Payment of dividends

The terms for payment of the dividends voted by the General Shareholders' Meeting shall be set by it or otherwise by the Board of Directors in accordance with the provisions of Articles L. 232-12 to L. 232-17 of the French Commercial Code.

The General Shareholders' Meeting has the option of granting shareholders a choice, for all or part of a dividend or interim dividend to be paid, between payment of the dividend or interim dividend in cash or in shares under the conditions set by law.

All or part of any dividend, interim dividend, reserves, premiums or any other sums that may be distributed to shareholders may be paid in cash or in kind in the form of Company assets including financial securities held by the Company. A dividend payment in kind may be made with or without the option of a payment in cash.

5.1.2.6 Provisions of the Articles of Association or other provisions that might have the effect of delaying, deferring or preventing a change of control

The Articles of Association do not contain any stipulations that have the potential to delay, defer or prevent a change of control of the Company.

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 the 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 Eleventh Resolution of the Ordinary and Extraordinary General Shareholders' Meeting of 19 June 2014

(i) Legal framework

The terms of the eleventh resolution of the Company's Ordinary and Extraordinary General Shareholders' Meeting of 19 June 2014 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 within the limit 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 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 operations.

The authorisation granted by the Company's Ordinary and Extraordinary General Shareholders' Meeting of 19 June 2014 immediately terminated and replaced the authority granted by the General Shareholders' Meeting of 20 October 2013. This authorisation is valid for a period of 18 months from 19 June 2014.

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 and its subsidiaries, specifically as part of company profit-sharing or any share purchase plan or bonus share plan;
- ▶ honouring obligations relating to 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);
- ▶ 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 Autorité des Marchés Financiers;
- ▶ holding shares for subsequent use as exchange or payment in a potential external growth operation; 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 Twenty-Fifth Resolution of the General Shareholders' Meeting of 19 June 2014 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 may not 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 19 June 2014, or 5% of this capital if it involves shares acquired for holding and subsequent remittance in payment or exchange as part of external growth operations.

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 Eleventh Resolution of the Ordinary and Extraordinary General Shareholders' Meeting of 19 June 2014 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 offer of Company shares, under the conditions set out in the applicable legislative and regulatory provisions, by any means; specifically, on regulated markets, multilateral trading systems 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 legal and regulatory provisions 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 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 adopted by the General Shareholders' Meeting of 19 June 2014

(i) Date of the General Shareholders' Meeting authorising the Company's share repurchase plan

The Company's Ordinary and Extraordinary General Shareholders' Meeting of 19 June 2014 approved 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 within the limit 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 operations.

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 of the shares held by the Company by objective is indicated in Section 5.2.1.2 (a) (iv) of this Annual Report.

(iii) Objectives of the 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, allocations of bonus shares 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 Autorité des Marchés Financiers;
- ▶ 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 the Twentieth Resolution 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 adopted by 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: FROO11120914, listed on the NYSE Euronext regulated market in Paris, compartment B), within the limit 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 as part of external growth operations. For information, as at the date of this Annual 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, corresponding to a maximum amount that may be allocated to the share repurchase plan of €69,201,918.

5.2.1.3 Other securities conferring access to the capital

As at the date of this Annual Report, there are no securities in existence that confer access to the Company's capital, other than the stock options allocated to the Company's Chief Executive Officer (see Section 3.2.1.3 of this Annual Report).

In addition, a long-term incentive programme for employees and corporate officers, which is set to take the form of an allocation of bonus preference shares (share category to be created in advance), convertible to ordinary shares, was approved by the Ordinary and Extraordinary General Shareholders' Meeting of 19 June 2014. The purpose of this programme is to offer long-term incentives for the directors and employees of the Group, consisting of the allocation of bonus preference shares that carry certain rights and which are convertible into a certain number of ordinary shares at the end of a pre-defined period, conditional on reaching share price targets set by the Board of Directors.

The main characteristics of the preference shares that would be created are described below:

- ▶ they carry no voting right and no right to reserves, but do benefit from the right to dividends and to any liquidation surplus;
- ▶ the preference shares can be converted into ordinary shares after four years subject to reaching share price targets set by the Board of Directors in accordance with rules defined by the General Shareholders' Meeting;
- ▶ the weighted share price, used to calculate the high and low prices, is the weighted average price of all of the Company's shares traded in the last fiscal year preceding the preference share allocation date or the preference share conversion date, as the case may be;
- ▶ the share price floor on the conversion date is at least equal to the weighted share price mentioned above;
- ▶ the share price ceiling on the conversion date is the weighted share price mentioned above plus 40%;
- ▶ between the price floor and price ceiling, the conversion to an increasing number of ordinary shares is linear; and
- ▶ the preference shares are automatically converted at the end of the lock-in period if the objectives set have been achieved (i.e. at least the price floor). If not, the Company buys back the preference shares at their nominal value, it being understood that in all cases the preference shares no longer confer a right to dividends with effect from the conversion date.

The Board of Directors may (i) set the terms and conditions for allocating the preference shares and the criteria for their conversion, (ii) determine the identity of the beneficiaries, the number of preference shares allocated to each of them and the terms and conditions for allocating said preference shares, and (iii) make any necessary adjustments in the event of a transaction involving the Company's capital, it being understood that the shares will be acquired and retained for a minimum period of two years, and that if the minimum period is abolished, the acquisition period will be four years.

This authorisation, granted to the Company's Board of Directors by the General Shareholders' Meeting of 19 June 2014, is described in brief in Section 5.2.1.4 of this Annual Report. As at the date of this Annual Report, this authorisation has not been exercised.

5.2.1.4 Authorised share 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' Meeting of 19 June 2014:

Date of the General Shareholders' Meeting	Resolution	Type of delegation or authorisation	Ceiling in euros	Period of validity
19 June 2014	12 th	Delegation of authority to the Board of Directors to issue Company shares or 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: €6.5 million ⁽¹⁾ Maximum nominal amount of debt security issues: €400 million ⁽³⁾	26 months, until 19 August 2016
19 June 2014	13 th	Delegation of authority to the Board of Directors to issue shares or securities conferring access to the capital, removing pre-emptive subscription rights, as part of a public offer	Maximum nominal amount of capital increases: €4.5 million ⁽¹⁾⁽⁴⁾ Total nominal amount of debt securities that may be issued: €270 million ⁽²⁾⁽³⁾	26 months, until 19 August 2016
19 June 2014	14 th	Delegation of authority to the Board of Directors to issue Company shares or securities conferring access to the capital of the Company or one of its subsidiaries, removing shareholders' pre-emptive subscription rights by private placement governed by Article L. 411-2 II of the French Monetary and Financial Code	Maximum nominal amount of capital increases: €4.5 million ⁽¹⁾⁽⁴⁾ Total nominal amount of debt securities that may be issued: €270 million ⁽²⁾⁽³⁾	26 months, until 19 August 2016
19 June 2014	15 th	Authorisation for the Board of Directors, in the event of an issue, with removal of shareholders' pre-emptive subscription rights, shares and securities conferring access to the capital	Maximum amount of capital increases: 10% of the Company's capital on the date of the decision by the Board of Directors, per 12-month period ⁽¹⁾⁽⁴⁾ Concerns each issue decided pursuant to Resolutions Thirteen and Fourteen, subject to compliance with the ceilings in the resolution under which the issue is decided	
19 June 2014	16 th	Authorisation for the Board of Directors to increase the number of securities to be issued for a capital increase with or without 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 decided upon pursuant to Resolutions 12, 13, 14 and 15 and subject to the ceiling set by Resolution 12 adopted by the General Shareholders' Meeting of 19 June 2014, solely to service the reducible requests made by the shareholders and/or the assignees of the pre-emptive subscription rights	26 months, until 19 August 2016

Date of the General Shareholders' Meeting	Resolution	Type of delegation or authorisation	Ceiling in euros	Period of validity
19 June 2014	17 th	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 capital increases: €4.5 million ^{(1) (4)} Total nominal amount of debt securities that may be issued: €270 million ^{(2) (3)}	26 months, until 19 August 2016
19 June 2014	18 th	Authorisation for the Board of Directors to issue shares and securities conferring access to the capital, in order to compensate in-kind contributions made to the Company in the form of shares or securities conferring access to the capital, removing pre-emptive subscription rights	Maximum amount of 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: €270 million ^{(2) (3)}	26 months, until 19 August 2016
19 June 2014	19 th	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 may be capitalised pursuant to the regulations in force, calculated autonomously, separately and independently from the ceilings specified in the other resolutions.	26 months, until 19 August 2016
19 June 2014	20 th	Delegation of authority to the Board of Directors to issue securities giving rise to the allocation of debt securities	Maximum nominal amount of the securities to be issued: €400 million (this ceiling is independent of the amount of debt securities that may be issued on the basis of Resolutions 12 to 18).	26 months, until 19 August 2016
19 June 2014	22 nd	Authorisation for the Board of Directors to allocate Company preference shares free of charge to employees and/or corporate officers of the Company and its subsidiaries, removing shareholders' pre-emptive subscription rights	The total number of bonus preference shares allocated may not exceed 0.2% of the Company's capital on the date on which it is decided to allocate them, and the number of ordinary shares created if the preference shares are converted may not exceed 2% of the share capital on the date of conversion. The number of preference shares allocated to any one executive corporate officer must not exceed 20% of the allocated preference share package.	38 months, until 19 August 2017

Date of the General Shareholders' Meeting	Resolution	Type of delegation or authorisation	Ceiling in euros	Period of validity
19 June 2014	23 rd	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 Chief Executive Officers 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 19 August 2017
19 June 2014	24 th	Delegation of authority to the Board of Directors to carry out capital increases reserved for employees who are members of the Company 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 19 August 2016
19 June 2014	25 th	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 19 December 2015

(1) Counts towards the overall ceiling of €6.5 million specified in Resolution 12 and which applies to all issues that may be undertaken pursuant to Resolutions 12 to 18.

(2) This sum of €270 million is an overall ceiling covering all debt securities issued pursuant to Resolutions 13, 14, 17 and 18.

(3) Counts towards the overall ceiling of €400 million specified in Resolution 12 and which applies to all issues that may be undertaken pursuant to Resolutions 12 to 18.

(4) This ceiling counts towards the ceiling of €4.5 million on the nominal amount of capital increases covering all issues that may be undertaken pursuant to Resolutions 13, 14, 17 and 18.

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 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	133,433,534.30	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	107,015,262.20	97,286,602	N/A	0.10	97,286,602	9,728,660.20
02/12/2011	Capital increase maintaining pre-emptive subscription rights	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

Since 31 December 2013 and to the best of the Company's knowledge, the composition of the Company's shareholding has not changed significantly. At 31 December 2013, the capital and voting rights were distributed as follows:

31/12/2013	Number of shares	% of capital	Number of exercisable voting rights	% of exercisable voting rights	% of theoretical voting rights*
				s/110 987 992	s/115 336 534
Pacifico S.A	28,749,616	24.93%	28,749,616	25.90%	24.93%
Macif	8,324,204	7.22%	8,324,204	7.50%	7.22%
Floating	73,852,639	64.03%	73,914,172	66.60%	64.08%
Treasury shares	4,410,075	3.82%	0	0	0
TOTAL	115,336,534	100.00%	110,987,992	100.00%	96.23%

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

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

31/12/2012	Number of shares	% of capital	Number of exercisable voting rights	% of exercisable voting rights	% of theoretical voting rights*
				s/111,768,202	s/115,336,534
Pacifico S.A	28,749,616	24.93%	28,749,616	25.72%	24.93%
Macif	8,324,204	7.22%	8,324,204	7.45%	7.22%
Floating	74,694,382	64.76%	74,694,382	66.83%	64.76%
Treasury shares	3,568,332	3.09%	0	0	0
TOTAL	115,336,534	100.00%	111,768,202	100.00%	96.91%

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

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

31/12/2011	Number of shares	% of capital	Number of exercisable voting rights	% of exercisable voting rights	% of theoretical voting rights*
				s/113,338,986	s/115,336,534
Pacifico S.A	28,749,616	24.93%	28,749,616	25.37%	24.93%
Macif	8,324,204	7.22%	8,324,204	7.34%	7.22%
Floating	76,265,166	66.12%	76,265,166	67.29%	66.12%
Treasury shares	1,997,548	1.73%	0	0	0
TOTAL	115,336,534	100.00%	113,338,986	100.00%	98.27%

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

To the Company's knowledge, none of its shareholders has offered any of the Company's 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 as 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 of Directors 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 Annual 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 that could have an impact in the event of a public offer

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

- ▶ structure of the Company's capital: see Section 5.2.2.1 of this Annual 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 equity 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 Annual 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 those shareholders: none;
- ▶ agreements among shareholders of which the Company is aware and which may 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 Annual 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 Annual Report;
- ▶ agreements signed by the Company which are modified or cease to apply 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 offer: 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 consideration factors such as the Company's results, its financial position and Seplat's distribution policy.

The Company's policy regarding the management of its equity consists mainly, as an exploration/production company, of making the necessary investments for the purposes of developing its current and future sources of production. In this respect, it decided not to distribute dividends for fiscal years 2010 and 2011. However, the Company did indicate 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 net income for the year ended 31 December 2012, the Board of Directors recommended

to the Company's 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 Company's 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. This resolution was approved by the Company's Ordinary and Extraordinary General Shareholders' Meeting of 19 June 2014. The dividend was paid out on 27 June 2014.

5.3 RELATED-PARTY TRANSACTIONS

5.3.1 SERVICES AGREEMENT

5.3.1.1 General presentation

On 31 July 2010, Seplat and Maurel & Prom entered into a technical services agreement (the “**Services Agreement**”) governed by English law, under the terms of which Maurel & Prom has agreed to provide services that would allow Seplat to fulfil its obligations as operator under the Joint Operating Agreement relating to the operation of OMLs 4, 38 and 41. In an amendment formalised on 26 September 2011, the Company replaced Maurel & Prom as Seplat’s contractor under the terms of the Services Agreement with effect from the Listing date for the Company’s shares, i.e. 15 December 2011, it being understood that at this date, Jean-François Hénin was a director of both Seplat (which is no longer the case as at the date of this Annual Report) and the Company, and that Michel Hochard was a director of Seplat and Chief Executive Officer of the Company.

5.3.1.2 Services provided and compensation

(a) General consultancy services

Under the terms of the Services Agreement, the Company provides Seplat with general services (the “**General Services**”) covering (i) management, (ii) project management (including related services) and (iii) financial services. More specifically, the General Services mainly cover:

- ▶ research and development;
- ▶ information technology;
- ▶ administration, corporate policy, organisation, training and personnel;
- ▶ finance, accounting, insurance and taxation;
- ▶ legal affairs and negotiations, including the management contract; and
- ▶ management, supervision and planning.

In order to fulfil its obligations, the Company assigns employees to Seplat. The assigned employees hold the positions of (i) technical manager, (ii) finance manager, and (iii) geologists, geophysicists, and reservoir engineers. The Company may also send other experts, if required.

Each year, the Company and Seplat jointly define the scope of the consultancy services (including the personnel on secondment) to be provided to Seplat and the fees due with regard to the provision of such services.

(b) Technical services

The Company also provides Seplat with technical services (the “**Technical Services**”) and advises Seplat (i) on all communications with the Nigerian government and with the NNPC and NPDC, and (ii) on the terms of the local content contracts with Shebah Petroleum Development Company Limited and Platform Petroleum Limited and any other party.

The Technical Services include:

- ▶ petroleum engineering and exploration;
- ▶ production and engineering;
- ▶ health, safety and environment issues;
- ▶ procurement (including the purchase of services and equipment as well as the related consultancy services);
- ▶ geology and geophysics;
- ▶ facilities engineering;
- ▶ the selection of drillers and any other providers of key services;
- ▶ the short-term work schedule and approval of the budget, including the five-year business plan;
- ▶ financial reporting to Seplat’s directors and shareholders; and
- ▶ the use of workstations and software by the Company’s teams for the performance of the Technical Services.

The remuneration for these services is based on a daily rate, the amount of which varies according to the skills and number of people involved in providing the services.

In fiscal year 2013, the amount of the services invoiced by the Company to Seplat under the Services Agreement amounted to €0.04 million exclusive of tax.

(c) Additional services

Furthermore, Seplat may request additional services (the “**Additional Services**”) from the Company. If Seplat wishes to receive Additional Services, it must reach an agreement with the Company on certain conditions, such as the price, the personnel who will provide these services and the schedule for the performance of such services.

(d) Progress reports relating to services

At Seplat’s request, the Company prepares and sends progress reports to Seplat on the progress of the services being provided, in addition to any other relevant information, so as to allow Seplat to fulfil its obligations under the Joint Operating Agreement.

(e) Responsibilities

The Services Agreement also stipulates that the Company will not be liable for damages resulting from the services provided, unless they are due to gross negligence by it, its representatives, employees or co-contracting parties, it being specified nevertheless that the Company may not in any case be held liable for any reservoir damage or pollution or any environmental harm or collateral damage. It also states that the Company's liability under the agreement may not exceed a sum corresponding to 100% of the amounts invoiced in respect of the services provided.

5.3.1.3 Transfer and subcontractors

Subject to obtaining the prior written agreement of the other party, the Company and/or Seplat may transfer the rights and obligations arising from the Services Agreement.

In addition and if necessary, the Company is entitled to subcontract certain services subject to the Company (i) notifying Seplat of this decision in writing and (ii) remaining primarily responsible to Seplat for the performance of services.

5.3.1.4 End of the agreement

The Services Agreement will end on of the following dates, whichever is soonest:

- ▶ the expiry of the Joint Operating Agreement;
- ▶ five years from the signing of the agreement, with the parties being able to decide by mutual agreement whether to renew or renegotiate the agreement;
- ▶ the date on which the Company ceases to be a shareholder of Seplat; and
- ▶ the unilateral termination of the Services Agreement by the Company, subject to 30 days' advance notice.

5.3.2 SHAREHOLDER LOAN

On 25 June 2010, the Company granted a shareholder loan to Seplat of US\$153 million (the "**Shareholder Loan**"), representing 45% of the acquisition cost of OMLs 4, 38 and 41, corresponding to the Company's 45% equity interest in Seplat. Following the first repayment of approximately US\$31 million at the end

of March 2011 and a second repayment of US\$75 million in September 2011, the remaining balance repayable by Seplat under the Shareholder Loan is approximately US\$48 million. The Shareholder Loan was terminated when the initial public offering of Seplat was made on 14 April 2014 and has been repaid.

5.3.3 INDEPENDENT FIRST DEMAND GUARANTEE

On 1 April 2014, Saint-Aubin E&P (Québec) Inc., a wholly owned subsidiary of Saint-Aubin Energie, entered into a partnership with the government of Quebec (through its entity Ressources Québec) and Canadian partners Pétrolia and Corridor Resources to carry out an oil exploration programme on Quebec's Anticosti Island, for which the exploration permit is held by a joint venture known as Hydrocarbures Anticosti.

Under a guarantee agreement signed the same day, Saint-Aubin Energie, as the first guarantor, has guaranteed that its Saint-Aubin E&P (Québec) subsidiary will meet its obligations and that it will pay all amounts owing by the subsidiary in respect of the Anticosti project, up to a maximum of fifty million euros (€50,000,000). As the second guarantor, Maurel & Prom is jointly responsible with the first guarantor, Saint-Aubin Energie, for meeting its obligations as referred to above and for the payment of amounts owing, up to a maximum of fifty million euros (€50,000,000).

Insofar as the Company holds two-thirds of the capital of Saint-Aubin Energie and Maurel & Prom holds one-third of the capital, it has emerged that these two companies must provide financial backing to guarantee the commitments of Saint-Aubin Energie to the extent of their respective interests in its share capital; this is why the Company, under the terms of the first demand guarantee, has guaranteed to pay Maurel & Prom two-thirds of any amounts that it must settle under the guarantee agreement, up to a maximum of €33,333,333.33 (equating to two-thirds of the maximum of €50,000,000).

At its meeting of 23 April 2014, MPI's Board of Directors authorised the provision and signature of this first demand guarantee by the Company, which was signed on 28 April 2014 to the benefit of Établissements Maurel & Prom. The guarantee was approved by the General Shareholders' Meeting of 19 June 2014 (Resolution Four).

