

Rockover buyback of deferred payments (Gabon)

- **Cash flow accretive transaction, with annual savings estimated between \$6 million and \$10 million for the years to come**
- **\$43 million consideration funded via a mix of cash and shares**
- **Extraordinary general meeting to be held on 12 December 2018 to approve the transaction**

Etablissements Maurel & Prom ("M&P", Euronext Paris: MAU, ISIN FR0000051070) announces that it has entered into an agreement (the "Agreement") with Rockover Energy Limited ("Rockover") on 5 November 2018 to acquire the deferred payments owned by Rockover for a consideration of cash and Maurel & Prom shares to be issued (the "Transaction").

M&P entered Gabon on 14 February 2005 through the acquisition of Rockover Oil & Gas Limited from the Rockover Group and the Mayfair Trustees Limited (acting as trustee of the Masasa Trust). In addition to a cash amount paid on closing of the sale, M&P undertook to make deferred payments ("*compléments de prix*") dependent on the actual future production from the areas where the upstream assets were located (the "Deferred Payments").

Under the terms of the Agreement, M&P will acquire from Rockover the Deferred Payments held by Rockover for a consideration price of \$43 million (the "Consideration"):

- 25% of the Consideration will be paid in cash (\$10.75 million);
- 75% of the Consideration (\$32.25 million) will be satisfied through the issuance of new shares in Maurel & Prom to be subscribed for by Rockover by way of set off ("*compensation de créance*").

The subscription price per share, based on the average closing price during the 60 calendar days on Euronext Paris prior to 29 October 2018, is €5.182, or \$6.002 using the average euro/dollar exchange rate over the same period. As a result, 5,373,209 new ordinary shares (being approximately 2.75% of the existing share capital of Maurel & Prom), will be issued without preferential subscription right, to Rockover. The Agreement also provides for some restrictions on the transfer of the new shares issued on the market until 30 June 2019.

The Transaction terminate all payments due to Rockover and is expected to save M&P an annual amount estimated between \$6 million and \$10 million for the years to come and to increase net income in the future.

In addition, the issuance of new shares will increase the free float on the market and is expected to enhance liquidity in the stock.

Key terms of the Deferred Payments

The Deferred Payments are due on a monthly basis and composed of:

- A payment equivalent to 2% of the production when cumulated production exceeds 39 million barrels on all fields sold to Maurel & Prom excluding Banio ("Deferred Payment A")
- A payment of \$1.30 for every barrel produced from the date that cumulated production in all licensed zones exceeds 80 million barrels ("Deferred Payment B"); and
- A payment equivalent to 10% of sales on the production from the sole Banio field when cumulated production from this field exceeds 3.865 million barrels ("Deferred Payment C").

To date, only Deferred Payment A is effectively being paid. Deferred Payments B and C are not active, respectively because the 80 million barrels threshold has not been met yet and because the Banio field is not in production.

The current Deferred Payments of Rockover are 30% of A and C, as well as 50% of B.

Convening of an extraordinary general meeting

The Agreement provides that the issue of shares to Rockover is conditional on the approval by an extraordinary general meeting of Maurel & Prom of the capital increase to be carried out by way of delegation of authority to the Board of Directors to issue to Rockover, under article L. 225-138 of the French Commercial Code, 5,373,209 new ordinary shares without preferential subscription right.

During the meeting held on 5 November 2018 approving the Transaction, the Board of Directors decided to convene an extraordinary general meeting to be held at 10:45 am on 12 December 2018 at the Cercle National des Armées, 8 place Saint-Augustin, 75008 Paris (the "General Meeting"). During the General Meeting, shareholders will be asked to approve the capital increase described above.

The meeting notice of the General Meeting, which will be published in the Bulletin des Annonces Légales Obligatoires of 7 November 2018, will contain a detailed meeting agenda, the draft resolutions, and the main modalities for participating in and voting at this General Meeting. This meeting notice as well as the report of the Board of Directors on the draft resolutions and legal information will be available on the website www.maureletprom.fr (Investor Relations, General Meetings, 2018). The other documents and information relating to this General Meeting will be made available to shareholders and may be consulted on the aforementioned website under the conditions and within the time limits provided for by the applicable legal and regulatory provisions.

For more information, visit www.maureletprom.fr

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CAC All-Share – CAC Oil & Gas – Next 150 - PEA-PME and SRD eligible
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