Paris, 9 March 2018
No. 03-18

2017 Annual Results

2017: a year of consolidation and a return to profitability for the M&P Group:

- **Operating performance up sharply**
  - EBITDA up by 19% at €168m
  - EBIT showing a profit of €58m
  - Positive net income at €7m
  - Cash flow generated by operations up by 90% at €164m

- **Strengthening of the Group's financial structure and balance sheet**
  - Refinancing of debt on favourable terms following the closing of the takeover bid by the Pertamina Group.
  - Net debt of €364m, down by 32% compared to 2016
  - Greater flexibility for future organic and external development
  - Significant reduction in foreign exchange risk exposure after the euro-denominated debt was refinanced in US dollars

- **Return to development and exploration projects**
  - Resumption of a major development programme in Gabon in the first half of 2018 after a three-year halt – 11 wells planned for 2018
  - Planned drilling of two exploration wells in Gabon in the second half of 2018

MAUREL & PROM

- **Key financial aggregates**

in €M	2017	2016	*Chg.*
Sales	**355**	**317**	*+12%*
EBITDA	168	141	*+19%*
as % of sales	*47%*	*44%*	
EBIT	**58**	**17**	-
Financial income	**-74**	**-30**	
Income from equity associates	50	-28	
Consolidated net income	**7**	**-50**	
Cash flow generated by operations	**+164**	**+86**	-
Investments	33	44	
Cash at period-end (including collateral deposit)	**216**	**263**	*-18%*

At its meeting of 8 March 2018, chaired by Aussie B. Gautama, the Board of Directors of the Maurel & Prom Group approved the financial statements for the year ended 31 December 2017.

Commenting on these results, Michel Hochard, Maurel & Prom's Chief Executive Officer, said:

"2017 will always be a key year for Maurel & Prom because it marked the Pertamina Group's successful acquisition of an equity stake in our company. It was a year of consolidation, paving the way for Maurel & Prom's transformation as Pertamina's global development platform. The recent conclusion of our financing on extremely favourable terms opens up new development prospects for us and attests to the multiple synergies we have been able to achieve with Pertamina. We therefore look to the future with confidence. Today we have the financial and strategic leverage to begin a new chapter in Maurel & Prom's growth, the first illustration of this being the resumption in 2018 of our development and exploration drilling programmes."

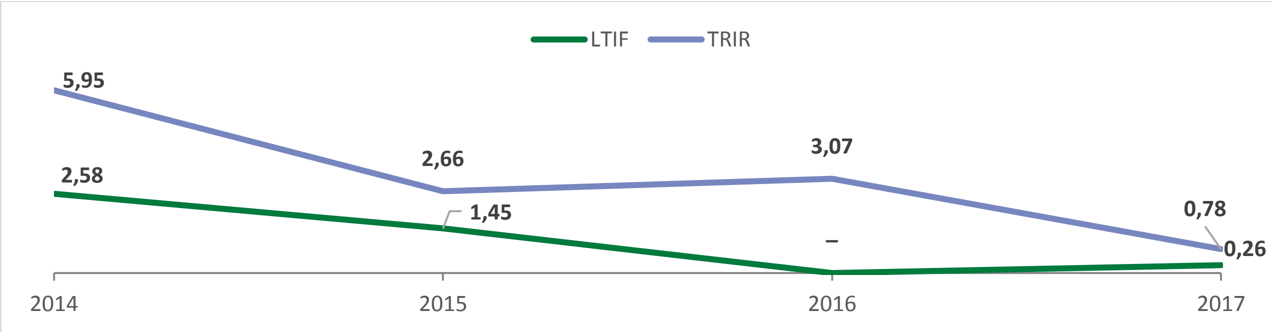
Significant events

- **Workplace safety: ongoing improvement in key indicators**

In 2017 Maurel & Prom consolidated the progress it has made over the last three years in terms of workplace safety. The Group's performance during the period was as follows:

- LTIF (Lost Time Injury Frequency) rate: 0.26
- TRIR (Total Recordable Injury Rate): 0.78

The Group is continuing its efforts to constantly improve its practices and procedures in order to reduce as much as possible the risks related to its activities. For example, particular care will be taken when drilling activities resume in 2018.