5.4 LARGE CONTRACTS

5.4.1 SEPLAT SHAREHOLDERS' AGREEMENT

The Company's relations with its Partners within Seplat are governed by a shareholders' agreement under English law signed on 22 December 2009 (the "**Agreement**"), the main stipulations of which are summarised in the paragraphs below.

Following the successful listing of Seplat's shares in London (LSE) and Lagos (NSE) on 14 April 2014, the parties terminated this agreement.

The Agreement was initially signed by Maurel & Prom. The Company then became a party to the Agreement on 3 June 2010 under the terms of a deed of adherence. Maurel & Prom finally ceased to be a party to the Agreement on 26 September 2011 under the terms of an amendment agreement, with the rights and obligations of Maurel & Prom under the terms of the Agreement having been transferred as a result of this agreement and on the date thereof to the Company.

5.4.2 TRANSITIONAL SERVICES AGREEMENT

(a) General presentation

On 2 November 2011, Maurel & Prom and the Company signed a transitional services agreement (the "**Transitional Services Agreement**") governed by French law pursuant to which Maurel & Prom agrees to provide the Company and Seplat with a certain number of administrative and operational services, in particular those services described below, for an initial 12-month period as from the Listing date (15 December 2011). In accordance with the contractual stipulations allowing the Company to request the renewal of the Transitional Services Agreement for a further 12-month period, the Company decided on 5 November 2012 to request the renewal of this agreement with effect from 15 December 2012. On 5 November 2013, the Company asked to renew said agreement once again, for a further 12-month period beginning on 15 December 2013.

(b) Services provided

(i) Services provided by Maurel & Prom to the Company

Under the terms of the Transitional Services Agreement, Maurel & Prom agrees to provide the Company with transitional services (the "**Transitional Services**") in order to allow the Company to operate independently. The Transitional Services mainly cover:

- ▶ the management of financial and tax services;
- ▶ assistance in applying for regulatory permits;
- ▶ the Company's administration, corporate policy and organisation;

- ▶ the management of intellectual and industrial property rights;
- ▶ the supply of moveable and real estate assets;
- ▶ the implementation of major operating agreements;
- ▶ the establishment of intra-group agreements; and
- ▶ the management of administrative, legal and social functions.

(ii) Services provided by Maurel & Prom to Seplat for and on behalf of the Company

Maurel & Prom has agreed to provide Seplat, for and on behalf of the Company, with all of the services stipulated in the Services Agreement (i.e. consultancy, technical services and additional services), as described in Section 5.3.1 of this Annual Report.

(iii) Additional services

Furthermore, additional services (the "**Additional Services**") may be requested from Maurel & Prom by the Company on its own account or on behalf of Seplat. The price conditions and terms under which the Additional Services will be rendered must be subject to an agreement between Maurel & Prom and the Company.

(iv) Compensation

Each service rendered will be invoiced by Maurel & Prom to the Company at cost price plus a margin of 6%.

In fiscal year 2013, the amount of the services invoiced by Maurel & Prom to the Company under the Transitional Services Agreement totalled €0.04 million exclusive of tax.

(v) Term of the agreement

The Transitional Services Agreement was signed for a term of 12 months and entered into effect on the Listing date, i.e. 15 December 2011. Under the Agreement, it was renewed by the Company on 5 November 2012 for a

12-month period beginning on 15 December 2012, and then again on 5 November 2013 for a further 12-month period with effect from 15 December 2013.

The Transitional Services Agreement may be terminated at any time by the Company subject to 30 days' advance notice.

5.4.3 OTHER AGREEMENTS

- ▶ Mandate given to Seplat (see Section 5.5 of this Annual Report); and
- ▶ Partnership agreement with Maurel & Prom authorised by the Company's Board of Directors on 26 April 2013 (see Section 5.5 of this Annual Report).

5.5 SPECIAL STATUTORY AUDITORS' REPORT ON REGULATED AGREEMENTS AND COMMITMENTS

MPI (Formerly Maurel & Prom Nigeria)

General Shareholders' Meeting to approve the financial statements for the year ended 31 December 2013

Dear Shareholders,

In our capacity as statutory auditors of your company, we hereby present our report on the regulated agreements and commitments.

It is our duty to communicate to you, on the basis of the information provided to us, the main characteristics and terms of the agreements and commitments of which we have been informed or that have come to our attention during our work, without being required to offer an opinion on their usefulness or their legitimacy or identify any other agreements or commitments. It is your responsibility, under the terms of Article R. 225-31 of the French Commercial Code, to assess the benefits of entering into these agreements and commitments when they are submitted for your approval.

Furthermore, it is our duty, where applicable, to communicate to you any information of the type referred to in Article R. 225-31 of the French Commercial Code relating to the execution, during the previous fiscal year, of any agreements and commitments already approved by the General Shareholders' Meeting.

We have performed the procedures that we considered necessary to comply with professional guidance issued by the national auditing body (*Compagnie nationale des commissaires aux comptes*) in respect of this assignment. These procedures required us to verify the consistency of the information provided to us with the documents from which the information was obtained.

Agreements and commitments subject to the approval of the General Shareholders' Meeting

Agreements and commitments authorised during the past fiscal year

We hereby inform you that we have not been advised of any agreement or commitment authorised during the past year to be submitted for the approval of the General Shareholders' Meeting pursuant to the provisions of Article L. 225-38 of the French Commercial Code.

Agreements and commitments authorised since the closing date

We have been advised of the following agreements and commitments, which have been authorised since the closing date of the previous fiscal year and which have received the prior approval of your Board of Directors.

Persons concerned

Messrs Jean-François Hénin, Xavier Blandin, Alexandre Vilgrain, Emmanuel Marion de Glatigny and Ms Nathalie Delapalme, directors of both your company and Établissements Maurel & Prom.

First demand guarantee agreement with Établissements Maurel & Prom as part of the Anticosti project

Nature and purpose

On 23 April 2014, your Board of Directors authorised the signature of a first demand guarantee agreement to the benefit of Établissements Maurel & Prom as part of the oil exploration programme on Anticosti Island in Quebec.

Conditions

Saint-Aubin Energie (one-third owned by Établissements Maurel & Prom and two-thirds by your company) guaranteed, as the primary guarantor, the obligations of its wholly owned subsidiary, Saint-Aubin Energie Exploration Production Inc., and the payment of €50,000,000 to establish a partnership with the government of Quebec. Under the terms of this guarantee, Établissements Maurel & Prom is jointly responsible with Saint-Aubin Energie for meeting obligations and for the payment of amounts owing, up to a maximum of €50,000,000.

Insofar as your company holds two-thirds of the capital of Saint-Aubin Energie and Établissements Maurel & Prom holds the other third of the capital, it has emerged that these two companies must finance the guarantee of Saint-Aubin Energie's commitments to the extent of their interests in its share capital. This is why it has been decided, under the terms of a first demand guarantee, that your company guarantees to pay Établissements Maurel & Prom two-thirds of all amounts that it must pay under the guarantee agreement, up to a maximum of €33,333,333.33 (representing two-thirds of the maximum limit of €50,000,000).

The guarantee agreement between your company and Établissements Maurel & Prom was signed on 28 April 2014.

Agreements and commitments already approved by the General Shareholders' Meeting

Agreements and commitments approved in previous years

Pursuant to Article R. 225-30 of the French Commercial Code, we have been informed that the execution of the following agreements and commitments, already approved by the General Shareholders' Meeting in previous years, continued during the past year.

1. With Établissements Maurel & Prom

a) Nature and purpose

During the General Shareholders' Meeting of 28 June 2011 and because of the plans to float your company on the securities market, you authorised the conclusion of a transitional services agreement (the "Transitional Services Agreement") between your company and Établissements Maurel & Prom. The purpose of this agreement is to secure the material and technical resources necessary for (i) its day-to-day operations, particularly with regard to administration and accounting, and (ii) to provide Seplat with the services required under the technical services agreement entered into with this company on 31 July 2010.

Conditions

Under the terms of this agreement concluded on 2 November 2011, Établissements Maurel & Prom provides services to your company to ensure its day-to-day administrative and accounting management and to honour its commitments to Seplat.

This agreement entered into effect on 15 December 2011 for a period of twelve months and may be renewed. It was renewed for further 12-month periods beginning on 15 December 2012 and 15 December 2013.

The amount of €493,337 exclusive of tax was paid by your company during fiscal year 2013 in respect of this agreement.

b) Nature and purpose

On 31 July 2010, Établissements Maurel & Prom and Seplat entered into a technical services agreement governed by English law, under the terms of which Établissements Maurel & Prom undertakes to provide services enabling Seplat to fulfil its obligations as operator under the Joint Operating Agreement relating to the operation of the OML 4, 38 and 41 permits.

During the General Shareholders' Meeting of 28 June 2011, you authorised the signature of a deed of novation, under the terms of which your company would replace Établissements Maurel & Prom in the technical services agreement signed on 31 July 2010, in the event of the plans to distribute the Company's shares becoming a reality.

The executive management then amended two points of the deed of novation: (i) first, the new proposal is no longer in the form of a deed of novation, but rather a conventional amendment to the original agreement in order to avoid the formal constraints associated with the signature of a legal act under English law, and (ii) second, the agreement will take effect on the date the Company's shares are listed for trading on the NYSE Euronext regulated market in Paris (instead and in place of the signature date as stated in the previous version of the proposal).

Conditions

By virtue of the amendment signed on 26 September 2011, your company replaced Établissements Maurel & Prom as Seplat's contractor under the terms of the services agreement, with effect from the date your company's shares were listed for trading on the NYSE Euronext regulated market in Paris, i.e. 15 December 2011.

The amount invoiced by your company to Seplat for fiscal year 2013 was €42,300 exclusive of tax.

2. With Seplat, Shebah Exploration and Production Company Ltd and Alenne British Virgin Islands Ltd

Nature and purpose

In Nigeria, Seplat's hydrocarbon production is transported under the terms of an agreement signed with Shell Petroleum Development Company (SPDC). In order to mitigate the risk of dependence on a single evacuation transport resource for its production, Seplat signed a memorandum of agreement with Shebah Exploration and Production Ltd and Alenne British Virgin Islands Ltd on 16 November 2010 for the leasing or acquisition of the "Trinity Spirit" floating production, storage and offloading unit ("FPSO"). The leasing or acquisition of the "Trinity Spirit" FPSO would therefore provide Seplat with an alternative means of transporting its hydrocarbons to the SPDC pipeline.

Conditions

In connection with this agreement, Seplat paid Alenne British Virgin Islands Ltd the sum of US\$15 million as a deposit in the form of a repayable advance. If necessary, this sum will be repaid by the contracting party at the request of Seplat if (i) Seplat decides not to purchase the FPSO; (ii) Seplat decides not to lease the FPSO; or (iii) Seplat does not use the transport, processing and delivery services of the FPSO for its oil production.

In 2012, Seplat gave notice that it did not intend to exercise the option to lease or purchase the FPSO and requested that the advance be repaid. Following this decision, the parties agreed to defer this repayment, which must be made no later than 31 December 2013. In keeping with this agreement, the advance was repaid in full on 31 December 2013.

3. With Seplat

Nature and purpose

In order to facilitate Seplat's potential access to the financial markets, your Board of Directors decided at its meeting of 18 December 2012 to give Seplat a non-exclusive mandate so that it may select any potential buyers interested in purchasing a portion of the share capital of Seplat held by your company.

Conditions

Under the terms of this agreement, Seplat established and organised a bidding process. Any potential interested buyer was required to submit a non-binding offer to Seplat indicating the price proposed to purchase the equity interest, the related financial guarantees and other legal and operational conditions. Seplat, after receiving and selecting the bids, forwarded them to your company; it is specified that the terms of these bids were reviewed and approved by your Board of Directors.

During fiscal year 2013, your Company sold the equivalent of 14.9% of Seplat's capital to investment funds.

For this, your Company paid Seplat an amount of €6,430,441 under the aforementioned mandate.

Agreements and commitments approved during the past fiscal year

We were also informed, during the last fiscal year, of the implementation of the following agreement, which had already been approved by the General Shareholders' Meeting of 20 June 2013, upon a special statutory auditors' report dated 29 May 2013.

With Établissements Maurel & Prom

Nature and purpose

On 26 April 2013, your Board of Directors authorised the establishment of a partnership with Établissements Maurel & Prom and approved its guiding principles. Under the terms of this partnership, future development projects relating to oil exploration and production will be carried out jointly by these two companies (except in the two companies' respective historical regions of operation).

Conditions

This partnership took the form of a joint venture, called Saint-Aubin Energie, which is involved in various development projects. Établissements Maurel & Prom owns one-third of the capital in this joint venture, with your company holding the remaining two-thirds. During the fiscal year, Saint-Aubin Energie focused primarily on launching three projects, one of which was in Myanmar and the other two in Canada.

Paris, 28 May 2014

The Statutory Auditors

INTERNATIONAL AUDIT COMPANY

Daniel DE BEAUREPAIRE

François CARREGA



FINANCIAL STATEMENTS

6.1 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013 112

I – Statement of financial position	113
Assets	113
Liabilities	113
Changes in shareholders' equity	114
II – Consolidated comprehensive income statement	115
Net income for the period	115
Total income for the period	115
III – Cash flow statement	116
Notes to the consolidated financial statements	117
Statutory auditors' report on the consolidated financial statements for the year ended 31 December 2013	136

6.2 COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013 138

Assets	138
Liabilities	139
Income statement	140
Notes to the Company financial statements	141
Statutory auditors' report on the Company financial statements for the year ended 31 December 2013	152

6.3 COMPANY INCOME IN THE LAST FIVE FISCAL YEARS 154

6.4 Q1 2014 SALES 155

Q1 Company activity report	155
Main sales data for Q1 2014	155

6.5 INTERIM FINANCIAL STATEMENTS AS AT 30 JUNE 2014 157

I – Statement of financial position	157
Assets	157
Liabilities	157
Changes in shareholders' equity	158
II – Consolidated comprehensive income statement	159
Net income for the period	159
Comprehensive income for the period	159
III – Cash flow statement	160
Statutory auditors' report on the interim financial statements as at 30 June 2014	171

6.1 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

CONTENTS

I – Statement of financial position	113
II – Consolidated comprehensive income statement	115
III – Cash flow statement	116
Note 1 General information	117
Note 2 Accounting methods	118
Note 3 Changes in the composition of MPI Group	123
Note 4 Other non-current financial assets	123
Note 5 Equity associates	124
Note 6 Trade receivables and other current assets	127
Note 7 Fair value	127
Note 8 Cash and cash equivalents	128
Note 9 Shareholders' equity	129
Note 10 Trade payables – other creditors and miscellaneous financial liabilities	129
Note 11 Operating income	130
Note 12 Financial income	130
Note 13 Earnings per share	130
Note 14 Related parties	131
Note 15 Off-balance-sheet commitments	132
Note 16 Operating segments	133
Note 17 Risks	133
Note 18 Post-balance-sheet events	134
Note 19 Audit fees	135

I – STATEMENT OF FINANCIAL POSITION

Assets

<i>In thousands of euros</i>	Note	31/12/2013	31/12/2012
Non-current financial assets	4	38,160	35,705
Equity associates	5	169,244	77,780
Non-current assets		207,404	113,485
Trade receivables and related accounts	6	174	588
Other current financial assets	6	34,937	74,229
Other current assets		113	364
Income tax receivable		0	2,435
Cash and cash equivalents	8	225,805	106,334
Current assets		261,029	183,950
TOTAL ASSETS		468,433	297,435

Liabilities

<i>In thousands of euros</i>	Note	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, Group share		196,360	50,824
Equity, Group share	9	461,025	296,216
Total shareholders' equity		461,025	296,216
Non-current provisions		30	0
Non-current liabilities		30	0
Other current borrowings and financial debt		70	0
Trade payables and related accounts	10	2,204	794
Income tax payable		660	0
Other creditors and miscellaneous liabilities	10	4,444	425
Current liabilities		7,379	1,219
TOTAL LIABILITIES		468,433	297,435

Changes in shareholders' equity

<i>In thousands of euros</i>	Capital	Treasury shares	Premiums	Other reserves	Exchange gain (loss)	Net income for the year	Equity, Group share	Total shareholders' equity
1 January 2012	11,534	(3,983)	226,900	1,318	168	18,114	254,052	254,052
Net income						50,824	50,824	50,824
Other comprehensive income					(6,162)		(6,162)	(6,162)
Total comprehensive income					(6,162)	50,824	44,662	44,662
Appropriation of income - Dividends				18,114		(18,114)		
Changes in treasury shares		(2,459)		(40)			(2,499)	(2,499)
Total transactions with shareholders		(2,459)		18,074		(18,114)	(2,499)	(2,499)
31 DECEMBER 2012	11,534	(6,442)	226,900	19,392	(5,994)	50,824	296,216	296,216
1 January 2013	11,534	(6,442)	226,900	19,392	(5,994)	50,824	296,216	296,216
Net income						196,360	196,360	196,360
Other comprehensive income					(19,803)		(19,803)	(19,803)
Total comprehensive income					(19,803)	196,360	(176,557)	176,557
Appropriation of income - Dividends				41,634	241	(50,824)	(8,949)	(8,949)
Increase/decrease in capital				3			3	3
Changes in treasury shares		(3,441)		639			(2,802)	(2,802)
Total transactions with shareholders		(3,441)		42,276	241	(50,824)	(11,748)	(11,748)
31 DECEMBER 2013	11,534	(9,883)	226,900	61,668	(25,556)	196,360	461,025	461,025

II – CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

Net income for the period

<i>In thousands of euros</i>	Note	31/12/2013	31/12/2012
Sales		42	501
Other income		0	0
Purchases and change in inventories		(2)	0
Other purchases and operating expenses		(1,037)	(1,613)
Taxes & duties		(248)	(51)
Personnel expenses		(357)	(628)
Gain (loss) on asset disposals		30,878	0
Other expenses		(294)	(126)
OPERATING INCOME	11	28,982	(1,917)
Other financial income and expenses		3,955	5,009
FINANCIAL INCOME	12	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
Net income from equity associates	5	165,131	48,229
CONSOLIDATED NET INCOME		196,360	50,824
Net income, Group share		196,360	50,824
Earnings per share			
Basic		1.77	0.45
Diluted		1.70	0.44

Total income for the period

<i>In thousands of euros</i>	31/12/2013	31/12/2012
Net income for the period	196,360	50,824
Other comprehensive income		
Exchange gain (loss)	(19,803)	(6,162)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	176,557	44,662
▶ Group share	176,557	44,662

III – CASH FLOW STATEMENT

<i>In thousands of euros</i>	31/12/2013	31/12/2012
Consolidated income before tax	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 net income from equity associates	(165,131)	(48,229)
▶ Other financial items	0	(1)
Cash flow before tax	(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, non-consolidated securities)	0	10,990
Other cash flows from investment 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 from discontinued activities at end of period		
CASH AND CASH EQUIVALENTS AT END OF PERIOD	225,732	106,334

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1 General information

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 MPI group, whose main operational asset was originally a 45% stake (which was reduced to 30.1% following a sale of shares in 2013) in the Nigerian oil company Seplat in the Niger delta, began to diversify its business assets in 2013 by acquiring oil interests in Canada and Myanmar via a joint venture formed with Établissements Maurel & Prom: Saint-Aubin Energie.

The Group's net income surged from €50.8 million in 2012 to €196.4 million in 2013 due to (i) capital gains generated through the sale of Seplat shares during the year (+€30.8 million) and the recognition of income from equity associates (€165.1 million, up from €48.2 million in 2012), reflecting the increase in Seplat's production and net income.

1.1 Partial sale of interest in Seplat

During the second half 2013, the Company sold 14.9% of its 45% interest in Seplat to three UK investment funds. A first block of shares, representing 10% of the subsidiary's capital was sold on 22 August 2013, followed by a second sale of 4.9% of the capital on 24 December 2013. These sales were made for a price of €109.4 million (US\$147 million), generating a consolidated capital gain of €30.8 million. Following these transactions, MPI holds 30.1% of Seplat's capital.

1.2 Sharp rise in net income from equity associates due to the increase in Seplat's production and boosted by Seplat being granted a 5-year exemption from corporation tax.

The 40% leap in sales from US\$629 million in 2012 to US\$880 million in 2013 and the growth in income before tax from US\$266 million in 2012 to US\$449 million in 2013 (data drawn from Seplat's financial statements published and restated to comply with MPI's accounting standards) were fuelled by the increase in production.

