Paris, 1 April 2020
No. 07-20

2019 annual results

- **2019: sound financial results led by operational delivery**
  - Working interest production of 27,340 boepd, a 19% increase compared to 2018
  - Operating cash flow before change in working capital of $263 million, up 35% compared to 2018 despite a 2% dip in average oil sale price ($67.2/bbl vs. $68.8/bbl)
  - Exploration capex of $43 million, and closing of the Angola acquisition in July 2019 for a cash consideration of $35 million

- **Strongly positioned thanks to a robust capital structure and high liquidity**
  - $231 million cash balance as of 31 December 2019, plus an additional $100 million available via the undrawn tranche of the Shareholder Loan
  - Renewed support from banks and majority shareholder PIEP, as amendments with lenders were obtained in March 2020 to ease debt repayments in 2020 and 2021
  - Committed to debt reduction, as repayments started in March 2020

- **Taking immediate actions to address the fall in oil price**
  - Flexibility provided by the operational control of key assets
  - Drastic and thorough action plan launched to reduce opex, G&A, and capex programmes
  - Suspension of development drilling activities on the Ezanga licence in Gabon
  - The Board of Directors has decided not to propose the payment a dividend for FY 2019

Analyst and investor call

M&P will hold a call to discuss this announcement via a webcast in French, today at 9:30. This will be immediately followed by a Q&A (questions may be asked in English). A version of the webcast translated into English will be available by the end of the day.

To join the webcast or play the on-demand version, please use this link:
https://www.maureletprom.fr/en/article/fy-2019-audio-webcast-1er-avril-2020-a-9h30

Key financial results

$mm	FY 2019	FY 2018	Change
Income statement			
Sales	**504**	**440**	***+14%***
Opex & G&A	(195)	(140)	
Royalties and production taxes	(65)	(45)	
Change in overlift/underlift position	34	(13)	
Other	9	3	
EBITDA	**286**	**245**	***+17%***
Depreciation, amortisation, and provisions	(163)	(115)	
Expenses and impairment of exploration assets	(48)	(1)	
Other	(4)	(3)	
Operating income	**70**	**126**	***-45%***
Net financial expenses	(31)	(27)	
Income tax	(62)	(68)	
Share of income/loss of associates	59	31	
Net income	**35**	**62**	***-43%***
Cash flows			
Cash flow before income tax	298	236	
Income tax paid	(35)	(41)	
Operating cash flow before change in working capital	**263**	**195**	***+35%***
Change in working capital	(102)	(3)	
Operating cash flow	**162**	**192**	***-16%***
Development capex	(104)	(104)	
Exploration capex	(43)	(7)	
M&A	(35)	(51)	
Free cash flow	**(21)**	**30**	***N/A***
Net cost of debt	(24)	(22)	
Dividends received	12	12	
Dividends paid	(9)	–	
Other	(7)	0	
Change in cash	**(49)**	**20**	***N/A***
Opening cash	**280**	**259**	
Closing cash	**231**	**280**	

Olivier de Langavant, CEO of M&P, declared: *“We are currently experiencing strong economic headwinds, but are firmly positioned to weather this environment. M&P is a resilient company, and we have a strong capacity to manage adverse market conditions. In response to the current pandemic, we have put in place all appropriate measures to ensure the safety of our staff and the continuity of our operations. With regards to economic conditions, our teams are fully operational and focused on delivering on our cost savings plan to preserve cash flow generation and secure M&P’s future. Thanks to the recently announced amendments to our debt facilities, we have also managed to enhance our liquidity for 2020 and 2021, which will help us maintain a robust profile. We will take advantage of these challenging times to reshape the Company and strengthen it for the long term.”*

Financial update

- **Sound financial results led by operational delivery**

On the income statement, sales were up 14% thanks to the increase in production (27,340 boepd in 2019, +19% compared to 2018), driven in particular by Gabon, despite a slightly lower oil price environment (average oil sale price of $67.2/bbl in 2019, down from $68.8/bbl in 2018).

Operating expenditures increased as a result of the integration of the Angolan acquisition from August 2019. Royalties and other production taxes were also higher, due to the marked increase in production in Gabon. EBITDA was up 17% at $286 million.

Depreciation and amortisation rose sharply (+53%) to reach $163 million as a result of the higher production from Ezanga (depreciation based on unit of production method). $48 million of exploration expenses were recorded, including $31 million for the Kama-1 well in Gabon.