Lost time injury frequency (LTIF): per million hours worked
Total recordable injury rate (TRIR): per million hours worked

- **Activity: improved results, supported by favourable market conditions**

The recovery of the price of crude oil created a favourable economic environment for the oil industry in 2017, which in turn had a positive impact on the Group's financial statements at 31 December 2017. The average sale price of oil in fiscal year 2017 stood at $ 53.0/bbl versus $42.7/bbl in 2016.

This price increase took **sales** to €355 million, up by 12%, despite an 8% drop in oil production in Gabon during the period, due to the halt in development drilling dating back to 2015. Maurel & Prom's share of production stood at 23,903 bopd in 2017, versus 25,202 bopd in 2016.

Complementing oil production in Gabon was gas production in Tanzania, which stood at 23.6 MMcf/d in 2017. Demand for gas has been increasing steadily since the second half of 2017, with a year-on-year increase of 14% against production in 2016.

EBITDA was up by 19% at €168 million, while **EBIT** increased significantly during the period to €58 million.

Non-recurring expenses of €12 million (net) consisted mainly of asset impairment (drilling rigs, M'Kuranga project in Tanzania) and costs associated with Pertamina's takeover bid. Meanwhile, the Company received compensation of CAD16.2 million from the Government of Quebec following the withdrawal of the territory of Anticosti Island from any hydrocarbon or underground reservoir exploration.

Financial income of negative €74 million comprised:

- the cost of net debt amounting to €41 million, including €21 million in non-recurring expenses associated with the reclassification as income of a portion of the expenses related to the issue of the loans repaid at the end of 2017;
- a foreign exchange loss of €31 million related to the unfavourable movement in the EUR/USD exchange rate during the period. Note that the refinancing in US dollars will reduce the group's exposure to foreign exchange risk going forward.

Income of equity associates was €50 million. The Group also benefited from an improvement in SEPLAT's results following the recognition of deferred taxes of €221 million, signalling favourable prospects. SEPLAT's investments in equity associates amounted to €125 million, while the market value of M&P's share stood at €143 million at 31 December 2017.

After taking into account all of the above factors, **net income** stood at a positive €7 million.

The Group's **cash flow generated by operations** for 2017 amounted to €164 million, almost double what it was in 2016. This was the result of the increase in EBITDA and improvement in the WCR, due in particular to the pace of favourable entitlements in Gabon.

At 31 December 2017, the Group had €216 million in cash.
Net debt stood at €364 million, down by almost 32% compared to 31 December 2016.

- **Group refinancing under favourable terms**

At end-2017, the Group had successfully refinanced all of its debt on favourable terms, thanks to the support of its new shareholder, the Pertamina Group, and began rescheduling its repayments.

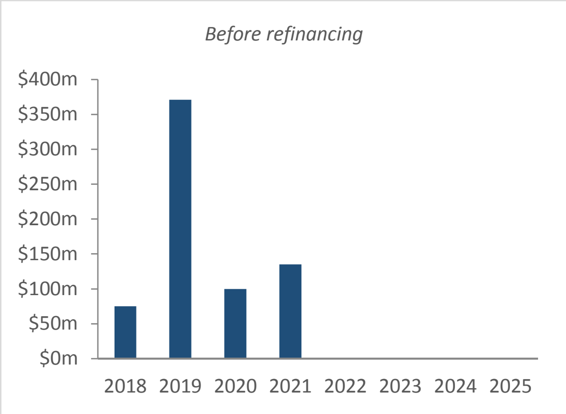
The refinancing transaction is structured as follows:

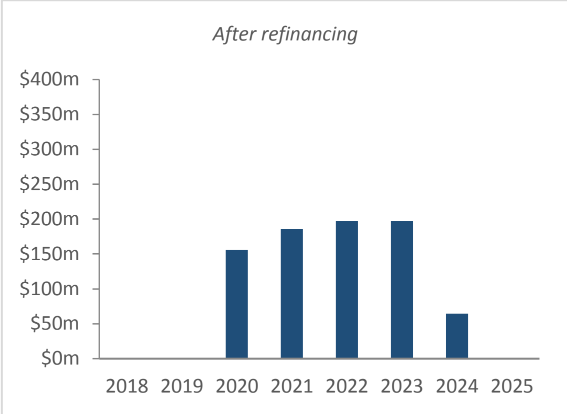
- Bank loan: a $600-million term loan signed with a group of nine international banks;
- Shareholder loan: a shareholder loan set up with PIEP in an initial amount of $100 million, with a second tranche of $100 million that can be drawn down at Maurel & Prom's discretion;
- Repayment of $762 million in existing debt:
    - the Revolving Credit Facility (RCF) currently in repayment and amounting to $325 million has been closed, also resulting in the release of $75 million in cash previously held as collateral;
    - repayment of the shareholder loan made available by PIEP, under the terms laid out at the time of the takeover bid, in the amount of €189 million ($224 million);
    - redemption of the ORNANE 2019 and 2021 bonds held by PIEP totalling €180 million ($213 million), followed by their cancellation.

This refinancing is a significant step forward for Maurel & Prom:

- optimised repayment profile, with a 2-year grace period in 2018-2019, followed by steady annual repayments of $150 million for the Bank loan over the period 2020-2023;
- low interest rate (Libor + 1.5% for the Bank loan, Libor + 1.6% for the Shareholder loan) thanks to the reiterated support from majority shareholder Pertamina,
    - alignment of the debt currency with the cash flow currency; this, together with the change in the functional currency of the Group's financing holdings, in particular Etablissements Maurel & Prom, for US dollar, will significantly reduce the Group's exposure to the EUR/USD exchange risk going forward.

Following the refinancing, the debt repayment profile is now as follows:





2018 Outlook

- **Resumption of development drilling**

Maurel & Prom will be focusing its efforts on the ramp-up of production in Gabon through the deployment of its development programme, which had been halted for almost three years due to falling oil prices. The drilling programme is set to begin in the first half of 2018 and will involve drilling 11 development wells and three sidetracks.

- **Return to exploration**

Drilling of the first exploration wells on the Kari and Nyanga-Mayomnbé permits will start in the second half of 2018.

The consolidated financial statements as at 31 December 2017, approved by the Board of Directors on 8 March 2018, are available on the Company's website (www.maureletprom.fr). Audit procedures have been conducted on the consolidated financial statements. The certification report will be issued at the end of April 2018, once the annual report has been finalised.

Next publication:

23 April 2018: Sales for the first quarter of 2018, released before the markets open

French			English
pieds cubes	pc	cf	cubic feet
pieds cubes par jour	pc/j	cfpd	cubic feet per day
milliers de pieds cubes	kpc	Mcf	1,000 cubic feet
millions de pieds cubes	Mpc	MMcf	1,000 Mcf = million cubic feet
milliards de pieds cubes	Gpc	Bcf	billion cubic feet
baril	b	bbl	barrel
barils d'huile par jour	b/j	bopd	barrels of oil per day
milliers de barils	kb	Mbbl	1,000 barrels
millions de barils	Mb	MMbbl	1,000 Mbbl = million barrels
barils équivalent pétrole	bep	boe	barrels of oil equivalent
barils équivalent pétrole par jour	bep/j	boepd	barrels of oil equivalent per day
milliers de barils équivalent pétrole	kbep	Mboe	1,000 barrels of oil equivalent
millions de barils équivalent pétrole	Mbep	MMboe	1,000 Mbbl = million barrels of oil equivalent

For more information, visit www.maureletprom.fr

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