In February 2014, the Company obtained "Pioneer industry" status from the Nigerian tax authorities under which 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.

The increase in operating earnings due to production growth and a 5-year exemption from corporation tax resulted in a sharp rise in

net income to US\$542 million for 2013, up from US\$138 million in 2012 (data drawn from Seplat's financial statements published and restated to comply with MPI's accounting standards).

1.3 Investment joint venture with Maurel & Prom: Saint-Aubin Energie

MPI and Maurel & Prom have entered into a partnership to jointly pursue new projects based on the traditional field of activity of both groups. The agreement was structured through a joint venture – Saint-Aubin Energie – in which MPI holds a 67% stake and Maurel & Prom, 33%.

MPI and Maurel & Prom exercise joint control over Saint-Aubin Energie, and any decision regarding day-to-day operations requires the agreement of both partners. Accordingly, and pursuant to the Group's accounting methods, Saint-Aubin Energie is consolidated using the equity method.

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.

Two projects began in Canada in the second half of 2013. Saint-Aubin Energie and Pérolia entered into an agreement for joint hydrocarbon exploration on thirteen 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 twelve 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.

1.4 Plan to list Seplat shares on the London and Lagos Stock Exchanges

On 11 March 2014, Seplat Petroleum, in which MPI holds a 30.1% stake, announced its plan to float its shares on the London and Lagos Stock Exchanges. The funds raised will be used to fund acquisitions and to repay the remaining balance of the US\$47 million shareholder loan granted by MPI.

The repayment of this loan and any changes to the composition of Seplat's Board of Directors following the listing will prompt the Company to analyse and potentially revise the level of control exercised over Seplat.

The control that the Company exercises jointly with its Nigerian partners Shebah and Platform relies mainly on the existence of a right of veto by MPI on all key strategic decisions affecting the Company which will remain until the shareholder loan has been repaid. The shareholder pact requires the prior formal consent of the Company for all decisions (i) made in the normal course of business (such as bond issues, dividend distribution, purchases or sales of assets, capital increases, issuances of guarantees or sureties, etc.) or, (ii) in the normal course of business, other major decisions (such as approval of programmes of work, budgets and plans, selection of drilling and oil services providers, appointments to key positions, definition of insurance policies, litigation management, designation of members to represent the Company in the joint venture, etc.).

Note 2 Accounting methods

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

Pursuant to European Regulation 1606/2002 of 19 July 2002 on international standards, the MPI Group's consolidated financial statements for the year ended 31 December 2013 have been prepared in accordance with IAS/IFRS international accounting standards applicable as at 31 December 2013, as approved by the European Union and available at: http://ec.europa.eu/internal_market/accounting/ias_fr.htm#adopted-commission.

International accounting standards include IFRS (International Financial Reporting Standards), IAS (International Accounting Standards) and their interpretations (Standing Interpretations Committee and International Financial Reporting Interpretations Committee).

New legislation or amendments adopted by the European Union and mandatory from 1 January 2013 have been taken into account. They do not have a significant impact on the consolidated financial statements as at 31 December 2013. They are:

- ▶ amendment to IAS 1 (Presentation of Items of Other Comprehensive Income);
- ▶ amendment to IAS 19 (Employee Benefits);
- ▶ amendment to IFRS 7 (Disclosures - Offsetting Financial Assets and Financial Liabilities);
- ▶ IFRS 13 (Fair Value Measurement);
- ▶ amendment to IAS 12 (Recovery of Underlying Assets);
- ▶ amendment to IFRS 1 (Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters);
- ▶ annual improvements (2009-2011);
- ▶ IFRIC 20 (Stripping Costs in the Production Phase of a Surface Mine).

In addition, the Company's prior written agreement is also required for any sale or transfer by Shebah or Platform of their Seplat shares (i) to a third party and (ii) resulting in a cumulative reduction in their equity interest in Seplat to less than 10% until the bank loan used to fund part of Seplat's acquisition of a 45% stake in the OMLs is fully repaid.

A potential challenge to joint control due to considerable influence would not, however, call into question Seplat's current consolidation by the equity method.

The Group has chosen not to apply the standards and interpretations which were not mandatory as at 1 January 2013, including:

- ▶ IFRS 10 Consolidated financial statements (applicable to reporting periods starting on 1 January 2014);
- ▶ IFRS 11 Joint Arrangements (applicable to reporting periods starting on 1 January 2014);
- ▶ IFRS 12 Disclosure of Interests in Other Entities (applicable to reporting periods starting on 1 January 2014);
- ▶ IAS 27R Separate Financial Statements (applicable to reporting periods starting on 1 January 2014);
- ▶ IAS 28R Investments in Associates and Joint Ventures (applicable to reporting periods starting on 1 January 2014);
- ▶ amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities (applicable to reporting periods starting on 1 January 2014).

Moreover, these principles do not differ from the IFRS as published by the IASB insofar as the application of the following standards or interpretations, mandatory for periods starting on or after 1 January 2013 and not yet ratified by the European Union, has no impact on the Group's financial statements:

- ▶ amendments to IFRS 12 Disclosure of Interests in Other Entities (methods of application for first-time adopters applicable to reporting periods starting on 1 January 2013) (An exception to consolidating particular subsidiaries of an investment entity applicable to reporting periods starting on 1 January 2014);
- ▶ amendments to IFRS 11 Joint Arrangements (methods of application for first-time adopters applicable to reporting periods starting on 1 January 2013) (An exception to consolidating particular subsidiaries of an investment entity applicable to reporting periods starting on 1 January 2014);
- ▶ amendments to IFRS 10 Consolidated Financial Statements (methods of application for first-time adopters applicable to

reporting periods starting on 1 January 2013) (An exception to consolidating particular subsidiaries of an investment entity applicable to reporting periods starting on 1 January 2014);

- ▶ IFRS 9 Financial Instruments (applicable to reporting periods starting on 1 January 2015);
- ▶ amendment to IAS 19 (Employee Contributions);
- ▶ IFRIC 21 (Levies).

IFRS standards have been applied by the Group consistently for all of the periods presented.

The preparation of consolidated financial statements under IFRS requires the Group to make accounting choices, produce a number of estimates and use certain assumptions that affect the reported amounts of assets and liabilities, the notes on the possible assets and liabilities at the closing date, and the income and expenses during the period. Changes in facts and circumstances may lead the Group to review such estimates.

The results obtained may significantly differ from such estimates when different circumstances or assumptions are applied.

In addition, when a specific transaction is not treated by any standard or interpretation, the Group's Management uses its own discretion to define and apply the accounting methods that will provide relevant and reliable information. The financial statements provide a faithful representation of the Group's financial position, performance and cash flows. They reflect the substance of transactions, are prepared in a cautious manner, and are complete in all material respects.

Management estimates used in preparing financial statements relate primarily to:

- ▶ impairment tests on oil assets;
- ▶ recognition of oil carry transactions;
- ▶ assessment of the necessary investments to develop undeveloped proven reserves included in asset depletion calculations.

2.1 Consolidation methods

The accounting rules and methods described below concern both the accounts of the Company (the holding company) and those of Seplat, restated in accordance with the standards of the MPI Group for the purposes of consolidation.

Seplat, which is controlled jointly by the Company, is consolidated using the equity method as a joint venture.

Applying the equity consolidation method means that the Company's share of Seplat's equity and net income is recorded under Equity associates in the Statement of financial position and that the Company's share of net income for the period is recorded in the comprehensive income statement on a separate line.

The Company's receivables and payables vis-à-vis Seplat are not eliminated. The net income arising from transactions between the two companies is only recognised in the MPI Group's financial statements in proportion to the partners' interests in Seplat.

2.2 Business combinations and goodwill

Business combinations are recognised in accordance with IFRS 3R under the acquisition method. Thus, when control of a company is acquired, the assets, liabilities and contingent liabilities of the acquired company are assessed at their fair value in accordance with IFRS guidelines.

If the cost of an acquisition is lower than the fair value of the net assets of the subsidiary acquired, the identification and valuation of the identifiable assets and liabilities are further analysed.

Any residual negative goodwill must be posted directly to net operating income.

The analysis of goodwill must be finalised within a period of one year from the date of acquisition.

Such goodwill is not amortised, but rather subjected to systematic impairment tests at every balance sheet date, and any losses in value ascertained on goodwill are irreversible.

2.3 Oil activity assets

The following methods are used to account for the costs of oil-related activities:

Oil search and exploitation rights

Mining permits

Expenditures for the acquisition and allocation of mining permits are recorded as intangible assets and, during the exploration phase, amortised on a straight-line basis over the estimated duration of the permit or at the depreciation rate for the oil production installations. If the permit is withdrawn or the exploration fails, the remaining amortisation is recorded in full at once.

Acquisitions of reserves

Acquisitions of oil reserves are recorded as intangible assets and amortised according to the unit of production method based on proven and probable reserves.

The amortisation rate equals the ratio of the field's hydrocarbon production during the year to the proven hydrocarbon reserves and 50% of the probable reserves at the beginning of the same year, re-estimated based on an independent appraisal.

Exploration costs

The Group applies IFRS 6 for the recognition of exploration costs. Hydrocarbon production fees and assets are posted in accordance with the "full cost" method.

Exploration studies and work, including geology and geophysics costs, are entered on the asset side of the balance sheet under intangible assets.

Charges incurred prior to the issuance of the exploration permit are recognised as expenses.

Expenditure incurred after that date is capitalised and amortised once exploitation commences.

Drilling expenditure that does not result in a commercial discovery is posted under expenses for the total amount incurred, at the time that it is decided to totally abandon work in the zone concerned or in the connected zone.

At the time of discovery, these costs then become operating costs, a portion of which is transferred to property, plant and equipment, depending on their nature.

Once an indicator of impairment arises (expiration of a permit, additional unbudgeted expenses, etc.), an impairment test is carried out to verify that the book value of the expenses incurred does not exceed the recoverable amount; this test is performed at least once per year.

Aside from indicators of impairment concerning exploration costs, impairment tests are carried out once the MPI Group has enough data (based on the outcome of appraisal wells or seismic research work, etc.) to determine technical feasibility and commercial viability; these tests are done at field level.

Oil production assets

Oil production assets include all exploration-related costs transferred to property, plant and equipment following discovery, as well as those relating to field development (production drilling, surface installations, oil routing systems, etc.).

These assets appear under the technical facilities heading.

Assets not completed at fiscal year-end are entered as assets under construction.

Completed assets are amortised according to the unit of production method. The amortisation rate equals the ratio of the field's hydrocarbon production during the year to the proven reserves at the beginning of the same year, re-estimated based on an independent appraisal.

The depreciation base consists of the investments made plus the future investments necessary for developing undeveloped proven reserves.

The reserves taken into account are the reserves determined on the basis of analyses conducted by independent organisations, to the extent that the said analyses are available on the reporting date.

In accordance with IAS 23R, which has been mandatory since 1 January 2009, borrowing costs directly chargeable to the acquisition of an eligible asset are capitalised when the conditions set by the standard are met. Otherwise, borrowing costs are not included in the cost of a fixed asset under construction.

Costs of site restoration

Provisions for site restoration are made when the MPI Group has an obligation to dismantle and restore sites.

The updated site restoration expense is capitalised and added to the value of the underlying asset and amortised at the same rate.

2.4 Other property, plant and equipment

The gross value of other property, plant and equipment corresponds to their acquisition or production cost. It is not revalued. Borrowing costs are capitalised when the asset in question meets the eligibility conditions as defined by IAS 23R.

Depreciation is calculated on a straight-line basis, and the depreciation term is based on the estimated useful life of the different categories of property, plant and equipment, which are predominantly as follows:

- ▶ fixtures and fittings: 5 years;
- ▶ transportation equipment: 4 years;
- ▶ office and computer equipment: 3 years; and
- ▶ office furniture: 5 years.

2.5 Asset impairment

When events indicate a risk of impairment of intangible assets and property, plant and equipment, and in any case at least once a year, these are subject to a detailed analysis in order to determine whether their net carrying value is lower than their recoverable amount, with the latter defined as the higher of fair value (less costs to sell) or value in use. Value in use is determined by discounting future cash flows expected to arise from the use of the asset and its disposal.

Assets are grouped into cash-generating units (CGUs) to determine their recoverable amount. A CGU is a homogeneous set of assets whose ongoing utilisation generates cash inflows that are largely independent of the cash inflows from other groups of assets.

Cash flows are determined in keeping with the reserves identified, the related production profile and the discounted sale prices after taking into account the applicable tax.

The discount rate used takes into account the risk associated with the activity and its geographical location.

If the recoverable amount is lower than the net carrying value, impairment is recognised for the difference between these two amounts.

This impairment may be reversed depending on the net carrying value that the asset would have had on the same date, had it not been impaired. Impairment losses recorded on goodwill are irreversible.

2.6 Non-current financial assets

Financial loans and receivables are initially recognised at fair value and are posted on the balance sheet at their amortised cost. They are subject to impairment if there is an objective indicator of impairment. This impairment, carried through net income, may later be reversed under income if the conditions that led to such impairment cease to exist.

2.7 Inventories

Inventories are valued at acquisition or production cost. The production cost includes consumables and direct and indirect production costs.

Inventories are valued based on the FIFO ("First In, First Out") method.

Hydrocarbon inventories are valued at production cost, including production and transportation costs and the depreciation of technical facilities.

A provision is created when the net realisable value is lower than the gross value of inventories.

2.8 Trade receivables

Trade receivables are initially recognised at their fair value. At year-end, they are impaired if there is a proven risk of non-recoverability.

2.9 Foreign currency transactions

Expenses and income in foreign currency are posted at their equivalent value in the operating currency for the entity concerned at the transaction date. Debts, external financing, receivables and liquid assets in foreign currency appear on the balance sheet at their equivalent in the operating currency for the entity concerned at the closing price. Differences resulting from conversion into foreign currency at this rate are posted to the income statement as other financial income or other financial expenses.

2.10 Currency conversion of the annual financial statements of foreign subsidiaries

The financial statements of foreign subsidiaries whose operating currency is not the euro are converted into euros using the closing price method.

Assets and liabilities, including goodwill on foreign subsidiaries, are converted at the exchange rate in effect on the reporting date. Income and expenses are converted at the average rate for the period.

The consolidating company's share of exchange gains/losses recorded both on the initial balance sheet and the income statement are posted to equity under exchange gains/losses.

2.11 Cash and cash equivalents

Cash equivalents correspond to short-term investments of surplus cash.

2.12 Other borrowings

Other borrowings are initially recognised at fair value. They are entered on the balance sheet at their amortised cost. The effect of this treatment is to post issuance expenses as a deduction against the initial fair value of the loan. Furthermore, financial expenses are calculated on the basis of a loan's effective interest rate (i.e., the actuarial rate after taking issue costs into account).

2.13 Fair value

Fair value hierarchy

IFRS 7 "Financial Instruments: Disclosures", as amended in 2009, establishes a three-level hierarchy for measuring fair value:

- ▶ level 1: the quoted prices for identical assets and liabilities (to those being measured), available on the valuation date in an active market to which the entity has access;
- ▶ level 2: inputs are observable data, but do not correspond to the prices quoted for identical assets or liabilities; and
- ▶ level 3: inputs not based on observable data (for example, the data resulting from extrapolations). This level applies when no market or observable data exists and the Company is required to make its own assumptions when estimating the data that other market operators would have used to measure the fair value of the asset.

All fair value assessments are disclosed, according to their level, in Note 7 to the consolidated financial statements.

For the purposes of presentation in accordance with IFRS 7:

- ▶ the fair value of loans and receivables is determined by discounting expected cash flows at the market rate in force at the reporting date; for receivables with a term of less than six months, the balance sheet value represents a reliable approximation of their fair value; and
- ▶ the fair value of financial liabilities is determined by discounting future cash flows at the market rate in force on the reporting date, for a debt with the same residual maturity. For trade payables, the balance sheet value is a reliable approximation of their fair value.

2.14 Treasury shares

Treasury shares are recognised as a reduction of shareholders' equity on the basis of their acquisition cost.

2.15 Provisions for risks and contingencies

In accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", provisions are recognised when the MPI Group has an obligation at year-end to a third party deriving from a past event, the settlement of which should result in an outflow of resources constituting economic benefits.

Provisions are adjusted when the effect of the adjustment is significant.

The site restoration obligation is recognised at the adjusted amount of the estimated cost or the contractual obligation for dismantlement; the impact of the passage of time is measured by applying a risk-free interest rate to the amount of the provision.

The effect of the accretion is posted under "Other financial expenses".

2.16 Oil sales

Sales corresponding to the sale of production from deposits operated by the Company include royalties paid.

A sale is recognised when the oil is delivered to the oil terminal. If the quantity collected over the period by the buyer exceeds the quantities delivered (an over-entitlement situation), a debt to the partner is recorded as a deduction from sales. In the reverse situation (under-entitlement), a receivable against the partner is recorded in consideration for the sales. Debts and receivables are measured as the realisable value of the excess or shortfall.

Until 31 December 2012, revenue was recognised as sales when the Company had transferred the risks and benefits of ownership of the assets to the buyer, i.e. when the oil was collected from oil terminals.

To harmonise its practices with those of its main subsidiary (Seplat), the Group has decided to use the "entitlement method", which consists of measuring over- and under-entitlement positions at the end of the period at their realisable value, rather than the "sales method" which it has historically applied. The Group no longer recognises a sale when the oil is collected from the oil terminal, but when the oil is delivered to the oil terminal. Sales are adjusted to reflect whether the Group is in an over-entitlement position (in which case the Group records a debt to its partners), or under-entitlement position (in which case the Group records a receivable).

This is a voluntary change in accounting method in accordance with IAS 8.14 to the extent that it is permitted and is common practice in the oil industry.

The new method will enable better comparability of the Group's financial data with that of other companies in the sector, as well as better comparability of financial performance from year to year, especially when there are significant variances in year-end entitlement positions.

2.17 Income taxes

The tax expense presented on the income statement includes the current tax expense (or income) and the deferred tax expense (or income).

Deferred taxes are recorded based on temporary differences between the book values of assets and liabilities and their tax bases. Deferred taxes are not updated. Deferred tax assets and liabilities are measured based on the tax rates approved on the reporting date. Deferred tax assets, resulting primarily from tax loss carried forward or deferred amortisation and depreciation, are not taken into account unless their recovery is likely.

To ascertain the Group's ability to recover these assets, the following elements in particular have been taken into account:

- ▶ the existence of sufficient temporary differences taxable by the same tax authority for the same taxable entity, which will create taxable amounts on which unused tax losses and tax credits may be charged before they expire; and
- ▶ forecasts of future taxable net income allowing prior tax losses to be offset.

2.18 Earnings per share

Two earnings per share are reported: basic EPS and diluted EPS. The number of shares used for calculating diluted earnings per share takes into account the conversion into shares of instruments providing deferred access to the capital and having a dilutive effect. Diluted earnings per share are calculated based on net income, Group share, adjusted by the financial cost, net of taxes, of dilutive instruments providing deferred access to the capital.

Treasury shares are not taken into account in the calculation.

Note 3 Changes in the composition of MPI Group

Company	Registered office	Consolidation method	% control	
			31/12/2013	31/12/2012
MPI	Paris, France	Consolidating company	Consolidating company	
Oil and gas activities				
Seplat	Lagos, Nigeria	Equity associate	30.10%	45.00%
Maurel & Prom East Asia	Paris, France	Equity associate	66.67%	
Newton	Lagos, Nigeria	Equity associate	30.10%	
Cardinal	Lagos, Nigeria	Equity associate	40.00%	
Maurel & Prom Iraq	Paris, France	Equity associate	33.33%	
Saint-Aubin Energie Québec Inc.	Montreal, Canada	Equity associate	66.67%	
MP Energy West Canada Corp.	Calgary, Canada	Equity associate	66.67%	
MP Québec	Paris, France	Equity associate	66.67%	
MP West Canada	Paris, France	Equity associate	66.67%	
Other activities				
MPNATI S.A.	Geneva, Switzerland	Fully consolidated	100.00%	100.00%
Saint-Aubin Energie SAS	Paris, France	Equity associate	66.67%	

The newly consolidated companies primarily relate to Saint-Aubin Energie and its subsidiaries set up to hold its various investments.

The first-time consolidation of Saint-Aubin Energie and its wholly owned subsidiaries MP East Asia, MP West Canada, MP Energy West Canada and MP Québec are explained above under Note 1: "General information".