As a consequence of the exploration activity and higher depreciation and amortisation charges, operating income decreased to $70 million, compared to $126 million in 2018. Net financial expenses on the income statement amounted to $31 million for 2019.

M&P’s share in income from equity associates was $59 million, compared to $31 million in 2018. This marked increase results in particular from one-off items boosting Seplat’s net income (recovery of historical tolling revenue and sale of Oben gas plant).

After taking into account all of the above factors, FY 2019 net income decreased stood at $35 million.

From the cash flow perspective, cash flow from operating activities before change in working capital rose by 35% to reach $263 million (up from $195 million in 2018). After taking into account the large working capital effect (negative impact of $102 million, $52 million of which coming from the change in the overlift/underlift position), operating cash flow came at $162 million.

Development capex was in line with previous year at $104 million. $43 million were spent in exploration capex, the majority of which on the Kama-1 well drilling in Gabon. The $35 million M&A charge consists in the net cash consideration paid to AJOCO in July 2019 at closing of the Angolan acquisition.

It is worth highlighting that the $20 million deferred consideration payable to Shell in December 2020 with respect to the Venezuela acquisition was postponed in agreement with Shell, and will be paid in full by April 2020.

M&P received $12mm of dividends from its 20.46% stake in Seplat, the same amount as in 2018.

A $9 million dividend (€0.04 per share) was paid to M&P’s shareholders in June 2019, the first one since 2012.

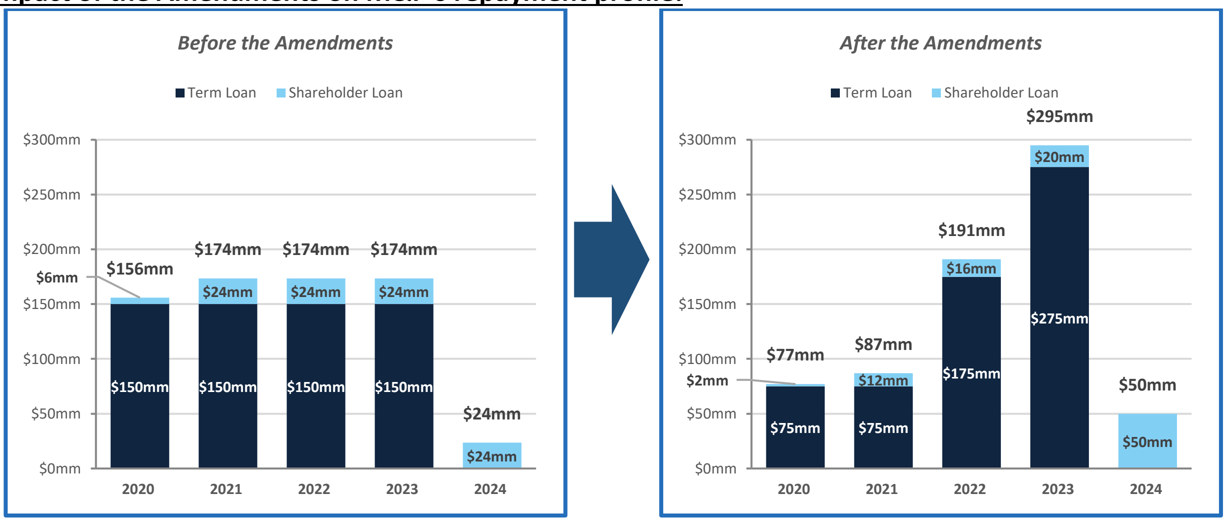
At 31 December 2019, the cash position stood at $231 million. The gross debt at 31 December 2018 amounted to $700 million (nominal value), i.e. a net debt of $469 million

- **Strongly positioned thanks to a robust capital structure and high liquidity**

In March 2020, M&P announces the signature of amendment agreements (together the "Amendments") to re-profile the repayment of its two debt facilities, the $600 million term loan with a syndicate of lenders (the "Term Loan") and the $200 million loan ($100 million drawn and $100 million undrawn) from M&P's controlling shareholder PT Pertamina International Eksplorasi Dan Produksi ("PIEP") (the "Shareholder Loan").

Under the terms of the Amendments, the scheduled debt repayments for both facilities have been reduced in 2020 and 2021, allowing M&P to maintain ample liquidity and better adapt debt repayments to cash flow generation and investment profile. The amendment to the Shareholder Loan also demonstrates the continued support of PIEP to M&P, as a significant amount of its repayment has now been pushed to 2024, beyond the final maturity date for the Term Loan.

