Full year results 2018
21 March 2019

MAUREL & PROM

Key figures for FY 2018

Income statement	▪ Sales of $440mm, with a year-on-year increase of 10% ▪ EBITDA up 30% at $245mm ▪ Net income increased sharply to $62mm	**$245mm** FY 2018 EBITDA
Cash flows	▪ $192mm cash flow from operating activities ▪ The majority of the funds were reinvested ➢ $93mm reinvested in existing assets ➢ $60mm spent on external growth projects	**$192mm** FY 2018 cash flow from operating activities
Cash balance	▪ Cash balance of $280mm as of 31 December 2018 ➢ Increase of $20mm vs. 31 December 2017 despite significant investment levels ▪ Consolidated gross debt at 31 December 2018 amounted to $698mm ➢ Net debt of $418 million	**$280mm** Cash balance as of 31 December 2018
Growth	▪ Continuation of the development drilling programme in Gabon ▪ Roll-out of the Group's external growth strategy ➢ Two growth transactions announced in Angola and Venezuela ➢ One transaction completed with Rockover to improve Ezanga's cash flow generation	**9 wells** drilled in FY 2018 **3 deals** announced in FY 2018

Improved financial performance in a favourable economic environment

Main financial aggregates

in $ million	**2018**	**2017**	*Change*
Income statement			
Sales	**440**	**401**	*+10%*
EBITDA	245	189	*+30%*
as % of sales	*56%*	*47%*	
Operating income	**126**	**65**	*+94%*
Financial expenses	-27	-83	
Taxes	-68	-31	
Share of income/loss of associates	31	56	
Consolidated net income	**62**	**7**	
Cash flows			
Cash flow from operating activities	+192	+185	*+3%*
Operating investments	-150	-38	
Financing	-22	-91	
Change in cash position	**20**	**56**	
Closing cash position (including bank loans)	**280**	**259**	*+8%*

Commentary

- Continuing increase in oil prices in 2018 helped generate sales of $440mm in 2018, a year-on-year increase of 10%.
  - Average sale price of oil at US$68.8/bbl in 2018 vs. US$53.0/bbl in 2017
- EBITDA up 30% at $245mm thanks to the control of operating expenses and improved performance from Tanzania which contributed markedly
- $27mm financial expenses in 2018 mainly linked to the net cost of debt ($24mm)
  - Refinancing in US dollars at the end of 2017 led to a significant reduction in its exposure to FX
- Share of income from associates down to 31 M$ from $56mm in 2017, despite an improvement in Seplat’s operating performance (20.46% M&P)
  - Seplat’s 2017 net income was particularly high due to the recognition of deferred tax income

M&P continues to deploy its growth strategy

Development of existing assets

- ✓ On the Ezanga permit, the development drilling campaign which began in the second quarter of 2018 continued with a total of nine wells drilled and completed in 2018
- ✓ The 2018 development drilling programme helped restore the operating capacity of M&P's wholly owned drilling subsidiary Caroil
- ✓ Activity will increase in the 2019 programme, focusing on more complex wells with greater potential

Exploration portfolio

- ✓ In Gabon, drilling of exploration wells on the Kari and Nyanga-Mayombé permits, located in southern Gabon, will take place in the second half of 2019
- ✓ In Namibia, current exploration studies on the PEL-44 offshore permit are promising. A decision to go next exploration phase will be made in the second semester of 2019; next phase will include drilling of an exploration well
- ✓ In France, drilling of the CDN-2 delineation well on the Mios permit began on 20 February 2019
- ✓ In Sicily, the acquisition of seismic data on the Fiume Tellaro permit is scheduled for summer 2019

External growth opportunities

- ✓ Delivering on the integration of recently announced acquisitions
- ✓ Continuing to review growth opportunities that may help further develop the business
- ✓ Focusing on opportunities with high development potential in regions and countries where the Group has operational experience

In 2018, M&P announced three M&A transactions

	Strategic rationale	Impact
Acquisition of Shell's 40% stake in Petroregional del Lago for €70mm	✓ Re-entry in the largest oil jurisdiction by reserves globally ✓ Truly world class asset with existing production and considerable development potential ✓ Transaction at a significant discount to fundamental value of the asset	**2018 WI production:** c.6,200bopd
Acquisition of AJOCO's 20% stake in Blocks 3/05 & 3/05A for $80mm *Transaction closing ongoing*	✓ Entry in Angola, a country with exciting near-term opportunities due to ongoing O&G sector restructuring ✓ Proven asset with access to existing production ✓ Upside potential through additional resource development	**2018 WI production:** c.4,600bopd
Acquisition of Rockover's deferred payments in Gabon for $43mm (25% cash, 75% shares)	✓ Improves cash flow generation on existing M&P production in Gabon ✓ Significant cash savings going forward ✓ Equity issuance to improve liquidity of M&P shares	Annual cash savings between $6mm and $10mm

Delivering external growth as the international development platform of Pertamina

Note: 2018 working interest production for information only (these transactions are not part of the 2018 consolidation perimeter)