The corporate purpose of MP Iraq, which is 50%-owned by Saint-Aubin Energie, is to search for oil assets in Iraq in which the Group could acquire interests.

Newton, a wholly owned subsidiary of Seplat, holds oil assets in Nigeria acquired in June 2013.

Cardinal, in which MPI acquired a 40% stake in September 2013, carries out oil drilling operations in Nigeria on behalf of Seplat.

Note 4 Other 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.

Note 5 Equity associates

AT 31/12/2012

<i>In thousands of euros</i>	Share of shareholders' equity	Goodwill	Balance sheet value	Share of net income in the fiscal year
Seplat	77,780	0	77,780	48,229
TOTAL	77,780	0	77,780	48,229

AT 31/12/2013

<i>In thousands of euros</i>	Share of shareholders' equity	Goodwill	Balance sheet value	Share of net income in the fiscal year
Seplat	168,034	0	168,034	169,651
Maurel & Prom East Asia	156	0	156	137
Cardinal	2,122	0	2,122	(3,819)*
MP Iraq	(325)	0	(325)	(149)
MP West Canada	(180)	0	(180)	(204)
Saint-Aubin Energie SAS	(564)	0	(564)	(484)
TOTAL	169,244	0	169,244	165,131

* Including €4,004k goodwill depreciation expense.

Financial information at 31 December 2013

<i>In thousands of euros</i>	MP East Asia	Saint-Aubin Energie	Seplat	MP Iraq	Cardinal	MP West Canada
Assets**	30,052	56,954	982,707	35	86,308	8,860
Liabilities*	29,819	57,799	424,452	1,009	81,003	25,721
Sales	0	0	662,772	0	25,376	0
Net income	206	(726)	407,935	(448)	460	(307)

* Excluding net equity position.

** Excluding equity investments.

Comments on the Seplat financial statements restated in accordance with the standards of the MPI Group

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 published as at 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, was reduced to 35% with effect from September and then to 30.1% at the end of the fiscal year, following sales of securities.

Consolidated financial statements for the year ended 31 December 2013

Statement of financial position

	31/12/2013		31/12/2012	
	Thousands of US\$	Thousands of €	Thousands of US\$	Thousands of €
Non-current assets	732,248	530,961	495,480	375,534
Current assets	623,003	451,746	403,642	305,928
TOTAL ASSETS	1,355,251	982,707	899,122	681,463
Shareholders' equity	769,889	558,255	228,053	173,846
Liabilities	585,362	424,452	671,069	508,617
TOTAL LIABILITIES	1,355,251	982,707	899,122	681,463

Net income for the period

	31/12/2013		31/12/2012	
	Thousands of US\$	Thousands of €	Thousands of US\$	Thousands of €
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

Production and sales

		Q1	Q2	Q3	Q4	2013	2012	Chg. 13/12
Number of days	<i>d</i>	90	91	92	92	365	366	
Recognised entitlements	<i>b</i>	3,454,031	4,841,288	4,085,087	4,704,230	17,084,636	11,807,088	45%
	<i>bopd</i>	38,378	53,201	44,403	51,133	46,807	32,260	
Seplat share	<i>b</i>	1,554,314	2,178,580	1,838,289	2,116,904	7,688,086	5,313,190	45%
	<i>bopd</i>	17,270	23,940	19,981	23,010	21,063	14,517	
Sales - Oil	<i>b</i>	1,188,873	2,037,859	2,344,451	2,116,904	7,688,086	5,187,409	48%
	<i>bopd</i>	13,210	22,394	25,483	23,010	21,063	14,173	
Sales - Oil	<i>USSM</i>	135	218	262	236	852	600	42%
Sales - Gas	<i>USSM</i>	3	3	6	6	18	26	-33%
Other	<i>USSM</i>	0	0	0	0	0	4	N/A
Newton oil sales*	<i>USSM</i>			6	5	10		
SEPLAT SALES	<i>USSM</i>	139	221	274	246	880	629	40%

Production at OMLs 4, 38 and 41 was an average of 51,380 bopd 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 bopd during fiscal year 2013, compared with 32,260 bopd 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's sales of oil totalled US\$862 million, including US\$11 million from Newton (OML 56), up 44%, representing 7,688,086 barrels of oil sold at an average price of US\$113 per barrel (a premium of US\$2 compared to the average price of Brent over 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 with the 120 Mmscfd budgeted, owing to the shutdown of one of the buyer's gas plants.

The ramping up of production and sales led to a significant increase in operating income which totalled US\$470 million in 2013, versus US\$294 million the previous year. The operating margin (Operating income/sales) rose by six per cent, from 47% at the end of December 2012 to 53% at the end of December 2013, due to 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 an independent assessor, DeGolyer and MacNaughton.

The negative financial income corresponds to interest charges on debt comprising a line of credit and the shareholder loan granted by the Company.

In February 2014, the Company obtained "Pioneer industry" status from the Nigerian tax authorities under which 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, which essentially represents a receivable owing from the government for income tax paid in 2011 and 2012.

After taking the items mentioned above into account, Seplat's net income amounted to US\$550 million.

Completion of a sustained development programme

In 2013, seplat continued with an investment programme necessary to reach its daily production target of 85,000 barrels and 250 million cubic feet of gas by 2016. The investments made by the partnership in 2013 amounted to us\$361 million (seplat's share being us\$163 million). Thirteen wells were drilled over the period at a cost of us\$213 million (seplat's share being us\$96 million) and us\$141 million (seplat: us\$63 million) was invested to improve the oil recovery rate and increase the processing capacity of surface facilities.

Acquisition of oil assets

In June, Seplat, through its subsidiary Newton Energy, acquired a 40% stake in the marginal fields operated by Pillar on OML 56. This transaction allows Seplat to increase its oil and gas reserves.

The purchase price was comprised of a principal amount of US\$50 million plus two price adjustments of US\$5 million each. The first will be payable when production exceeds 10,500 bopd per day, and the second when total field production since the equity investment in Newton reaches 10 million barrels.

Acquisitions

The agreement signed with Chevron in 2013 for a 40% stake in OML 53 is awaiting approval by the government authorities and the outcome of a legal challenge filed by Britannia-U, whose bid was not accepted by Chevron. In 2013, Seplat paid a deposit of US\$69 million as part of its bid submission.

Seplat has been selected to participate in the call for tenders to take over the interests held by SPDC on OMLs 18, 24, 25 and 29. Located in the Niger Delta, these four blocks currently in production could offer multiple development opportunities for Seplat.

Note 6 Trade receivables and other current assets

<i>In thousands of euros</i>	31/12/2013	31/12/2012
Trade receivables - oil and gas activities	174	588
NET VALUE	174	588

This post is composed of claims relating to the benefits of technical service billed by the Company to Seplat pursuant to the support contract in force between the two companies.

Receivables on equity interests and joint ventures

This item (US\$48 million or €35 million) corresponds to the balance of the shareholder loan repaid at 7.125% granted to

Seplat. This loan should be repaid in 2014 by Seplat with funds which will be raised during its IPO planned for April. In 2012, this loan was classified as a non-current asset.

At the end of 2012, the Company had granted to Seplat, as part of a planned external growth operation in Nigeria, an advance of €74 million which was repaid in early January 2013.

Note 7 Fair value

Financial assets and fair value

The various categories of financial assets as at 31 December 2013 are shown in the tables below:

<i>In thousands of euros</i>	31/12/2013		
	Loans and receivables	Balance Sheet Total	Fair value
Other non-current financial assets	38,160	38,160	38,160
Trade receivables and related accounts	174	174	174
Other current financial assets	34,937	34,937	34,937
Cash (net of bank borrowings) and cash equivalents	225,805	225,805	225,805
TOTAL BALANCE SHEET VALUE	299,076	299,076	299,076
TOTAL FAIR VALUE	299,076	299,076	299,076

<i>In thousands of euros</i>	31/12/2012		
	Loans and receivables	Balance Sheet Total	Fair value
Other non-current financial assets	35,705	35,705	35,705
Trade receivables and related accounts	588	588	588
Other current financial assets	74,229	74,229	74,229
Cash and cash equivalents	106,334	106,334	106,334
TOTAL BALANCE SHEET VALUE	216,856	216,856	216,856
TOTAL FAIR VALUE	216,856	216,856	216,856

Financial liabilities (excluding derivatives) and fair value

The various categories of financial liabilities as at 31 December 2013 are as follows:

In thousands of euros	31/12/2013			
	Current	Non-current	Balance Sheet Total	Fair value
Other borrowings and financial debt	70	0	70	70
Trade payables	2,205	0	2,205	2,205
Other creditors and sundry financial liabilities	4,444	0	4,444	4,444
TOTAL	6,717	0	6,717	6,717

In thousands of euros	31/12/2012			
	Current	Non-current	Balance Sheet Total	Fair value
Other borrowings and financial debt	0	0	0	0
Trade payables	794	0	794	794
Other creditors and sundry financial liabilities	425	0	425	425
TOTAL	1,218	0	1,218	1,218

Assumptions made

Financial assets totalling €299.1 million correspond to €225.8 million of sight cash deposits, €38.2 million (US\$52 million) of advances to Saint-Aubin Energie and the remaining €34.9 million comprising a shareholder loan granted to Seplat and repaid at the rate of 7.125%.

Current financial liabilities consist of trade and income tax payables measured at fair value.

Accordingly, book values do not differ materially from the fair values of the various items concerned.

Note 8 Cash and cash equivalents

In thousands of euros	31/12/2013	31/12/2012
Liquid assets, banks and savings banks	218,554	18,121
Short-term bank deposits	7,251	88,213
Total	225,805	106,334
Bank borrowings	70	0
CASH AND CASH EQUIVALENTS AT END OF PERIOD	225,735	106,334

At 31 December 2013, the Company held cash and cash equivalents of €225.8 million, an increase versus the previous year as detailed in the cash flow statement.

Note 9 Shareholders' equity

The share capital remained unchanged in 2013. The share capital amounts to €11,534 thousand, representing 115,336,534 shares with a nominal value of €0.10.

Share repurchase plan

The Board of Directors is authorised to buy back its own shares, subject to a limit of 10% of the share capital, under the following conditions: maximum purchase price per share of €10 and maximum funds that the Company may devote to this buy-back programme of €120 million.

The General Shareholders' Meeting of 21 June 2012 cancels and replaces the authorisation previously given by the General Shareholders' Meeting of 7 October 2011 with a new

authorisation for the same purpose. This new authorisation is granted for a term of 18 months and entitles the Board of Directors to purchase Company shares, subject to a limit of 10% of the share capital, under the following conditions: maximum purchase price per share of €6 and maximum funds that the Company may devote to this buy-back programme of €69,201,920.

As part of this repurchase plan, 1,242,902 shares were purchased in 2013. Over the same period, 7,539,699 shares were bought and 7,903,275 shares were sold under the liquidity agreement.

At 31 December 2013, the Company held 4,410,075 treasury shares (3.8% of share capital with a gross value of €9,882.6K at the end of 2013), including 608,006 shares under the liquidity agreement.

Summary of capital transactions

At 31 December 2013, as shown in the table of capital transactions below, there were 115,336,534 Company shares and share capital amounted to €11,533,653.40.

	Number of shares	Treasury shares
At 31/12/2012	115,336,534	3,568,332
▶ Share capital transactions (increases and decreases)		
▶ Purchases of treasury shares		841,743
AT 31/12/2013	115,336,534	4,410,075

Distribution

By a resolution of the Ordinary and Extraordinary General Shareholders' Meeting of 20 June 2013, it was decided to distribute a dividend of €0.08 per share. Accordingly, in 2013 the Company paid out a dividend totalling €8,948,767.

Note 10 Trade payables – other creditors and miscellaneous financial liabilities

In thousands of euros	31/12/2013			31/12/2012		
	< 1 year	> 1 year	Total	< 1 year	> 1 year	Total
Suppliers	2,204	0	2,204	794	0	794
Suppliers	193	0	193	326	0	326
Accrued expenses	2,011	0	2,011	468	0	468
Other creditors and miscellaneous liabilities	4,444	0	4,444	425	0	425
Social security liabilities	115	0	115	110	0	110
Tax liabilities	3	0	3	2	0	2
Fixed asset suppliers	0	0	0	0	0	0
Miscellaneous creditors	4,326	0	4,326	313	0	313

Note 11 Operating income

The operating income of €29 million was primarily due to a consolidated capital gain of €30.9 million on the two-step sale of 14.9% of Seplat's share capital (see above § "General

information"). The Company also posted €2 million in expenses relating to the listing of Seplat (statutory audit, financial communication, legal costs, etc.).

Note 12 Financial income

<i>In thousands of euros</i>	31/12/2013	31/12/2012
Other net financial income and expenses	3,955	5,009
Net foreign exchange differences	651	571
Other	3,304	4,437
FINANCIAL INCOME	3,955	5,009

Other financial income primarily relates to interest received on advances to Seplat and Saint-Aubin Energie.

Note 13 Earnings per share

	31/12/2013	31/12/2012
Net income, Group share	196,361	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		
Basic	1.77	0.45
Diluted	1.70	0.44

In accordance with IAS 33, diluted earnings per share are equal to the net income attributable to ordinary shareholders arising from the parent company divided by the weighted average number of outstanding ordinary shares at the price for the year, after adjusting the numerator and denominator for the impact of any potential dilutive ordinary shares.

In accordance with IAS 33, potential ordinary shares are treated as dilutive if, and only if, their conversion to ordinary shares has the effect of reducing earnings per share from the activities undertaken.

Note 14 Related parties

Commercial and financial transactions (in thousands of euros)

31/12/2012	Revenues	Expenses	Amounts due from related parties (net)	Amounts due to related parties
Joint ventures				
▶ Seplat	3,152		110,172	90
Other related parties				
▶ Établissements Maurel & Prom		0	0	0
<hr/>				
31/12/2013	Revenues	Expenses	Amounts due from related parties (net)	Amounts due to related parties
Joint ventures				
▶ Saint-Aubin Energie	0		38,160	0
▶ Seplat	3,003		34,937	0
Other related parties				
▶ Établissements Maurel & Prom		0	0	0

Agreements between the Company and Seplat

Shareholder loan

In 2010, the Company granted a shareholder loan to Seplat in the amount of US\$153 million repaid at a rate of 7.125%. Two repayments were made on this loan in March and September 2011 for a total of US\$107 million. Since no repayment of the principal was made in 2012 and 2013, the amount of the receivable remained unchanged at US\$48 million. The interest charged over the year amounted to €2.5 million.

Current account advance

In the fourth quarter of 2012, the Company granted Seplat a short-term interest-free advance of US\$98 million as part of an external growth operation planned in Nigeria. As Seplat's offer was not selected as the best, Seplat repaid the advance to the Company early in January 2013.

Support services

The Company provides technical and general support services to Seplat under normal competitive market terms. In 2013, the amounts invoiced in respect of these services totalled €42,000.

Seplat – Shebah Exploration and Production Company Ltd – Allenne British Virgin Islands Limited Memorandum of Agreement

Seplat's hydrocarbon production is extracted under a contract concluded with SPDC in Nigeria.

In order to mitigate the risk of dependence on a single production evacuation pipeline, on 16 November 2010 Seplat signed a memorandum of agreement with Shebah Exploration and Production Ltd and Allenne British Virgin Islands Ltd concerning the lease or purchase of the "Trinity Spirit" floating oil production, storage and offloading unit ("FPSO"), which gives Seplat another way to evacuate oil and gas apart from the SPDC Nigeria pipeline.

In accordance with this agreement, in 2010 Seplat paid Allenne British Virgin Islands Limited an advance of US\$15 million. 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.

Mr Ambrosie Bryant Chukwueloka Orijiako, a Company director and chairman of Shebah Exploration and Production Company Ltd, had a personal interest in this agreement.

Financing the acquisition of drilling rigs

Seplat has marked out an intensive three-year drilling programme to enable it to achieve its stated objective of increasing production to a level of 85,000 bopd of oil and 250 million cubic feet of gas by 2016. The achievement 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.

Accordingly, Seplat paid US\$45 million in 2011 to the American rig manufacturer BHP Billiton to finance the purchase of two new drilling rigs by Cardinal. In 2012, Cardinal obtained bank financing of US\$30 million, which allowed it to repay a portion of the advance it had received. At the end of 2012, the balance of the advances granted by Seplat to Cardinal was US\$25 million. US\$5 million of this debt was repaid by offsetting the cost of drilling services performed by Cardinal for Seplat in 2013.

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

Jean-François Hénin, Chairman of MPI, is also a member of the Board of Directors of Cardinal and therefore has an interest in this agreement.

Since September 2013, MPI has owned 40% of Cardinal. The remaining capital is held by Shebah (34%) and Platform (26%).

Compensation of senior executives

The senior executives comprise on the one hand, Seplat's chairman and directors, and on the other hand, the members of the Company's board of directors.

With regard to Seplat, the compensation of senior executives amounted to US\$6,756K over fiscal year 2013, compared to US\$3,885K over fiscal year 2012. These sums, which constitute short-term benefits, were paid by Seplat. The portion funded by NPDC, a consortium partner, amounted to US\$1,455K for 2013 and US\$906K for 2012.

The remuneration for MPI senior executives amounted to €100K in 2013. The Combined (Ordinary and Extraordinary) General Shareholders' Meeting of 20 June 2013 also allocated directors' fees totalling €280K for members of the Board of Directors. These directors' fees have not yet been paid.

Note 15 Off-balance-sheet commitments**Commitments given****Guarantees made on borrowings**

Seplat's securities have been pledged to lending institutions as collateral for the syndicated line of credit set up by the subsidiary last year. Of this line of credit, which may reach up to US\$550 million, US\$335 million had been drawn at the end of 2013.

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

- ▶ debt to equity ratio of less than 3; and
- ▶ amount borrowed < P2 reserves * US\$70 * 40%

These ratios were being respected as at 31 December 2013.

Firm reservation commitment for two drilling rigs

This point is described in Note 16 on "Related parties" § "Financing the acquisition of drilling rigs".

Commitments received

None.

Note 16 Operating segments

In compliance with IFRS 8, segment information is reported according to the same principles as internal reporting, reproducing the internal segment information defined to manage and measure the MPI Group's performance.

The MPI Group has only one operating segment, its hydrocarbon production activity in Nigeria carried out by Seplat. Detailed information about this company is provided above in Note 5: "Equity associates".

Note 17 Risks

Credit risk

Receivables and loans included in the Company's assets relate to Seplat (€35 million) and Saint-Aubin Energie (€38 million). In view of Seplat's buoyant business and the creditworthiness of its customers (Shell Group and National Gas Company) and its partners (NPDC), the MPI Group does not consider there to be a counterparty risk.

Liquidity risk

As with any business, the MPI Group is exposed to a risk of insufficient liquidity or to a risk that its financing strategy is inadequate.

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

The Group's liquidity is detailed in consolidated cash flow statements produced weekly and sent to the executive management. Monthly, quarterly and year-end forecasts are also produced at the same time. The Group's cash position is monitored by the treasury manager at Établissements Maurel & Prom's registered office as part of the service agreement entered into with this company. To perform his duties, this manager is in regular contact with Seplat's treasury manager.

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.

Market risk

The Group's financial statements are sensitive to fluctuations in the price of hydrocarbons. Currency risk is negligible following the Company's adoption of the US dollar as its operating currency in 2012.

Exposure to hydrocarbon risk

Both the economy and, more specifically, the profitability of the oil and gas industry are highly sensitive to the price of hydrocarbons expressed in US dollars. As a result, the cash flow and projected results of Seplat, and consequently the Company, are strongly affected by changes in the price of hydrocarbons expressed in US dollars.

To date, no specific hedging policy to protect against this risk has been implemented within the Group, due notably to the costs of implementation and the related unfavourable tax treatment. However, the use of hedging instruments in the future will not be ruled out if the related costs and taxes become more favourable, or if a change in the price of hydrocarbons justifies it.

Foreign exchange risk

The MPI Group's reporting currency is the euro, whereas the operating currency of the Company and Seplat is the US dollar since sales, the majority of operating expenses and a significant portion of capital expenditure are denominated in that currency. Expenses in Nigerian nairas (the Nigerian currency) represent about 30% of total expenses.