Impact of the Amendments on M&P's repayment profile:



M&P's total outstanding debt currently amounts to $700 million ($600 million under the Term Loan and $100 million under the Shareholder Loan). As of end of December 2019, M&P's cash position stood at $231 million, resulting in a net debt of $469 million. M&P can also immediately unlock additional liquidity thanks to the undrawn $100 million tranche of the Shareholder Loan.

Business review and outlook

- **Impact of the COVID-19 outbreak on M&P's operations**

M&P is taking all necessary measures to ensure business continuity, in full compliance with all recommendations from relevant health authorities. Work from home is the preferred option whenever possible, and strict proactive measures to minimise contamination risks have been enforced in offices when work from home is not possible. Those initiatives include entry controls, distancing measures, and reinforced hygiene and disinfection practices.

On operations sites, reinforced measures going beyond recommendations have been implemented to ensure resilience. At this stage and for the short term, M&P does not foresee major disruptions in the conduct of its operations arising from the COVID-19 outbreak. Should the circumstances change, M&P will update the market in due course.

- **Update on oil markets**

Over the last couple of months, oil markets have been strongly impacted on both the demand and supply sides. The oil demand worldwide has shrunk considerably due to the economic slowdown triggered by the COVID-19 outbreak, and in particular its impact on the Chinese economy.

This contraction has been severely amplified by the recent decision taken by Saudi Arabia to materially increase its oil production, as well as the end of the informal alliance between OPEC and Russia which had kept oil prices relatively steady over the past two years.

As a result, oil prices plunged, with Brent falling under $25/bbl in March 2020, compared to $60/bbl in average in January and February.

- **Cost control and capital discipline initiatives**

Immediately after the drop in oil prices in early March, M&P has launched a comprehensive review of cost saving opportunities. A number of areas for improvement have been identified, and an action plan has been prepared and launched before the end of the month.

This plan targets savings of:

- On operated assets, a reduction of over 20% in opex and over 15% in G&A (equivalent to $25 to $30 million of savings on an annualised basis)
    - Optimisation of logistics, reorganisation of well interventions, optimisation of consumables and chemicals, reduction in contractor staff count
- Over 60% in development capex compared to the 2020 budget (reduced from $130mm to $50mm)
    - Development drilling activities on Ezanga suspended as of March 2020

Further initiatives are under review, and it is expected that more measures will be implemented.

It is worth highlighting that, as operator of the asset and owner of its in-house drilling company, M&P retains full flexibility to promptly restart development drilling on Ezanga as soon as conditions improve.

Additionally, as part of the cash preservation measures, the Board of Directors of M&P has decided not to propose a dividend for FY 2019.

- **Production and financial guidance for 2020**

For 2020, M&P is targeting a working interest group production of 28,000 boepd, consisting in:

- 18,400 bopd in Gabon (equivalent to 23,000 bopd gross production on Ezanga)
- 34 mmcfd in Tanzania (equivalent to 70 mmcfd gross production on Mnazi Bay)
- 4,000 bopd in Angola (equivalent to 20,000 bopd gross production on Block 3/05)

These production assumptions reflect the announced revisions in work and capex programmes, in particular the suspension of development drilling on Ezanga as of March 2020.

Under these production assumptions and taking into account the cost saving initiatives previously detailed, the guidance for operating cash flow in FY 2020 under various Brent price assumptions[1] is as follows:

- At $25/bbl: $70 million
- At $30/bbl: $100 million
- At $35/bbl: $125 million

Other significant cash outflows for the year will consist in:

- Capex (including M&A): $80 million
    - $50 million of development capex
    - $30 million of M&A (includes $20mm payment to Shell related to the acquisition of the interest in Urdaneta West)
- Exploration: $30 million
    - Includes Kama-1 well costs in 2020 and seismic acquisition in Sicily
- Financing: $105 million
    - $77 million of debt repayments
    - $28 million of net cost of debt