This makes the MPI Group's consolidated financial statements sensitive to the €/US\$ exchange rate, a sensitivity that is linked to the conversion of assets and liabilities to the reporting currency at the closing rate. Exchange gains and losses arising therefrom are recorded in shareholders' equity.

The impact on consolidated equity at 31 December 2013 of a 10% fluctuation in the €/US\$ exchange rate on that date is presented below (in millions of euros):

	Impact on net 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
US\$	0.0	0.0	-42.3	51.6
Other currencies				
TOTAL	0.0	0.0	-42.3	51.6

The Group has not set up any specific hedges to mitigate foreign exchange risk.

At 31 December 2013, the Company's consolidated foreign exchange position stood at US\$641 million, which breaks down as follows:

	Assets and liabilities	Foreign currency commitments (c)	Net position before hedging (d) = (a)-(b)+/-(c)	Hedging financial instruments (e)	Net position after hedging (f) = (d) - (e)
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

Interest rate risk

Virtually all the MPI Group's cash is deposited in sight deposit accounts earning interest at Libor + 22 basis points. An increase of 1 bp in the Libor rate would improve the Company's financial income by €2.2 million.

Seplat borrows at a variable rate capped at 10%, which results in a residual exposure to the Company's interest rate risk. Within the

limit of this 10% cap, a 1% increase in interest rates would result in a decrease in net income accounted for by the equity method of €1.4 million.

Exposure to equity and management risk

The MPI Group's financial assets are not exposed to equity risk.

Note 18 Post-balance-sheet events

In March 2014, Seplat announced its plan to list its shares in Lagos and London. This point is covered in Note 1, "General Information".

Note 19 Audit fees

<i>In thousands of euros</i>	François Carrega		IAC	
	Amount	Amount	Amount	Amount
	2013	2012	2013	2012
Audit				
▶ Statutory auditor, certification, examination of Company and consolidated financial statements	196	190	83	80
▶ Other measures and services directly related to the duties of the statutory auditor	0	0	0	0
Subtotal	196	190	83	80
Other services rendered via the networks to fully consolidated subsidiaries	0	0	0	0
▶ Legal, tax, corporate	0	0	0	0
▶ Other (specify if > 10% of audit fees)	0	0	0	0
Subtotal	0	0	0	0
TOTAL	196	190	83	80

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

Dear Shareholders,

In the performance of the mission entrusted to us by the General Shareholders' Meeting and your Articles of Association, we hereby present our report on the year ended 31 December 2013, on:

- ▶ the audit of the consolidated financial statements of MPI, as attached to this report;
- ▶ the justification of our assessments;
- ▶ the specific verification required by law.

The consolidated financial statements have been approved by the Board of Directors. It is our responsibility, based on our audit, to express an opinion on the financial statements.

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with the professional standards applicable in France. These standards require that we plan and perform the audit to obtain reasonable assurance that the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have gathered is a sufficient and appropriate basis on which to form our opinion.

We hereby certify that the consolidated financial statements for the period give a true and fair view of the assets, financial position and net income of the Group, in accordance with International Financial Reporting Standards as adopted by the European Union.

In due respect of the opinion expressed above, we draw your attention to Note 1.4 of the notes to the consolidated financial statements, "Plan to list Seplat shares on the London and Lagos Stock Exchanges", which states that the funds raised by Seplat from its stock market listing will be used, *inter alia*, to repay the remaining balance of the US\$47 million shareholder loan owing to your Company. The note states that these events and their consequences could have the effect of terminating the joint control that your company exercises over Seplat.

II. Justification of our assessments

Pursuant to the provisions of Article L. 823-9 of the French Commercial Code relating to the justification of our assessments, we bring the following matters to your attention:

Note 1.2 of the notes to the financial statements states that there is a "Sharp rise in net income from equity associates due to the increase in Seplat's production and boosted by Seplat being granted a five-year exemption from corporation tax." Seplat, in which your company holds a 30.10% equity interest, has been granted the status of a "pioneer industry" by the Nigerian tax authorities, under which it enjoys a five-year exemption from corporation tax. We have obtained reasonable assurance that Seplat has obtained this status, that the accounting consequences have been recorded correctly, and that appropriate information has been provided in the notes.

The resulting assessments form part of our audit of the consolidated financial statements as a whole, and have therefore contributed to the formation of our opinion expressed in the first part of this report.

III. Specific verification

In accordance with the professional standards applicable in France, we have also carried out the specific verification required by law on the information presented in the Group's management report.

We have no observations to make on its fair presentation and consistency with the consolidated financial statements.

Paris, 30 April 2014

The Statutory Auditors

INTERNATIONAL AUDIT COMPANY

Daniel DE BEAUREPAIRE

François CARREGA

6.2 COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

Assets

<i>In euros</i>	Note	31/12/2013	31/12/2012
Intangible assets	3.1	-	-
Property, plant and equipment	3.1	-	-
Equity investments		27,484,919	31,952,889
Other financial assets			
Financial assets	3.2	27,484,919	31,952,889
Fixed assets		27,484,919	31,952,889
Inventories			
Trade receivables and related accounts	3.4	182,300	503,223
Other receivables	3.3/4	73,207,275	112,664,133
Treasury shares and other investment securities	3.5/6	9,882,585	6,441,549
Liquid assets	3.5	225,586,865	106,222,162
Current assets		308,859,024	225,831,067
Prepaid expenses		22,212	81,966
Currency translation assets	3.10	3,568,984	793,338
ASSETS		339,935,139	258,659,260

Liabilities

<i>In euros</i>	Note	31/12/2013	31/12/2012
Capital		11,533,653	11,533,653
Additional paid-in capital		226,899,881	226,899,881
Legal reserve		913,686	407,259
Retained earnings		8,411,275	7,737,915
Profit (loss) for the period		81,122,249	10,128,554
Shareholders' equity	3.6	328,880,744	256,707,262
Provisions for risks and contingencies	3.7	3,599,731	811,870
Bank borrowings and debt	3.8/9	69,811	-
Trade payables and related accounts	3.9	2,182,732	837,234
Tax and social security liabilities	3.9	777,634	102,894
Debts on assets and related accounts		2,900,442	
Other debts	3.9	1,324,475	200,000
Debts		7,255,093	1,140,128
Currency translation liabilities	3.10	199,571	-
LIABILITIES		339,935,139	258,659,260

Income statement

In euros	Note	31/12/2013	31/12/2012
Sales	3.11	42,300	697,900
Other income		301	2
Operating income		42,601	697,902
Purchase costs and external expenses		(8,156,025)	(2,118,271)
Duties, taxes and similar payments		(195,940)	(155,935)
Salaries and social security contributions		(402,364)	(231,644)
Amortisation allowances and provisions	3.7	(12,215)	(18,532)
Other expenses		(227,112)	(163,092)
Operating expenses		(8,993,656)	(2,687,474)
Operating income		(8,951,055)	(1,989,572)
Financial expenses and income		2,711,787	2,987,562
Dividends		-	11,530,381
Allowances and reversals of provisions		(2,775,646)	4,392,608
Foreign exchange differences		(8,519,733)	(7,823,358)
Other		591,529	1,398,769
Financial income	3.12	(7,992,063)	12,485,962
EBIT		(16,943,118)	10,496,390
Non-recurring income		111,011,083	686,364
Non-recurring expenses		(11,287,391)	(588,908)
Non-recurring income	3.13	99,723,692	97,456
Corporation tax		(1,658,325)	(465,292)
NET INCOME		81,122,249	10,128,554

NOTES TO THE COMPANY FINANCIAL STATEMENTS

1 Significant events during the fiscal year

1.1 Partial sale of interest in Seplat

During the second half of 2013, the Company sold 14.9% of its 45% interest in Seplat to three UK investment funds. A first block of shares, representing 10% of the subsidiary's capital was sold on 22 August 2013, followed by a second sale of 4.9% of the capital on 24 December 2013. 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. Following these transactions, MPI holds 30.1% of Seplat's capital.

1.2 Formation of a joint venture with MP: Saint-Aubin Energie

MPI and Maurel & Prom have entered into a partnership through Saint-Aubin Energie. Two-thirds of the capital of this company is owned by MPI and one-third by Maurel & Prom.

Under the terms of this partnership, new development projects will first be proposed to the joint venture which will be responsible for their fulfilment, with each of the two shareholding companies being free to develop its own traditional field of activity.

This new company therefore combines the acknowledged technical expertise and the human resources of Établissements Maurel & Prom with the financial resources of MPI.

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.

2 Accounting rules and methods

The annual financial statements have been prepared in accordance with generally accepted accounting principles in France and in particular with the Accounting Plan approved in April 1999 by Regulation 99-03 of the Comité de la Réglementation Comptable [French Accounting Regulations Committee].

Accounting conventions have been adopted on a prudent basis and in accordance with the following basic assumptions:

- ▶ business continuity,
- ▶ consistency of accounting methods,
- ▶ independence of fiscal years,

And in accordance with the general rules on the preparation and presentation of annual financial statements.

Two projects began in Canada in the second half of 2013. Saint-Aubin Energie and Pétrolia entered into an agreement for joint hydrocarbon exploration on thirteen 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 twelve 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.

1.3 Shareholder loan

In 2010, the Company granted a loan of US\$153 million to its subsidiary Seplat, repaid at the rate of 7.125%, in order to finance the development of Seplat's activities. US\$106 million of this loan was repaid during 2011. The balance of the receivable, which totalled US\$47 million at 31 December 2012, did not change in 2013. The financial income related to the repayment of this loan amounted to €2.6 million over 2013.

1.4 Plan to list Seplat shares on the London and Lagos Stock Exchanges

On 11 March 2014, Seplat announced its plan to float its shares on the London and Lagos Stock Exchanges. The funds raised by the listing will be used to finance acquisitions and to repay the remaining balance of the US\$47 million shareholder loan granted by MPI.

The historical cost method was adopted as the basic method of accounting.

The principal methods used are as follows:

2.1 Intangible assets

Not applicable.

2.2 Property, plant and equipment

Not applicable.

2.3 Equity interests and investment securities

Equity interests are shown on the balance sheet at their purchase cost.

A provision is created when the net asset value is less than the purchase cost. The net asset value is calculated according to shareholders' equity and the earnings outlook for the companies concerned.

When the earnings outlook is uncertain, the receivables on subsidiaries and equity interests are written down by the amount of their shareholders' equity. When losses exceed receivables, a provision for risks is recorded for the corresponding amount.

Other investment securities are measured at their acquisition value or market value, whichever is lower. This mainly relates to specifically allocated Company treasury shares.

2.4 Inventories

Not applicable.

2.5 Receivables

Receivables are recorded at their nominal value. A provision for impairment is established if there is a risk of non-recovery.

2.6 Marketable securities

Marketable securities are measured at their acquisition value or market value, whichever is lower.

2.7 Expenses to be allocated

Not applicable.

2.8 Foreign currency transactions

Income and expenses in foreign currency are recorded at their equivalent value in euros as at the transaction date.

Debts, financing and receivables in foreign currency appear on the balance sheet at their equivalent value in euros at the closing price. Any difference arising from the translation of foreign-currency debts and receivables at this closing rate are recognised on the balance sheet under "Exchange gains (losses)". A provision for risks is established on any unrealised losses that are not offset.

Liquid assets in foreign currency are converted at the closing price and the exchange gains/losses are posted to the income statement.

2.9 Provisions for risks and contingencies

Provisions for risks and contingencies are established to cover various eventualities, notably risks on subsidiaries, disputes and risks of loss on foreign exchange transactions.

3 Additional information on the balance sheet and income statement

3.1 Assets

3.1.1 Intangible assets (in euros)

None.

3.1.2 Property, plant and equipment (in euros)

None.

3.2 Financial assets

Change in financial assets

<i>In thousands of euros</i>	31/12/2012	Increase	Decrease	31/12/2013
Equity investments	31,953	6,084	(10,552)	27,485
To be deducted: provisions	-			-
To be deducted: Uncalled share capital	-			-
Net value	31,953	6,084	(10,552)	27,485
Other financial assets				
To be deducted: provisions				
Net value	-			-
TOTAL GROSS VALUE	31,953	6,084	(10,552)	27,485
To be deducted:				
NET VALUE	31,953	6,084	(10,552)	27,485

Equity investments

The Company holds a 30.1% equity interest (compared with 45% in 2012, see Significant events during the fiscal year) in the Nigerian company Seplat (valued at €21,317,112), which operates 45% of the mining rights for OMLs 4, 38 and 41 located in the Niger Delta, in partnership with the Nigerian Petroleum Development Company (NPDC).

The Company also holds all of the securities that comprise MPNATI, a Swiss company (valued at €83,451, the equivalent of 100,000 Swiss francs) formed in Geneva on 22 June 2012.

In 2013, MPI acquired 66% of the shares of Saint-Aubin Energie for an amount of €24,667 (see 1. above Significant events during the fiscal year).

Lastly, the Company has invested in the Nigerian company Cardinal 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 no later than September 2014.

Other financial assets

None.

3.3 Other receivables

<i>In thousands of euros</i>	31/12/2013	31/12/2012
Advances to Group subsidiaries	73,201	109,914
Down payments to suppliers and debit notes to subsidiaries	2	105
Sundry receivables	4	2,645
Total (gross)	73,207	112,664
Impairment	-	-
TOTAL (NET)	73,207	112,664

When it was formed, the Company received substantial equity to ensure that it would be able to finance its subsidiaries' investments and activities.

The balance of the advances granted to the subsidiary Seplat rose significantly from last year (-€74.9 million) due to a new one-off advance of US\$98 million in late 2012 for a specific project; this amount was repaid in January 2013.

The Company also paid an advance of €37.7 million (US\$51.9 million) to its new Saint-Aubin Energie subsidiary for it to finance investments by its various affiliates.

3.4 Statement of maturities of receivables

Net receivables <i>In thousands of euros</i>	Total amount	≤ 1 year	> 1 year	> 5 years
Fixed asset receivables	0	0	0	0
Current asset receivables	0	0	0	0
Trade receivables and related accounts	182	182	0	0
Other receivables	73,207	73,207	0	0
TOTAL	73,389	73,389	0	0

3.5 Treasury shares, liquid assets and cash instruments

	Thousands of euros	Thousands of US dollars
Treasury shares	9,883	-
Equity securities (a)	9,883	-
Short-term interest-bearing deposits	7,251	10,000
Bank current accounts and other	218,336	295,488
Bank current accounts and creditors	(70)	-
Liquid assets (b)	225,517	305,488
SICAVS AND LIQUID ASSETS (A+B)	235,400	305,488

As at 31 December 2013, the Company held 4,410,075 treasury shares with a gross value of €9,882 thousand.

Cash (equity securities, liquid assets and treasury shares) was up by €122.8 million on the previous year, due primarily to the following factors:

▶ repayment of specific advance to Seplat	€72.4 million;	▶ sale of 14.9% of Seplat	€109.4 million;
▶ advances paid to Saint-Aubin Energie	- €38.1 million;	▶ dividends paid	- €8.9 million;
		▶ treasury share buybacks	- €3.4 million;
		▶ purchases of Cardinal and Saint-Aubin Energie securities	- €3.2 million;
		▶ miscellaneous	- €5.5 million;
		▶ change in cash	€122.7 million.

3.6 Shareholders' equity

<i>In thousands of euros</i>	2012	Appropriation of net income	Net income for the fiscal year	Dividends	Capital increase	2013
Capital	11,534					11,534
Premiums	226,900					226,900
Legal reserve	407	507				914
Retained earnings	7,738	673				8,411
Net income	10,129	(1,180)	81,122	(8,949)		81,122
TOTAL	256,707	-	81,122	(8,949)		328,881

As at 31 December 2013, the share capital was comprised of 115,336,534 shares with a nominal value of €0.10, corresponding to total capital of €11,533,653.40.

The table below shows the change in the Company's 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
2/12/2011	Capital reduction by reducing the total number of shares	133,433,534.30	26,418,272.10	N/A	1.10	97,286,602	107,015,262.20
2/12/2011	Capital reduction by reducing the nominal value of the shares	107,015,262.20	97,286,602	N/A	0.10	97,286,602	9,728,660.20
2/12/2011	Capital increase maintaining preemptive subscription rights	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

Share repurchase plan

Following the approval granted by the General Shareholders' Meeting of 7 October 2011 for a term of 18 months, the Board of Directors is authorised to purchase up to 10% of the Company's existing share capital, under the following terms and conditions: maximum purchase price per share of €10 and maximum funds that the Company may devote to this buy-back programme of €120 million.

The General Shareholders' Meeting of 21 June 2012 cancels and replaces the authorisation previously given by the General Shareholders' Meeting of 7 October 2011 with a new authorisation for the same purpose. This new authorisation is

granted for a term of 18 months and entitles the Board of Directors to purchase Company shares up to 10% of the share capital, under the following conditions: maximum purchase price per share of €6 and maximum funds that the Company may devote to this buy-back programme of €69,201,920.

As part of this repurchase plan, 1,242,902 shares were purchased in 2013 and 37,583 were sold. Over the same period, 7,539,699 shares were bought and 7,903,275 shares were sold under the liquidity agreement.

At 31 December 2013, the Company held 4,410,075 treasury shares (3.8% of share capital for a gross value of €9,882.6 thousand at the end of 2013), including 608,006 shares under the liquidity agreement.

Summary of capital transactions

At 31 December 2013, as shown in the table of capital transactions below, there were 115,336,534 Company shares and share capital amounted to €11,533,653.40.

	Number of shares	Treasury shares
At 31/12/2012	115,336,534	3,568,332
▶ Share capital transactions (increases and decreases)	-	-
▶ Purchases of treasury shares	-	841,743
AT 31/12/2013	115,336,534	4,410,075

Distribution

By a resolution of the Ordinary and Extraordinary General Shareholders' Meeting of 20 June 2013, it was decided to distribute a dividend of €0.08 per share. Accordingly, in 2013 the Company paid out a dividend totalling €8,948,767.

3.7 Provisions for risks and contingencies

Provisions for risks and contingencies changed as follows:

<i>In thousands of euros</i>	2012	Provision for the fiscal year	Reversal for the fiscal year (provision used)	Reversal for the fiscal year (provision unused)	2013
Foreign exchange risk	793	3,569		(793)	3,569
Litigation					
Other	19	12			31
TOTAL PROVISIONS	812	3,581	0	(793)	3,600
Operating income		12	0		
Financial income		3,569	0	(793)	
Non-recurring income		0	0		

The revaluation at the closing rate of debts and receivables in foreign currency led to a provision being established for foreign exchange loss in the amount of €3,569 thousand.

3.8 Bank borrowings

<i>In thousands of euros</i>	2013	2012
Accrued interest	0	0
Creditor banks	70	0
TOTAL	70	0

3.9 Statement of debt maturities

<i>In thousands of euros</i>	Gross amount	≤ 1 year	> 1 year	> 5 years
Bank borrowings	70	70		
Sundry borrowings and financial debt				
Trade payables and related accounts	2,183	2,183		
Tax and social security liabilities	778	778		
Debts on assets and related accounts				
Other debts	1,324	1,324		
TOTAL	4,355	4,355		

3.10 Exchange gains (losses)

Exchange gains/losses, for both assets and liabilities, correspond to the revaluation at the closing price of debts and receivables in foreign currency (mainly on current accounts and loans with the subsidiary).

The unrealised exchange loss of €3.6 million (2012: €0.8 million) is fully provisioned.

3.11 Sales

<i>In thousands of euros</i>	2013	2012
Services	42	698
TOTAL	42	698

Sales correspond exclusively to services and studies provided to the subsidiary Seplat under the service agreement concluded by the two companies.

3.12 Financial income

Financial income for 2013 is presented in the table below:

<i>In thousands of euros</i>	2013	2012
Interest on subsidiaries' current accounts	2,712	2,987*
Net cash income (expense)	592	1,399
Financial expenses and income	3,304	4,386
Dividends	-	11,530
Foreign exchange differences	(8,520)	7,823**
Provision for foreign exchange loss	(2,776)	4,393**
TOTAL	(7,992)	12,486

* This item breaks down as follows (in thousands of euros):

	2013	2012
Interest on current accounts with Seplat ^(a)	2,210	2,987
Interest on current accounts with Saint-Aubin Energie	502	
TOTAL	2,712	2,987

(a) Interest on advance payments granted to Seplat at the rate of 7.125%. The sharp decrease in 2012 from the previous year is due to the reduction in the average outstanding amount of the advances.

** Foreign exchange differences result from the significant changes in the US dollar in 2013 and the size of the currency positions at the end of the period due to the current account advances paid to Seplat and Saint-Aubin Energie (US\$98 million) and cash in US dollars (US\$305.5 million).

3.13 Non-recurring income

The non-recurring income equates primarily to the capital gain realised on the two sales of Seplat securities during the year. The balance of these two successive sale transactions corresponds to income net of tax of €98.8 million.

It also includes the premiums/losses on transactions resulting from the management of treasury shares. The balance of all of the transactions for the fiscal year corresponds to a net income of €0.9 million.

3.14 Exposure to foreign exchange risk and crude oil price risk

Market risk

The Company's net income is sensitive to various market risks. The most significant risks are the price of hydrocarbons expressed in US dollars and the €/US\$ exchange rate. However, it should be noted that the MPI Group's operating currency is the US dollars as the majority of operating expenses and a significant portion of investments are denominated in that currency.

Foreign exchange risk

Although the US dollar is the Company's operating currency (through its subsidiary), fluctuations in the €/US\$ exchange rate impact the Company's net income when liquid assets and receivables held in that currency are revalued at the balance sheet date.

The Company has not implemented any specific hedges in respect of this risk.

Interest rate and liquidity risks

Liquid assets, valued at €225.5 million on the reporting date, are all held in current accounts. The risk incurred if interest rates fluctuate is an opportunity loss if rates fall and an opportunity gain if rates rise.

Equity risk

At 31 December 2013, the Company held 4,410,075 treasury shares for a book value of €9,882.6 thousand.

The Company does not consider itself to be exposed to equity risk and therefore does not use any specific hedging instruments.

Counterparty risk

The Company has no significant receivables other than those from its operating subsidiaries. It is therefore not exposed to counterparty risk as such, but rather to risks inherent in exploration and production.

3.15 Off-balance-sheet commitments

To the best of the Company's knowledge, there are no exceptional events, disputes, risks or off-balance-sheet commitments that could call into question its financial position, assets, net income or activities.

Commitments given

Seplat's securities have been pledged to the lending institutions (Afrexim, UBA, First Bank, Skye Bank) as collateral for the syndicated line of credit set up by the subsidiary Seplat in 2012.

3.16 Litigation

None.

3.17 Environment

Due to its activities, which are currently oil and gas, the MPI Group ensures that it complies with the regulatory constraints of the countries in which it is present and in particular carries out systematic impact assessment studies before engaging in any specific work.

As part of its exploration, production and development work, some environmental damage may be caused by the Company. This is covered by *ad hoc* insurance policies.

Due to the nature of its activity, the Group will bear the cost of restoring its operating sites and oil routing facilities. If appropriate, a provision is established for such site restoration costs in the financial statements.

3.18 Workforce

The Company has employed one part-time executive since June 2012. A second executive was recruited in September 2013.

On 2 November 2011, Établissements Maurel & Prom and the Company concluded a transitional services agreement, under the terms of which Établissements Maurel & Prom undertakes, for a period of 12 months from the date on which the Company's shares were listed for trading on the NYSE Euronext regulated market in Paris, i.e. 15 December 2011, to provide the Company with transitional services to allow it to operate independently. This agreement may be renewed once at the Company's request. This contract was renewed for the first time in November 2012, and then again in November 2013.

3.19 Compensation for Executive Management and members of the Board of Directors

<i>In thousands of euros</i>	2013	2012
Compensation for Executive Management	100	66
Board of Directors (directors' fees)*	227	200
TOTAL	327	266

* This is the sum allocated by decision of the Combined Ordinary and Extraordinary General Shareholders' Meeting of 20 June 2013, i.e. €280K (no amount was actually paid over the financial year) less the amounts allocated in 2012 but not paid.

3.20 Related party disclosures

<i>In thousands of euros</i>	2013	2012
Assets		
Equity interests	27,485	31,953
Trade receivables	182	503
Other receivables	73,204	110,019
Liabilities		
Financial debt		
Trade payables	1,555	
Other debts	2,900	
Income statement		
Financial income	2,712	2,987
Dividends	-	11,530
Sales	42	698
Financial expenses		

3.21 Consolidation

The Company is the parent company of the MPI Group and as such, it prepares consolidated financial statements.

3.22 Post-balance-sheet events

In March 2014, Seplat announced its plan to list its shares in Lagos and London. This point is covered in Note 1, "General Information on the MPI Consolidated Financial Statements" above.

3.23 Cash flow statement

Estimates – In euros	31/12/2013	31/12/2012
Cash flow linked to activity:		
Company net income	81,122,249	10,128,553
Elimination of the expenses and income with no impact on cash or not related to activity:		
▶ Amortisation, depreciation and provisions	3,581,198	811,870
▶ Reversals of amortisation, depreciation and provisions	(793,338)	(5,185,945)
▶ Gains from disposals, net of taxes	(98,812,925)	0
Cash flow from consolidated companies	(14,902,816)	5,754,478
Change in working capital requirements relating to operating activities	6,269,584	(6,217,002)
NET CASH FLOW GENERATED BY OPERATING ACTIVITIES	(8,633,232)	(462,524)
Cash flow related to investment activities:		
Acquisitions of assets	0	0
Asset disposals, net of taxes	0	0
Net increase in Group current accounts	36,712,665	(73,319,442)
Disposals of financial assets, net of tax	109,365,250	
Acquisitions of financial assets	(3,183,913)	(83,451)
CASH FLOW RELATED TO INVESTMENT ACTIVITIES	142,894,002	(73,402,893)
Cash flow related to financing activities:		
Dividends paid	(8,948,767)	0
NET CASH FLOW FROM FINANCING ACTIVITIES	(8,948,767)	0
Change in cash	125,312,003	(73,865,417)
Cash at start of period (1)	112,663,711	182,234,484
Impact of exchange rate fluctuations (3)	(2,576,075)	4,294,644
Cash at end of period (2)	235,399,639	112,663,711
CHANGE IN CASH = (2) – (1) – (3)	125,312,003	(73,865,417)

3.24 Table of subsidiaries and equity interests

AMOUNTS EXPRESSED IN MONETARY UNITS

Companies	Currency	% held	Capital (in foreign currency)	Shareholders' equity other than share capital (in foreign currency)	Gross carrying value of securities held (€)	Net carrying value of securities held (€)	Gross loans and advances granted (€)	Gua- rantees and sureties given	Divi- dends received	Sales for the previous fiscal year (in foreign currency)	Net income for the previous fiscal year (in foreign currency)
France											
Saint-Aubin Energie	€ (thousands)	66.6%	37	27.8	25	25	38,160			0	(1,339)
International											
Seplat	US\$ (thousands)	30.1%	1,334	732,199	21,317	21,317	34,952		-	880,227	550,268
Cardinal	Nigerian naira (millions)	40%	100	1,173	6,060	6,060			-	5,403	98
MPNATI	CHF (thousands)	100%	100	93	83	83	90			1,488	

STATUTORY AUDITORS' REPORT ON THE COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

In the performance of the mission entrusted to us by the General Shareholders' Meeting and your Articles of Association, we hereby present our report on the year ended 31 December 2013, on:

- ▶ the audit of the annual financial statements of MPI, as attached to this report;
- ▶ the justification of our assessments;
- ▶ the specific verification and information required by law.

The annual financial statements have been approved by the Board of Directors. It is our responsibility, based on our audit, to express an opinion on the financial statements.

I. Opinion on the annual financial statements

We conducted our audit in accordance with the professional standards applicable in France. These standards require that we plan and perform the audit to obtain reasonable assurance that the annual financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the annual financial statements. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have gathered is a sufficient and appropriate basis on which to form our opinion.

We hereby certify that the annual financial statements are, with regard to French accounting principles and regulations, accurate and consistent and give a true and fair view of the net income from operations over the past year, as well as the financial position and assets of the Company at the end of this fiscal year.

In due respect of the opinion expressed above, we draw your attention to Note 1.4 of the notes to the annual financial statements, "Plan to list Seplat shares on the London and Lagos Stock Exchanges", which states that the funds raised by Seplat from its stock market listing will be used, *inter alia*, to repay the remaining balance of the USD\$47 million shareholder loan owing to MPI.

II. Justification of our assessments

Pursuant to the provisions of Article L. 823-9 of the French Commercial Code relating to the justification of our assessments, we bring the following matters to your attention:

Equity investments and receivables on subsidiaries and equity interests are valued at their purchase cost or their nominal value respectively, and depreciated on the basis of their net asset values as determined under the conditions described in Note 2.3, "Equity interests and investment securities".

Based on the information provided to us, our work consisted in assessing the data on which these net asset values were based, which included reviewing the outlook for profitability of the business activities in question and the achievement of pre-defined objectives.

The resulting assessments form part of our audit of the annual financial statements as a whole, and have therefore contributed to the formation of our opinion expressed in the first part of this report.

III. Specific verification and information

In accordance with the professional standards applicable in France, we have also carried out the specific verifications required by law.

We have no observations to make on the fair presentation and consistency with the annual financial statements of the information provided in the Board of Directors' management report and in the documents for shareholders on the financial position and annual financial statements.

With regard to the information provided pursuant to the provisions of Article L. 225-102-1 of the French Commercial Code on the compensation and benefits paid to the corporate officers and on the commitments made to them, we have verified their consistency with the financial statements and/or with the data used to prepare these financial statements and, where applicable, with the items gathered by your company from the companies controlling or controlled by your company. Based on this work, we hereby certify the accuracy and fair presentation of this information.

As required by law, we have verified that the various information relating to the identity of the shareholders has been communicated to you in the management report.

Paris, 30 April 2014

The Statutory Auditors

INTERNATIONAL AUDIT COMPANY

Daniel DE BEAUREPAIRE

François CARREGA

6.3 COMPANY INCOME IN THE LAST FIVE FISCAL YEARS

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 tax, 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) Net income after tax, 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) Net income after tax, but before amortisation, depreciation and provisions	-0.057	0.042	0.072	0.050	0.728
b) Net 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

* Approved by the General Shareholders' Meeting of 19 June 2014 and based on the total number of shares at 31 December 2013.

** Approved by the General Shareholders' Meeting of 19 June 2014 and excluding treasury shares.

6.4 Q1 2014 SALES

Since fiscal year 2012, the Company has consolidated its subsidiaries using the equity method, as authorised by IAS 31.

As the Company does not have any direct business operations in its own right, it does not record any sales.

Q1 COMPANY ACTIVITY REPORT

The Company holds 21.76% of Seplat

On 14 April 2014, Seplat was admitted for dual listing on the London Stock Exchange (LSE) and the Nigerian Stock Exchange (NSE).

The majority of the capital generated by the issue will be used to finance new acquisitions. Seplat has already used US\$48 million to repay the total amount due in respect of the shareholder loan granted by MPI on 25 June 2010.

On 29 April 2014, Seplat announced that it would exercise 97% of the over-allotment option at the time of its listing on the Nigerian and London Stock Exchanges.

MPI holds 21.76% of Seplat.

Strategic partnership signed on Anticosti Island in Quebec

On 1 April 2014, Saint-Aubin Energie (2/3 MPI) signed an agreement relating to the creation of a joint venture, in partnership with Ressources Québec, Pétrolia and Corridor Resources.

This joint venture holds exploration permits on Anticosti Island, Quebec. The first phase of reconnaissance work, amounting to US\$55 million at 100%, will begin in summer 2014 and should be completed within two years.

The equity interests in the joint venture are as follows:

- ▶ Ressources Québec: 35%;
- ▶ Pétrolia: 21.7%;
- ▶ Corridor Resources: 21.7%;
- ▶ Saint-Aubin Energie: 21.7%.

MAIN SALES DATA FOR Q1 2014

Seplat's activity over the period

Production

Total oil and gas production was impacted by the shutdown of Shell's Trans Forcados pipeline (TFP) for 36 days during Q1 2014 and seven days in April 2014.

Production has resumed in line with projections and Seplat expects to achieve its gross production rate of 72,000 bopd for 2014.

Seplat's new pipeline to the Warri refinery has now been completed and is operational, giving Seplat an alternative route for exporting liquids and reducing the impact of any third party terminal or pipeline shutdowns.

The drilling programme, which is approaching completion, is currently undergoing modification to expedite field developments and partially offset the production deferment resulting from the Trans Forcados pipeline shutdown.

In May 2014, a 15-year gas supply agreement was concluded with Azura Edo IPP to supply 116 MMscf per day (at USD\$3 per Mscf) to the gas plant under development near Benin City in Nigeria, with effect from 2017.

The Ogegere exploration well led to the discovery of oil-containing sands and was suspended for the period of the evaluation.

Seplat was informed by Shell that it was not the preferred bidder for OMLs 29 and 24; furthermore, Chevron's assignment of OML 53 to Seplat remains subject to ongoing litigation.

Average production recorded in Q1 from the fields of OMLs 4, 38 and 41 was 36.5 Mbbl/day for oil and 66.9 MMscf/day for gas, reflecting the 36-day shutdown of the Trans Forcados pipeline. Excluding the days when the Trans Forcados pipeline was not available, the average price of oil produced over the period was US\$111.35 per barrel (compared with US\$113.07 per barrel in Q1 2013), US\$3.61 higher than the cost of Brent. The price of

gas was US\$1.43 per Mscf (compared with US\$1.36 per Mscf in Q1 2013).

The total deferment to oil production during the 36-day shutdown of the Trans Forcados pipeline was around 2.2 MMbbls. This was partially offset by the transfer of some 0.1 MMbbls to the Warri refinery once the new oil pipeline was complete, just before the end of the quarter.

Five drilling rigs were active during Q1 2014, with three new drilling rigs operating in the Oben (Oben-37), Okporhuru (Okporhuru-07) and Ovhor (Ovhor-15) fields expected to begin production before the end of Q2 2014.

Development

Phase 1 of the alternative Rapele-Warri refinery export route has been completed, the oil pipeline has been installed and commissioned, and all the necessary agreements are in place with the NNPC refinery operator.

Oil was exported through the pipeline for several days following commissioning, but the new oil pipeline will not be used to full capacity until a new Seplat Liquids Treatment Facility (LTF) is fully operational, ensuring the delivery of dry crude to the refinery. Good progress has been made in commissioning the liquids treatment facility, commencing with water injection in batch operation, and it is expected to become fully operational in continuous injection mode during the second half of the year.

Phase 2 of the Warri oil pipeline project, which includes the procurement and installation of a LACT unit, ran smoothly, and notification of factory acceptance testing has been received from the manufacturer.

Development of the Oben gas processing facility is still ongoing, to help Seplat in developing its ability to increase production and sales with the aim of meeting domestic demand for gas, which is increasing sharply.

Exploration

Seplat's first exploration well, Ogegere-1, 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 interval, and in line with other results from the same stratigraphic layer, Seplat believes that the 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.

Financial income

Seplat's current net cash position is around US\$285 million, further to the receipt of gross income of US\$535 million from the IPO and repayment of the US\$48 million MPI shareholder loan.

The current level of the NPDC receivable is US\$213 million, down from US\$284 million at the end of 2013 and reflecting revenues of US\$211 million, which more than offsets new expenditure of US\$140 million. Seplat expects the balance of this receivable to be reduced still further during the rest of 2014.

Production targets

Seplat is confident that it can achieve its year-end well output target of 72,000 bopd as set out in its IPO prospectus.

A modified drilling programme is being drawn up for the remainder of the year; this could potentially include the deployment of an additional drilling platform. The aim of this plan is to expedite specific field developments and make up some of the production deferment incurred during Q1 2014. The modified drilling programme for 2014 will be finalised and rolled out during Q2 2014, and Seplat intends to set out its total production targets for the full year in its interim financial results, at the end of July 2014.

6.5 INTERIM FINANCIAL STATEMENTS AS AT 30 JUNE 2014

I – STATEMENT OF FINANCIAL POSITION

Assets

<i>In thousands of euros</i>	Note	30/06/2014	31/12/2013
Non-current financial assets	4	41,373	38,160
Equity associates	5	222,656	169,244
Non-current assets		264,029	207,404
Trade receivables and related accounts	6	49	174
Other current financial assets	7	782	34,937
Other current assets		355	113
Cash and cash equivalents	8	236,994	225,805
Current assets		238,180	261,029
TOTAL ASSETS		502,210	468,433

Liabilities

<i>In thousands of euros</i>	Note	30/06/2014	31/12/2013
Share capital		11,534	11,534
Additional paid-in capital		226,900	226,900
Consolidated reserves		211,201	36,114
Treasury shares		(9,362)	(9,883)
Net income, Group share		55,248	196,360
Equity, Group share	9	495,521	461,025
Total shareholders' equity		495,521	461,025
Non-current provisions		30	30
Non-current liabilities		30	30
Other current borrowings and financial debt		0	70
Trade payables and related accounts	10	727	2,204
Income tax payable		1,972	660
Other creditors and miscellaneous liabilities	10	3,962	4,444
Current liabilities		6,661	7,379
TOTAL LIABILITIES		502,210	468,433

Interim financial statements as at 30 June 2014

Changes in shareholders' equity

<i>In thousands of euros</i>	Capital	Treasury shares	Premiums	Other reserves	Exchange gain (loss)	Net income for the year	Equity, Group share	Minority interests	Total shareholders' equity
1 January 2013	11,534	(6,442)	226,900	19,392	(5,994)	50,824	296,216		296,216
Net income						19,985	19,985		19,985
Other comprehensive income					2,906		2,906		2,906
Total comprehensive income					2,906	19,985	22,891		22,891
Appropriation of income - Dividends				41,634		(50,824)	(9,190)		(9,190)
Changes in treasury shares		(1,181)		1,121			(60)		(60)
Total transactions with shareholders		(1,181)		42,755		(50,824)	(9,250)		(9,250)
30 JUNE 2013	11,534	(7,623)	226,900	62,147	(3,088)	19,985	309,857		309,857
1 January 2014	11,534	(9,883)	226,900	61,668	(25,556)	196,360	461,025		461,025
Net income						55,248	55,248		55,248
Other comprehensive income					4,791		4,791		4,791
Total comprehensive income					4,791	55,248	60,039		60,039
Appropriation of income - Dividends				169,659		(196,360)	(26,701)		(26,701)
Increase/decrease in capital									
Changes in treasury shares		521		636			1,157		1,157
Total transactions with shareholders		521		170,295		(196,360)	(25,543)		(25,543)
30 JUNE 2014	11,534	-9,362	226,900	231,963	-20,765	55,248	495,521		495,521

II – CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

Net income for the period

<i>In thousands of euros</i>	Note	30/06/2014	30/06/2013
Sales		0	0
Other purchases and operating expenses		(1,657)	(980)
Taxes & duties		(139)	(38)
Personnel expenses		(371)	(75)
Amortisation and depreciation provisions		0	(19)
Other expenses		(173)	(139)
OPERATING INCOME	11	(2,340)	(1,251)
Other financial income and expenses		1,694	1,779
FINANCIAL INCOME	12	1,694	1,779
Income before tax		(646)	528
Income taxes		(2,294)	(1,711)
NET INCOME FROM CONSOLIDATED COMPANIES		(2,940)	(1,183)
Total net income from equity associates	5	28,801	21,168
Effect of dilution	1	29,387	0
NET INCOME FROM CONTINUING ACTIVITIES		55,248	19,985
CONSOLIDATED NET INCOME		55,248	19,985
<i>Net income, Group share</i>		55,248	19,985
<i>Minority interests</i>		0	0
Earnings per share			
Basic		0.50	0.18
Diluted		0.48	0.17

Comprehensive income for the period

<i>In thousands of euros</i>	30/06/2014	30/06/2013
Net income for the period	55,248	19,985
Other comprehensive income		
Exchange gain (loss)	4,791	2,906
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	60,039	22,891
▶ <i>Group share</i>	60,039	22,891
▶ <i>Non-controlling interests</i>	0	0

III – CASH FLOW STATEMENT

<i>In thousands of euros</i>	30/06/2014	30/06/2013
Consolidated net income	55,248	19,985
Tax expense	2,294	1,711
Consolidated income before tax	57,542	21,696
▶ Net increase (reversals) of amortisation, depreciation and provisions	0	19
▶ Other calculated income and expenses	(28,845)	1,061
▶ Gains (losses) on asset disposals	0	0
▶ Share of net income from equity associates	(28,801)	(21,168)
Cash flow before tax	(105)	1,608
Payment of tax due	(994)	1,738
Change in working capital requirements for operations	(2,447)	936
▶ Customers	(126)	(32)
▶ Suppliers	(1,492)	223
▶ Other	(829)	745
NET CASH FLOW FROM OPERATING ACTIVITIES	(3,545)	4,282
Impact of changes in consolidation scope	(2)	(24)
Dividends received (equity associates, non-consolidated securities)	9,066	0
Other cash flows from investment activities	29,720	59,519
NET CASH FLOW FROM INVESTMENT ACTIVITIES	38,784	59,495
Amounts received from shareholders for capital increases	0	0
Dividends paid	(26,701)	0
Interest paid	0	0
Treasury share acquisitions	615	(1,110)
NET CASH FLOW FROM FINANCING ACTIVITIES	(26,086)	(1,110)
Impact of exchange rate fluctuations	2,109	1,675
CHANGE IN NET CASH	11,263	63,339
Cash at start of period	225,732	106,334
Net cash and cash equivalents from discontinued activities at end of period		
CASH AND CASH EQUIVALENTS AT END OF PERIOD	236,994	169,664

Note 1 General information

The MPI Group operates through (i) its equity interests in Nigeria, mainly in Seplat Petroleum Development Company Plc ("Seplat") and (ii) the projects it has undertaken, primarily in Canada and Myanmar, in partnership with the Maurel & Prom Group through the joint investment company set up between the two groups: Saint-Aubin Energie.