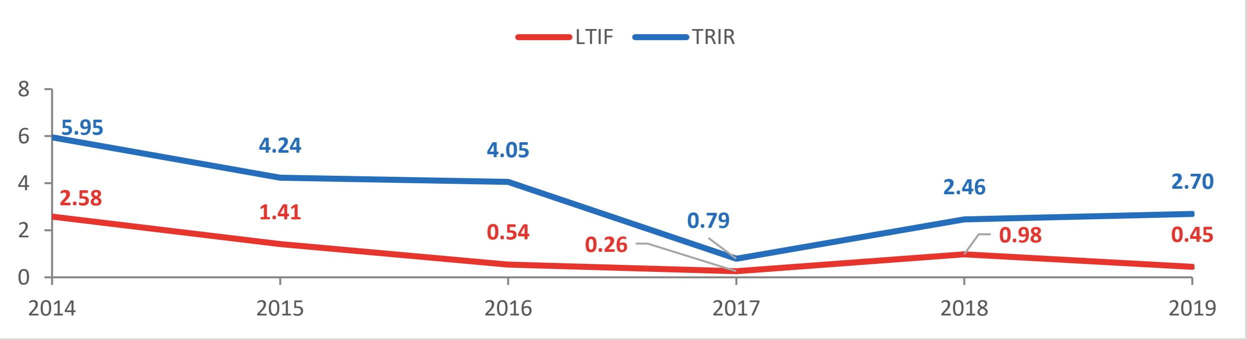
M&P's internal forecasts show that it will be able to operate and maintain adequate headroom for the next 12 months from the date of approval of the 2019 accounts (31 March 2020). In addition to its cash on hand ($231mm as of 31 December 2019), M&P has access, if necessary, to $100 million of immediate liquidity via the undrawn portion of the Shareholder Loan.

As explained in the financial statements (note 3.3), the impairment tests as of 31 December 2019 have been run under different assumptions, reflecting the market conditions at year-end 2019. Given sensitivity to oil price, it is expected that impairments would have to be recognised under assumptions reflecting current market conditions as of March 2020. The assumptions will be revisited in light of prevailing market conditions for new impairment tests to be run as of June 2020.

2019 activity

- **Environmental, health, Safety, and security (EHS-S) performance**

2019 saw a 54% decrease in lost time injury frequency ("LTIF") which amounted to 0.45, as total recordable injury rate ("TRIR") increased slightly at 2.70 in 2019, compared to 2.46 in 2018.



[1] Brent price assumption from 1 April 2020 (average Brent price in Q1 2020: $51/bbl)

Over the last two years, M&P has been engaged in an effort to improve its internal processes and had them certified by third party auditors, which resulted in M&P obtaining two certifications in December 2019: ISO 45001 related to health and safety, and ISO 14001 for environmental management. These certifications highlight M&P's commitment to comply with highest industry standards, and work relentlessly to improve its EHS-S performance.

- **Production and sales**

		Q1 2019	Q2 2019	Q3 2019	Q4 2019	**FY 2019**	FY 2018	*Change*
Working interest production								
Gabon (oil)	bopd	19,733	20,316	20,654	18,612	**19,828**	16,273	*+22%*
Angola (oil)	bopd	–	–	3,041[2]	4,415	**1,879[1]**	–	/
Tanzania (gas)	mmcfd	35.4	28.2	37.4	34.1	**33.8**	40.0	*-15%*
Total	**boepd**	**25,636**	**25,020**	**29,937**	**28,706**	**27,340**	**22,934**	***19%***
Average sale price								
Oil	$/bbl	63.9	72.5	65.8	66.8	**67.2**	68.8	*-2%*
Gas	$/BTU	3.26	3.28	3.25	3.26	**3.26**	3.17	*+3%*
Sales								
Gabon	$mm	103	126	118	107	**454**	376	*+21%*
Angola	$mm	–	–	11	19	**31**	–	/
Tanzania	$mm	9	7	9	9	**34**	39	*-13%*
Valued production	**$mm**	**112**	**133**	**139**	**135**	**519**	**415**	***+25%***
Drilling activities	$mm	4	3	3	2	**12**	12	
Trading of third-party oil[3]	$mm	–	–	–	7	**7**	–	
Adjustment for lifting imbalances	$mm					**(34)**	13	
Consolidated sales						**504**	**440**	***+14%***

M&P's working interest oil production (80%) on the Ezanga permit in Gabon was 19,828 bopd (gross production of 24,785 bopd) for 2019, up 22% from 2018. The technical measures implemented allowed for the resolution of export issues faced in 2018, thanks to the optimisation of crude oil evacuation. No production interruptions due to pipeline problems were recorded in 2019.

In Tanzania, average production for M&P's working interest (48.06%) in Mnazi Bay in 2019 was 33.8 mmcfd (gross production: 70.3 mmcfd), down 15% from 2018.