The Group's net income rose sharply from €20 million in June 2013 to €55 million at the end of June 2014, due to the substantial increase in income resulting from the consolidation of Seplat via the equity method and a dilution gain of €29.4 million generated from the subsidiary's IPO.

Since MPI did not enter into this transaction, its share of ownership in Seplat was reduced from 30.1% to 21.76%. Under the terms of the IPO, this also generated a dilution gain of €29.4 million, which is broken down as follows:

Effect of dilution

<i>In thousands of securities</i>	Before listing	Securities created	After listing	Dilution
Total Seplat securities	400,000	153,320	553,320	
▶ o/w held by MPI	120,400		120,400	
MPI OWNERSHIP RATE	30.10%		21.76%	8.34%

Dilution gain

<i>In millions of US dollars</i>	
Net equity position of Seplat on the date of listing	815
Share of net equity position transferred (8.34%)	68
Net income from issue	498
O/w MPI's share (21.76%)	108
Dilution gain <i>(in US\$ millions)</i>	40
DILUTION GAIN (IN € MILLIONS)	29

The funds raised by Seplat allowed it to pay off the US\$48 million balance on the shareholder loan granted to it by MPI.

Seplat's listing led the founding shareholders – MPI, Shebah Petroleum and Platform Petroleum – to terminate the shareholders' agreement that had bound them since December 2009, and under which MPI had had a right of veto on all major decisions concerning the Company.

Listing of Seplat shares in London and Lagos

Seplat Petroleum, in which MPI had held a 30.1% interest, commenced trading on the London Stock Exchange (LSE) and the Nigerian Stock Exchange (NSE) on 14 April 2014.

A total of 153.6 million Seplat shares, representing 27.70% of the Company's capital (post-transaction) were admitted to trading at an IPO price of 210 pence per share (NGN 576 per share on the NSE). The IPO generated net proceeds of US\$497 million, giving the Company the means to finance new acquisitions of oil assets in the Niger Delta.

MPI holds a 21.76% interest in Seplat, which guarantees it a seat on the Company's board of directors. MPI continues to actively participate in decisions made by the subsidiary, over which it exercises significant influence.

These changes have no effect on the consolidation of Seplat, which continues to be treated as an equity associate.

Strategic partnership signed on Anticosti Island in Quebec

On 1 April 2014, Saint-Aubin Energie (2/3 MPI) signed an agreement relating to the creation of a joint venture, in partnership with Ressources Québec, Pétrolia and Corridor Resources.

The joint venture, established in Quebec as a limited partnership, will undertake exploration work on non-conventional targets on Anticosti Island. An initial reconnaissance phase, including the drilling of fifteen stratigraphic wells and three horizontal fracking wells for a total amount of US\$55 million at 100%, commenced in the summer of 2014 and is expected to be completed within two years. Based on the results obtained, this exploration programme

may continue with an additional phase of work. The cost of the work (for all phases), amounts to US\$43.3 million for Saint-Aubin Energie, given its percentage interest in the vehicle. The financial commitment for MPI is US\$28.9 million.

The equity interests in the joint venture are as follows:

▶ Ressources Québec	35%;
▶ Pétrolia	21.7%;
▶ Corridor Resources	21.7%;
▶ Saint-Aubin Energie	21.7% (through its subsidiary Saint-Aubin E&P Québec).

Note 2 Accounting methods

The MPI Group's interim consolidated financial statements as at 30 June 2014 have been prepared in accordance with IAS 34 – Interim Financial Reporting, which allows a selection of notes to be presented. As such, the interim condensed consolidated financial statements do not include all of the disclosures and information required under IFRS for annual financial statements, and must therefore be read together with the annual financial statements for 2013.

The accounting principles applied for the interim financial statements are not significantly different from those used for the consolidated financial statements at 31 December 2013, drawn up in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and available online at:

http://ec.europa.eu/internal_market/accounting/ias_fr.htm#adopted-commission.

The application of the IASB's IFRS would have no impact on the financial statements presented herein.

New legislation or amendments adopted by the European Union and mandatory from 1 January 2014 have been taken into account:

- ▶ IFRS 10 (Consolidated Financial Statements), IFRS 11 (Joint Arrangements), IFRS 12 (Disclosure of Interests in Other Entities), IAS 27R (Separate Financial Statements), IAS 28R (Investments in Associates and Joint Ventures) and their subsequent amendments;
- ▶ amendments to IAS 32 (Offsetting Financial Assets and Financial Liabilities);
- ▶ amendments to IAS 36 (Recoverable Amount Disclosures for Non-Financial Assets);
- ▶ amendments to IAS 39 (Novation of Derivatives and Continuation of Hedge Accounting).

These new standards had no material impact on the consolidated financial statements at 30 June 2014.

The entry into force of IFRS 10, 11 and 12 did not result in any particular changes in the Group's accounting methods insofar as entities subject to joint control (Seplat and Saint-Aubin Energie and its subsidiaries Maurel & Prom East Asia, Saint-Aubin Energie Québec Inc., MP Energy West Canada Corp., MP Québec and MP West Canada) were already consolidated by the equity method. The company Saint-Aubin Exploration and Production Québec Inc., established in 2014 and wholly owned by Saint-Aubin Energie, is also consolidated by the equity method.

The Group has chosen not to apply the standards and interpretations which were not mandatory on 1 January 2014, such as IFRIC 21 (Levies) (applicable to fiscal years beginning on or after 17/06/2014 – endorsed on 13/06/2014).

IFRS standards have been applied by the Group consistently for all of the periods presented.

The preparation of consolidated financial statements under IFRS requires the Group to make accounting choices, produce a number of estimates and use certain assumptions that affect the reported amounts of assets and liabilities, the notes on the possible assets and liabilities at the closing date, and the income and expenses during the period. Changes in facts and circumstances may lead the Group to review such estimates.

The results obtained may significantly differ from such estimates when different circumstances or assumptions are applied.

In addition, when a specific transaction is not treated by any standard or interpretation, the Group's Management uses its own discretion to define and apply the accounting methods that will provide relevant and reliable information. The financial statements provide a faithful representation of the Group's financial position, performance and cash flows. They reflect the substance of transactions, are prepared in a cautious manner, and are complete in all material respects.

Management estimates used in preparing financial statements relate primarily to:

- ▶ impairment tests on oil assets;
- ▶ provisions for site restoration;
- ▶ recognition of oil carry transactions;
- ▶ recognition of deferred tax assets;
- ▶ assessment of the necessary investments to develop undeveloped proven reserves included in asset depletion calculations.

Note 3 Changes in the composition of the MPI Group

Company	Registered office	Consolidation method	% control	
			30/06/2014	31/12/2013
MPI SA	Paris	Consolidating company	Consolidating company	
Oil and gas activities				
Seplat Petroleum Development Company Plc	Lagos, Nigeria	Equity method	21.76%	30.10%
Newton Plc	Lagos, Nigeria	Equity method	21.76%	30.10%
Cardinal Ltd	Lagos, Nigeria	Equity method	40.00%	40.00%
Saint-Aubin Energie SAS	Paris, France	Equity method	66.67%	66.67%
MP Iraq SAS	Paris, France	Equity method	33.33%	33.33%
MP East Asia SAS	Paris, France	Equity method	66.67%	66.67%
Saint-Aubin Energie Québec Inc.	Montreal, Canada	Equity method	66.67%	66.67%
MP Energy West Canada Corp.	Calgary, Canada	Equity method	66.67%	66.67%
MP Québec SAS	Paris, France	Equity method	66.67%	66.67%
MP West Canada SAS	Paris, France	Equity method	66.67%	66.67%
Saint-Aubin Exploration et Production Québec Inc.	Montreal, Canada	Equity method	66.67%	-
Other activities				
MPNATI S.A.	Geneva, Switzerland	Fully consolidated	100.00%	100.00%

Changes in the consolidation scope are covered above in Note 1: "General information".

These mainly concern the reduction of MPI's share of ownership in Seplat following the latter's IPO.

In addition, Saint-Aubin E&P Québec Inc. was created to carry the Group's equity interest in the Anticosti project.

Note 4 Other non-current financial assets

<i>In thousands of euros</i>	Loans and receivables	Total
Value at 01/01/2013	35,705	35,705
Transfers	2,455	2,455
Value at 31/12/2013	38,160	38,160
Impairment	(2,158)	(2,158)
Transfers	5,372	5,372
VALUE AT 30/06/2014	41,373	41,373

At 30 June 2014, financial assets amounted to €41 million, mainly representing advances granted to Saint-Aubin Energie to finance its investments in Myanmar and Canada.

Note 5 Equity associates

AT 31/12/2013

<i>In thousands of euros</i>	Share of equity	Share of net income in the fiscal year
Seplat	168,034	169,651
Maurel & Prom East Asia	156	137
Cardinal	2,122	(3,819)
Newton	0	0
MP Iraq	(325)	(149)
MP Québec	0	0
MP West Canada	(180)	(204)
Saint-Aubin Energie SAS	(564)	(484)
TOTAL	169,244	165,131

AT 30/06/2014

<i>In thousands of euros</i>	Share of equity	Balance sheet value	Share of net income in the fiscal year
Seplat	220,123	220,123	29,620
Maurel & Prom East Asia	0	0	(531)
Cardinal	2,533	2,533	425
Newton	0	0	0
MP Iraq	0	0	(24)
MP Québec	0	0	0
MP West Canada	0	0	(405)
Saint-Aubin Exploration & Production Québec Inc.	0	0	0
Saint-Aubin Energie SAS	0	0	(284)
TOTAL	222,656	222,656	28,801

Financial information at 30 June 2014

<i>In thousands of euros</i>	Maurel & Prom East Asia	Saint-Aubin Energie SAS	Seplat	Maurel & Prom Iraq	Cardinal	MP Québec	MP West Canada	Saint-Aubin Exploration & Production Québec Inc.
Assets	31,896	65,179	1,693,955	10	84,400	0	8,848	0
Liabilities*	32,459	66,454	682,396	1,058	69,339	0	26,316	0
Sales	0	0	283,285	0	13,152	0	0	0
Net income	(796)	(427)	112,261	(72)	1,063	0	(607)	0

* Excluding net equity position.

Information on Seplat reflects adjustments for compliance with the MPI accounting standards mentioned below.

Seplat's financial statements restated in accordance with the standards of the MPI Group

Seplat's financial statements, prepared in accordance with the Group's accounting standards, are presented below. Restatements to comply with MPI's standards had an impact of -US\$2.1 million on net income and +US\$35.5 million on Seplat's shareholders' equity published as at 30 June 2014.

Seplat's interim financial statements are available on the Company's website. Seplat's market capitalisation at 30 June 2014 was €1,805 million (based on a price of 261 pence on that date).

In 2014 Seplat paid a dividend of US\$12 million to MPI as part of the appropriation of its 2013 net income.

Seplat: Statement of financial position

	30/06/2014		31/12/2013	
	Thousands of US dollars	Thousands of euros	Thousands of US dollars	Thousands of euros
Non-current assets	828,945	606,930	732,248	530,961
Current assets	1,484,712	1,087,064	623,003	451,746
TOTAL ASSETS	2,313,657	1,693,994	1,355,251	982,707
Shareholders' equity	1,381,641	1,011,598	769,889	558,255
Liabilities	932,016	682,396	585,362	424,452
TOTAL LIABILITIES	2,313,657	1,693,994	1,355,251	982,707

Seplat: Net income for the period

	30/06/2014	
	Thousands of US dollars	Thousands of euros
Sales	388,185	283,243
Operating income	171,309	124,997
Financial income	(17,478)	(12,753)
Income before tax	153,831	112,244
Income taxes	-	-
NET INCOME	153,831	112,244

Note 6 Trade receivables and other current assets

<i>In thousands of euros</i>	30/06/2014	31/12/2013
Trade receivables - oil and gas activities	49	174
TOTAL	49	174
Impairment to be deducted	0	0
NET VALUE	49	174

This item consists of receivables associated with the technical services invoiced by the Group to Seplat.

Receivables on equity interests and joint ventures

<i>In thousands of euros</i>	30/06/2014	31/12/2013
Other current financial assets		
Receivables on equity interests and joint ventures	772	34,932
Loans and other borrowings	3	3
Miscellaneous receivables	7	2
Gross value	782	34,937
NET VALUE	782	34,937
Other current assets		
Prepaid expenses	37	20
Tax and social security receivables (excluding corporation tax)	4	3
Other assets	314	90
Gross value	355	113
NET VALUE	355	113

The reduction of this item reflects Seplat's repayment of the balance of the shareholder loan (US\$48 million or €35 million) at 7.125% provided by MPI.

Note 7 Fair value

Financial assets and fair value

The various categories of financial assets at 30 June 2014 are presented in the tables below:

<i>In thousands of euros</i>	30/06/2014			
	Loans and receivables	Financial assets at fair value through net income	Balance Sheet Total	Fair value
Other non-current financial assets	41,373	0	41,373	41,373
Trade receivables and related accounts	49	0	49	49
Other current financial assets	782	0	782	782
Cash and cash equivalents*	236,994	0	236,994	236,994
TOTAL BALANCE SHEET VALUE	279,198	0	279,198	279,198
TOTAL FAIR VALUE	279,198	0	279,198	279,198

<i>In thousands of euros</i>	31/12/2013			
	Loans and receivables	Financial assets at fair value through net income	Balance Sheet Total	Fair value
Other non-current financial assets	38,160	-	38,160	38,160
Trade receivables and related accounts	174	-	174	174
Other current financial assets	34,937	-	34,937	34,937
Cash and cash equivalents*	225,805	-	225,805	225,805
TOTAL BALANCE SHEET VALUE	299,076	-	299,076	299,076
TOTAL FAIR VALUE	299,076	-	299,076	299,076

* Net of bank borrowings.

Financial liabilities (excluding derivatives) and fair value

The various categories of financial liabilities at 30 June 2014 are as follows:

<i>In thousands of euros</i>	30/06/2014			
	Current	Non-current	Balance Sheet Total	Fair value
Other borrowings and financial debt	0	0	0	0
Trade payables	727	0	727	727
Other creditors and sundry financial liabilities	3,962	0	3,962	3,962
TOTAL	4,689	0	4,689	4,689

<i>In thousands of euros</i>	31/12/2013			
	Current	Non-current	Balance Sheet Total	Fair value
Other borrowings and financial debt	70	0	70	70
Trade payables	2,205	0	2,205	2,205
Other creditors and sundry financial liabilities	4,444	0	4,444	4,444
TOTAL	6,717	0	6,717	6,717

Assumptions made

Financial assets totalling €279.2 million include €237 million in demand deposits and €41.4 million in advances to Saint-Aubin Energie.

Current financial liabilities consist of trade payables for which the book value represents the fair value.

Accordingly, book values do not differ materially from the fair values of the various items concerned.

Note 8 Cash and cash equivalents

<i>In thousands of euros</i>	30/06/2014	31/12/2013
Liquid assets, banks and savings banks	163,752	218,554
Short-term bank deposits	73,242	7,251
Total	236,994	225,805
Bank borrowings	0	70
NET CASH AND CASH EQUIVALENTS AT END OF PERIOD	236,994	225,735

Note 9 Trade payables – other creditors and miscellaneous financial liabilities

In thousands of euros	30/06/2014			31/12/2013		
	< 1 year	> 1 year	Total	< 1 year	> 1 year	Total
Suppliers	727	0	727	2,204	0	2,204
Suppliers	224	0	224	193	0	193
Accrued expenses	503	0	503	2,011	0	2,011
Other creditors and miscellaneous liabilities	3,962	0	3,962	4,444	0	4,444
Social security liabilities	330	0	330	115	0	115
Tax liabilities	4	0	4	3	0	3
Fixed asset suppliers	0	0	0	0	0	0
Miscellaneous creditors	3,628	0	3,628	4,326	0	4,326

Note 10 Operating income

The operating loss of -€2.3 million stems from the operating expenses associated with the IPO (statutory audit, financial communication, legal costs, etc.) and fees paid in connection with growth operations planned during the period.

Note 11 Financial income

	30/06/2014	30/06/2013
Other net financial income and expenses	1,694	1,779
Net foreign exchange differences	110	(55)
Other	1,584	1,834
FINANCIAL INCOME	1,694	1,779

MPI currently has no bank debt. Other financial income corresponds mainly to the repayment of advances to Seplat and Saint-Aubin Energie.

The presentation currency of the MPI Group's financial statements is the euro (€), while the operating currency of the Company and Seplat is the US dollar (US\$). This is because sales, most of the operating expenses, and a significant portion of investments are denominated in this currency.

This makes the MPI Group's consolidated financial statements sensitive to the €/US\$ exchange rate, a sensitivity that is linked to the conversion of assets and liabilities to the reporting currency at the closing rate. Exchange gains and losses arising therefrom are recorded in shareholders' equity.

The impact on consolidated shareholders' equity at 30 June 2014 of a +/- 10% change in the €/US\$ exchange rate on that date is presented below (in millions of euros):

	Impact on net 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
US\$	0.0	0.0	-45.2	55.4
TOTAL	0.0	0.0	-45.2	55.4

Note 12 Related parties

Commercial and financial transactions

30/06/2014 <i>In thousands of euros</i>	Revenues	Expenses	Amounts due from related parties (net)	Amounts due to related parties
Joint ventures and equity associates				
▶ Saint-Aubin Energie	578		44,111	0
▶ Seplat	528	958	51	334
Other related parties				
▶ Établissements Maurel & Prom		207	0	0
31/12/2013 <i>In thousands of euros</i>				
	Revenues	Expenses	Amounts due from related parties (net)	Amounts due to related parties
Joint ventures and equity associates				
▶ Saint-Aubin Energie	0		38,160	0
▶ Seplat	3,003		34,937	0
Other related parties				
▶ Établissements Maurel & Prom		493	0	0

Agreements between the Company and Seplat

Shareholder loan

The US\$48 million balance on the shareholder loan at 7.125%, granted by the Company to Seplat in 2010, was repaid in full in April. The interest charged for the year amounted to €0.5 million.

Support services

The Company provides technical and general support services to Seplat under normal competitive market terms. In 2014, the amounts invoiced in respect of these services totalled €6K.

Financing the acquisition of drilling rigs

Seplat has marked out an extensive three-year drilling programme to enable it to achieve its stated objective of increasing production to a level of 85,000 bopd of oil and 250 million cubic feet of gas by 2016. The achievement 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: Carol Drilling, subsequently renamed Cardinal.

Accordingly, Seplat paid US\$45 million in 2011 to the American rig manufacturer BHP Billiton to finance the purchase of two new drilling rigs by Cardinal. In 2012, Cardinal obtained bank financing of US\$30 million, which allowed it to repay a portion of the advance it had received. At the end of 2012, the balance of the advances granted by Seplat to Cardinal was US\$25 million. US\$5 million of this debt was repaid by offsetting the cost of drilling services performed by Cardinal for Seplat in 2013.