Since 1 August 2019, the Group has consolidated its production in Angola in Blocks 3/05 and 3/05A. This production amounted to 4,415 bopd for M&P's working interest (20%) in Q4 2019.

- **Exploration activities**

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[2] Production in Angola was 4,484 bopd for M&P's working interest (20%) for the period during which the asset was held (since 1 August 2019), corresponding to 4,587 bopd in Q3 (two months only) and 4,415 bopd for the full Q4

[3] M&P Trading buys and markets M&P's production in Angola and Gabon. Third-party production may also be traded by M&P Trading. In such instances, it is shown in consolidated sales

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In the spring of 2019, two wells were drilled on the Mios permit in France, resulting in a modest discovery (0.8mmbbls of certified 2P reserves as of 31 December 2019). A long term production test is planned to start in the second half of 2020.

In December 2019, M&P spud the Kama-1 well, first high impact exploration well for the Company since 2015. On 25 February 2020, M&P announced that the well encountered several series of oil shows between 1,865 and 2,701 metres (total depth of the well) in the Kissenda formation, main objective of the drilling, and a sample of 35° API oil was collected. However, no commercial test was attempted due to the poor quality of the reservoirs. The drilling nevertheless confirmed the presence of an active petroleum system in the region. It also provided valuable data which will be helpful for the continuation of exploration activities in the area.

In Sicily, a 3D and 2D seismic acquisition campaign started in Q4 2019. As of March 2020, the 3D acquisition is completed, and 2D acquisition is coming to its term. Interpretation is expected to take place by the end of 2020.

- **Significant events for the year**

M&P Trading, a French subsidiary wholly owned by the Group, now buys oil volumes produced by M&P Gabon and M&P Angola, and sells them on the international markets. M&P Trading may also lift barrels on behalf of third parties, including joint venture partners. Since the first lifting completed by M&P Trading in March 2019 in Gabon, the company has marketed 4.8 million barrels.

In June 2019 M&P entered into an agreement with Gabon Oil Company (GOC), partner for the Ezanga permit, to end the carry mechanism from which GOC benefited. Under the terms of the agreement, GOC gained priority access to 812,000 barrels (corresponding to the rights carried after 31 December 2017) in return for payment to M&P of $52.5 million in 2019. Additionally, the sum of $43 million corresponding to historical carry receivables (prior to 31 December 2017) was paid by GOC into an escrow account which is expected to be released after an audit currently ongoing.

The acquisition from AJOCO of 20% interests in Block 3/05 and Block 3/05A offshore Angola was finalised in July 2019. In accordance with the sales and purchase agreement , the transaction amount of $80 million (less a deposit of $2 million paid when the transaction was announced) was adjusted by $43 million to take into account working capital and cash flow received and disbursed by AJOCO on behalf of M&P since the economic effective date of 1 January 2018. Consequently, the net consideration paid at closing to AJOCO was $35 million.

In July 2019, Sucre Energy took a 20% stake in Maurel & Prom Iberoamerica, which holds a 40% interest alongside the national oil company PDVSA in the Petroregional del Lago (“PRDL”) mixed company operating the Urdaneta West field in Venezuela. As a result of the transaction, M&P holds a 32% net economic interest in PRDL.

Due to international sanctions against PDVSA, operations conducted locally by the M&P’s Venezuelan subsidiary, M&P Servicios Integrados U.W., are strictly limited to maintenance related to the safety of staff and assets, and to environmental protection. As a result, and in spite of an asset that remains in production (gross production of 9,475 bopd in 2019) and that has retained its development potential, no contribution to M&P’s net income has been recognised.

Olivier de Langavant was appointed Chief Executive Officer of the Maurel & Prom Group effective 1 November 2019, replacing Michel Hochard. Olivier de Langavant spent over 35 years at French major Total within the exploration and production division, and held key managing positions, including head of Myanmar, head of Angola, , Senior VP for Finance, Economics & Information Systems, Senior VP for Strategy, Business Development and R&D, and finally Senior VP for Asia-Pacific.

Français			Anglais
pieds cubes	pc	cf	cubic feet
millions de pieds cubes par jour	Mpc/j	mmcfd	million cubic feet per day
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
millions de barils	Mb	mmbbls	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
millions de barils équivalent pétrole	Mbep	mmboe	million barrels of oil equivalent

For more information, visit www.maureletprom.fr

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