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

Jean-François Hénin, Chairman of MPI, is also a member of the Board of Directors of Cardinal and therefore has an interest in this agreement.

Since September 2013, MPI has owned 40% of Cardinal. The remaining capital is held by Shebah (34%) and Platform (26%).

Note 13 Off-balance-sheet commitments

Commitments given

Guarantees made on borrowings

Seplat's securities have been pledged to lending institutions as collateral for the US\$550 million syndicated line of credit set up by the subsidiary last year. The loan amount was fully drawn down at the end of June 2014.

Firm reservation commitment for two drilling rigs

This point is described in the note on "Related parties" in the section "Financing the purchase of drilling rigs".

Independent first-demand guarantee issued by the Company to Établissements Maurel & Prom

Établissements Maurel & Prom has guaranteed the performance of the obligations of Saint-Aubin Energie E&P Québec and the maximum payment of up to US\$50 million in work commitments as part of the Anticosti project in Quebec. As this project is being carried out through the Saint-Aubin Energie investment vehicle and is 2/3 funded by MPI, the Company has issued an independent first-demand guarantee to Établissements Maurel & Prom for the maximum amount of US\$33.33 million.

Commitments received

None.

Note 14 Post-balance-sheet events

No notable events to report.

STATUTORY AUDITORS' REPORT ON THE INTERIM FINANCIAL STATEMENTS AS AT 30 JUNE 2014

To the Shareholders,

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

- ▶ the review of the accompanying condensed half-yearly consolidated financial statements of MPI, for the period from January 1 to June 30, 2014;
- ▶ the verification of the information contained in the interim management report.

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

I. Opinion on the consolidated financial statements

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

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

II. Specific verification

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

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

Paris, 27 August 2014

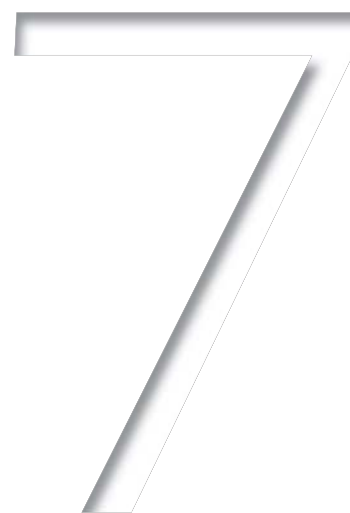
The Statutory Auditors

INTERNATIONAL AUDIT COMPANY

Daniel DE BEAUREPAIRE

François CARREGA

7.1	PUBLICLY AVAILABLE DOCUMENTS	174
7.2	INFORMATION ON EQUITY INTERESTS	174
7.3	PROVISIONAL CALENDAR	174
7.4	PERSON RESPONSIBLE FOR THE ANNUAL REPORT	175
7.4.1	<i>Person responsible for the Annual Report</i>	<i>175</i>
7.4.2	<i>Certification of the person responsible</i>	<i>175</i>
7.5	STATUTORY AUDITORS	176
7.5.1	<i>Incumbent statutory auditors</i>	<i>176</i>
7.5.2	<i>Alternate statutory auditors</i>	<i>176</i>
7.5.3	<i>Statutory auditors' fees</i>	<i>176</i>
7.6	GLOSSARY	177
7.7	CONCORDANCE TABLES	179
7.7.1	<i>Management report</i>	<i>179</i>
7.7.2	<i>EC regulations</i>	<i>180</i>



ADDITIONAL INFORMATION

7.1 PUBLICLY AVAILABLE DOCUMENTS

The Company's press releases, its historical financial information and this Annual Report are available on the Company's website at www.mpienergy.com and a copy may be obtained from the Company's registered office, 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.

7.2 INFORMATION ON EQUITY INTERESTS

Information concerning businesses in which the Company holds a percentage of the capital liable to have a significant effect on the

appraisal of its assets, financial position or results is included in Section 1.1.2 this Annual Report.

7.3 PROVISIONAL CALENDAR

6 November 2014: Q3 sales

7.4 PERSON RESPONSIBLE FOR THE ANNUAL REPORT

7.4.1 PERSON RESPONSIBLE FOR THE ANNUAL REPORT

Mr Xavier Blandin

Chief Executive Officer

7.4.2 CERTIFICATION OF THE PERSON RESPONSIBLE

"I hereby certify, after having taken every reasonable measure to this effect, that the information contained in this Annual Report is, to the best of my knowledge, accurate and does not contain any omission that could affect its meaning.

I also hereby certify that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and accurately represent the assets, financial position and net income of the Company and of all companies included in the scope of consolidation.

I have obtained a completion of work letter from the statutory auditors, in which they indicate that they have verified the financial data and the financial statements contained in this document and have read the Annual Report in its entirety.

The historical financial information presented in the Annual Report is covered in the statutory auditors' reports, appearing in Chapter 6 of the said document.

The report on the 2013 consolidated financial statements contains the following observation:

"In due respect of the opinion expressed above, we draw your attention to Note 1.4 of the notes to the consolidated financial statements, "Listing of Seplat shares in London and Lagos", which states that the funds raised by Seplat from its stock market listing will be used, *inter alia*, to repay the remaining balance of the USD\$47 million shareholder loan owing to your company. The note states that these events and their consequences could have the effect of terminating the joint control that your company exercises over Seplat."

The report on the Company financial statements for fiscal year ended 31 December 2013 contains the following observation:

"In due respect of the opinion expressed above, we draw your attention to Note 1.4 of the notes to the annual financial statements, "Listing of Seplat shares in London and Lagos", which states that the funds raised by Seplat from its stock market listing will be used, *inter alia*, to repay the remaining balance of the USD\$47 million shareholder loan owing to MPI."

This Annual Report includes 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.

The report on the consolidated financial statements for the year ended 31 December 2011 contains the following observations: "In due respect of the opinion expressed above, we draw your attention to notes 1 "General – Sales" and 23 "Operating segments", which state that the 2011 sales are based on production volumes (collection rights recognised, production sold) determined after the application of the technical adjustments and fixed discount applied by Shell Petroleum Development Company (SPDC), the only client of Seplat, a subsidiary of your company. Note 1 states that a retroactive adjustment will be subject to discussions between SPDC and Seplat, and should enable Seplat and its partners to be reallocated additional entitlements during 2012.

The report on the Company financial statements for fiscal year ended 31 December 2011 contains no observations;

- ▶ 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 R. 13-037.

The report on the consolidated financial statements for the year ended 31 December 2012 contains the following observations: "In due respect of the opinion expressed above, we draw your attention to: Note 1 "General information" which presents the change in the method of consolidation of the subsidiary Seplat, which is now consolidated under the equity method; Note 5 "Equity associates – Production and sales" describing the signing of an agreement with Shell Petroleum Development Company (SPDC) at the start of 2013, which led to the recording of an adjustment in respect of sales for 2012 in Seplat's financial statements".

The report on the Company financial statements for year ended 31 December 2012 contains no observations."

Mr Xavier Blandin
Chief Executive Officer

7.5 STATUTORY AUDITORS

7.5.1 INCUMBENT STATUTORY AUDITORS

Mr François Carrega

13, boulevard des Invalides, 75007 Paris, France

Mr François Carrega was appointed as incumbent statutory auditor under the Company's Articles of Association on 8 October 2009 for a term of six fiscal years; that is, until the General Shareholders' Meeting called in 2015 to approve the financial statements for the year ended 31 December 2014.

International Audit Company, represented by Mr Daniel de Beaurepaire

46, rue du Général Foy, 75008 Paris, France

Initially appointed as alternate statutory auditor under the Company's Articles of Association on 8 October 2009, International Audit Company was appointed as incumbent statutory auditor by the Ordinary General Shareholders' Meeting of 13 May 2011 for a term of six fiscal years; that is, until the General Shareholders' Meeting called in 2017 to approve the financial statements for the year ended 31 December 2016.

7.5.2 ALTERNATE STATUTORY AUDITORS

Cailliau Dedouit et Associés was appointed as alternate statutory auditor for Mr François Carrega by the Ordinary General Shareholders' Meeting of 13 May 2011 for the remainder of the term of its predecessor; that is, until the General Shareholders' Meeting called in 2015 to approve the financial statements for the year ended 31 December 2014.

Mr François Caillet was appointed as alternate statutory auditor for the International Audit Company by the Ordinary General Shareholders' Meeting of 13 May 2011 for a term of six fiscal years; that is, until the General Shareholders' Meeting called in 2017 to approve the financial statements for the year ended 31 December 2016.

7.5.3 STATUTORY AUDITORS' FEES

The statutory auditors' fees are disclosed in Note 19 "Audit fees" to the Company's consolidated financial statements, inserted in Chapter 6 of this Annual Report.

7.6 GLOSSARY

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

Term	Definition
"	Inch.
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).
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.
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).
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.
Associated gas	Gas present in solution in oil and separated during oil extraction.
barrel	Unit of volumetric measurement for crude oil, equivalent to 159 litres (42 US gallons). One tone of oil contains approximately 7.5 barrels.
Brent	Class of North Sea oil.
Company share/own share	Operated share less the Partners' share.
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.
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.
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.
Heavy oil	Oil with an API gravity of less than 10°, also known as bitumen.
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.
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)
Light oil	Oil with an API gravity of more than 31.1°, also known as light crude.
Mboe	Millions of barrels of oil equivalent.
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.
OML	Oil Mining Licence refers to the oil deposit exploitation contracts that give the right to exploit and sell crude oil in Nigeria.
OPEC	Organization of the Petroleum Exporting Countries.

Term	Definition
Operated production	Total quantity of hydrocarbons produced on the fields.
Operator	The company in charge of operations on an oil field.
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).
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 (production permit).
PIB	Petroleum Industry Bill (Nigerian bill on the oil industry).
Pipeline	Pipeline for transporting fluids.
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.
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).
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.
Royalties	In-kind oil taxes corresponding to a percentage of a field's production.
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.

7.7 CONCORDANCE TABLES

7.7.1 MANAGEMENT REPORT

Items required by the French Commercial Code, Monetary and Financial Code, General Tax Code and General Regulations of the AMF	Corresponding sections of the Annual Report	Corresponding pages of the Annual Report
Analysis of the change in the business, net income and financial position of the Company, position of the Company during the previous fiscal year (Art. L. 225-100 and L. 232-1 of the French Commercial Code)	1.4	28-36
Analysis of the change in the business, net income and financial position of the Group, 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	28-36
Net income of subsidiaries and controlled companies by area of activity (Art. L. 233-6 of the French Commercial Code)	1.4	28-36
Projected change (Art. L. 232-1 and L. 233-26 of the French Commercial Code)	1.6	37-38
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, 1.1.2, 6.4, [6.5], 1.6.2	20; 21; 155; 157-160; 37
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 activities (Art. L. 225-100 and L. 225-102-1 of the French Commercial Code)	4.2, 4.3	81-83; 83-84
Corporate, social and environmental information regarding activities (Art. L. 225-100 and L. 225-102-1 of the French Commercial Code)	Chapter 4	75-84
Description of the main risks and uncertainties (Art. L. 225-100 and L. 225-100-2 of the French Commercial Code)	Chapter 2	39-48
Group policy on managing financial risks (Art. L. 225-100 and L. 225-100-2 of the French Commercial Code)	2.2	42-43
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	42-43
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	97-99
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	102
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-monitoring (Art. L. 233-13 of the French Commercial Code)	5.2.2.3	101

Items required by the French Commercial Code, Monetary and Financial Code, General Tax Code and General Regulations of the AMF	Corresponding sections of the Annual Report	Corresponding pages of the Annual Report
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	65
Total compensation and benefits of any kind paid to each corporate officer (Art. L. 225-102-1 of the French Commercial Code)	3.2	61-65
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)	53; 56
Information on treasury share repurchases (Art. L. 225-211 of the French Commercial Code)	5.2.1.2	94-96
Dividend amounts distributed over three fiscal years (Art. 243 bis of the French General Tax Code)	5.2.3	102
Changes made in the presentation of the annual financial statements (Art. L. 232-6 of the French Commercial Code)	1.4.1.1 (a), Chapter 6, Note 1	28; 111-172; 117

7.7.2 EC REGULATIONS

In order to facilitate the interpretation of this Annual Report, the following concordance table identifies the information required by Commission Regulation (EC) No. 809/2004 of 24 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council (as amended by Commission Delegated Regulation (EU) 486/2012 of 30 March 2012).

Heading	Corresponding sections of the Annual Report	Corresponding pages of the Annual Report
1. Responsible persons	7.4	175
2. Statutory auditors	7.5	176
3. Selected financial information	1.4	28-36
4. Risk factors	Chapter 2	39-48
5. Information about the issuer	5.1.1	86
5.1 History and progress of the Company	5.1.1 (e)	86
5.1.1 Corporate and trade name of the issuer	5.1.1 (a)	86
5.1.2 Issuer's place and number of registration	5.1.1 (b)	86
5.1.3 Date of incorporation and term of the issuer	5.1.1 (c)	86
5.1.4 Issuer's registered office and legal form, the legislation governing its activities, its country of origin, the address and telephone number of its registered office	5.1.1 (d)	86
5.1.5 Significant events in the development of the issuer's activities	1.1.1, 1.4.1.2, 1.1.2	20; 28-33; 21
5.2 Investments	1.5	36-37
5.2.1 Principal investments made over the previous three fiscal years	1.5.1	36
5.2.2 Principal investments in progress	1.5.1	36
5.2.3 Principal investments considered	1.5.1	36

Heading	Corresponding sections of the Annual Report	Corresponding pages of the Annual Report
6. Overview of activities	1.2	22-27
6.1 Main activities	1.2	22-27
6.2 Main markets	1.2	22-27
6.3 Exceptional events	N/A	N/A
6.4 Possible dependence of the Group with regard to certain significant customers or procurement contracts	2.3	44-45
6.5 Competitive position	2.1.5	41
7. Organisation chart	1.1.2	21
7.1 Issuer's place within the Group	1.1.2	21
7.2 Principal subsidiaries	1.1.2	21
8. Reserves – real estate properties, plants and equipment	1.5.3, 1.4.2.4	37; 35
8.1 Most significant property, plant and equipment	1.4.2.4	35
8.2 Environmental issues concerning the most significant fixed assets	4.2, 4.3	81-83; 83-84
9. Review of the financial position and net income	1.4.1	28-34
9.1 Financial position	1.4.1.2	28-33
9.2 Operating income	1.4.1.2 (a)	29
10. Cash and capital	1.4.4, 1.4.5, 1.4.6	36
10.1 Information on short-term and long-term capital	1.4.2, 1.4.3	35; 36
10.2 Source, amount and description of cash flow	1.4.1.2 (a)	29-31
10.3 Borrowing conditions and financing structure	1.4.2, 1.4.3	35; 36
10.4 Restrictions on the use of capital having a significant influence on operations	1.4.4	36
10.5 Planned sources of funding for the principal investments considered and major expenses on the most significant property, plant and equipment	1.5.2	37
11. Research and development, patents and permits	N/A	N/A
12. Information on trends	1.6	37-38
12.1 Main trends having affected production, sales and inventories, costs and sale prices since the close of the previous fiscal year	1.6.2, [6.5]	32; 157-171
12.2 Known trends, uncertainties, commitments or events likely to significantly influence the outlook for the current fiscal year	1.6.1, 1.6.3	37; 38
13. Forecasts and estimates of sales and investment budgets	N/A	N/A
14. Administrative, management and supervisory bodies and executive management	3.1	50-61
14.1 Information on the members of the administrative and management bodies	3.1.1	50-60
14.2 Conflicts of interest, commitments relating to appointments, restrictions on the sale of equity interests in the issuer's share capital	3.1.2	50-61

Heading	Corresponding sections of the Annual Report	Corresponding pages of the Annual Report
15. Compensation and benefits	3.2	61-65
15.1 Compensation granted for the last completed fiscal year, for any reason, to each member of the administrative, management and supervisory bodies	3.2.1	61-65
15.2 Sums provisioned or recognised for pensions, retirements or other benefits	3.2.1.2 (b)	64
16. Functioning of administrative and management bodies	3.3	66-73
16.1 Expiry date of current terms of office and dates on which office was taken	3.3.1	66
16.2 Contracts with the issuer or its subsidiaries granting benefits under the terms of such contracts	3.3.5	68
16.3 Information on the Company's Audit and Compensation committees	3.3.6	69
16.4 Compliance with the system of corporate governance in force in France	3.3.7	71
17. Employees	4.1.1	76-80
17.1 Workforce at the end of the last three fiscal years, breakdown by geographic region and type of activity	4.1.1.1	76-77
17.2 Employee shareholding and stock options	3.2.1.3	64-65
17.3 Agreements stipulating an employee shareholding in the capital of the issuer	4.1.1.3	78
18. Major shareholders	5.2.2	100-102
18.1 Equity interests held above thresholds which must be declared (known interests)	5.2.2.3	101
18.2 Voting rights of major shareholders exceeding their share of capital	5.2.2.1, 5.2.2.2	100-101, 101
18.3 Control over the issuer exercised by one or more shareholders	5.2.2.4	101
18.4 Agreement known to the issuer, the implementation of which could result in a change in its control	5.2.2.5	102
19. Related-party transactions	5.3	103-104
20. Financial information concerning the issuer's assets, financial position and net income	Chapter 6	111-172
20.1 Historical financial information	1.4.1.1 (c), Chapter 6	28, 111-172
20.2 Pro forma financial information	N/A	N/A
20.3 Annual financial statements	6.1, 6.2	112-137, 138-153
20.4 Audit of the annual historical financial information	6.1, 6.2	112-137, 138-153
20.4.1 Audits of the historical financial information	6.1, 6.2	112-137, 138-153
20.4.2 Other information featured in the Annual Report and audited by the statutory auditors	3.4, 5.5	74, 107
20.4.3 Financial information provided in the Annual Report and not taken from the issuer's certified financial statements	N/A	N/A
20.5 Date of the latest audited financial information at 31 December 2013	31 December 2013	31 December 2013

Heading	Corresponding sections of the Annual Report	Corresponding pages of the Annual Report
20.6 Interim and other information	6.4, [6.5]	155, 157-171
20.6.1 Quarterly or half-yearly financial information established since the date of the last audited financial statements	6.4, [6.5]	155, 157-171
20.6.2 Interim financial information for the first six months of the year following the end of the last fiscal year audited	[6.5]	157-171
20.7 Distribution policy	5.2.3	102
20.8 Litigation and arbitration	2.4.3	47
20.9 Significant changes in the financial or trading position	N/A	N/A
21. Additional information		
21.1 Share capital	5.2.1.1	94
21.1.1 Subscribed capital and authorised capital	5.2.1.4	97-99
21.1.2 Shares not representative of capital	N/A	néant
21.1.3 Shares held by the issuer or its subsidiaries	5.2.1.2	94-96
21.1.4 Securities conferring future access to the issuer's share capital	5.2.1.3	96
21.1.5 Conditions governing any right of acquisition and/or any bond attached to capital subscribed but not paid-up, or to any capital increase	5.1.2.3 (a), 5.1.2.3 (b)	90, 90
21.1.6 Capital of any part of the Group subject to an option	N/A	N/A
21.1.7 History of the issuer's share capital over the last three fiscal years	5.2.1.5	100
21.2 Charter and Articles of Association	5.1.2	87-93
21.2.1 Corporate purpose of the issuer	5.1.2.1 (b)	95-96
21.2.2 Provisions of the Articles of Association and Charter concerning members of the administrative, management and supervisory bodies	3.3.4, 5.1.2.2	68, 87-90
21.2.3 Rights, privileges and restrictions attached to each class of existing shares	5.1.2.3	90-91
21.2.4 Necessary procedures for modifying shareholders' rights	5.1.2.3 (b)	90
21.2.5 Notice of General Shareholders' Meetings and conditions of admission	5.1.2.4	91
21.2.6 Provisions of the issuer's Articles of Association, Charter or Bylaws which could delay, defer or prevent a change in its control	5.1.2.6	93
21.2.7 Declarations of ownership thresholds exceeded	5.1.2.3 (d)	90
21.2.8 Conditions more stringent than the law for modifying the share capital	5.1.2.3 (a), 5.1.2.3 (b)	90, 90
22. Large contracts	5.3, 5.4	103-104, 105-106
23. Information from third parties, declarations of experts and declarations of interests	N/A	N/A
24. Publicly available documents	7.1	174
25. Information on equity interests	7.2	174



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