MAUREL & PROM

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2011 RESULTS

A new balance between exploration and production is reflected in the Group's results and is leading to a greater valuation for shareholders

Outstanding operating performance

⇒ Increase of production in Gabon
⇒ Production starts at Sabanero in Colombia
⇒ Strategic alliance with Pacific Rubiales in Colombia and Peru
⇒ Gross operating surplus: +€273 million

Significant improvement in income

⇒ Operating income: €258 million
⇒ Income from the sale of Caroil: -€2 million
⇒ Net income: €165 million

Net debt reduced to -€380 million

⇒ Cash flows from operating activities: + €239 million
⇒ Reimbursement after refinancing from Seplat: +€125 million
⇒ Borrowing repayment: -€198 million

Successful stock market flotation for MP Nigeria

⇒ Cash contribution: €105 million
⇒ Income from the MP Nigeria distribution in M&P's accounts: +€14 million

2012: improved visibility and transparency

⇒ Increased production in Gabon and Colombia
⇒ Confirmation of potential of exploration permits, particularly in Colombia
⇒ Growth in gas reserves in Tanzania with a view to the consolidation of economic outlets
⇒ Search for new opportunities

Jean-François Hénin, Chairman and CEO of Maurel & Prom, says:

"2011 has been an exceptional year with regard to the restructuring operation and cash generation. This has enabled us to make MP Nigeria an independent company, and reduce our net debt, thereby giving greater value for shareholders. The implementation of the plan to rationalise and develop our assets, including the sale of Caroil, enables shareholders and those who assess our Group to see increased visibility and transparency in operating performances and income. The successful stock market flotation of MP Nigeria, the company's new, less risky profile (alliance with PRE) and improved transparency of our results demonstrates our ability to transform the company in order to ensure that it continues to grow."

2011 SIGNIFICANT EVENTS

In 2011 the Group continued to implement its strategy which it first launched in 2009 following the financial crisis. The new, clearly defined objectives have been demonstrated through the refocusing of the Group towards less risky production generating improved cash flow. At the same time, the company has reduced its exposure to exploration risk.

This approach has led Maurel & Prom to review its positions on its exploration activities and to restructure its interest in its mining portfolio by transferring its financial risk to third parties as the counterpart to the reduction of its interest in the permits or subsidiaries under consideration. The reduction of this risk nevertheless allows a sustained works programme to be undertaken.

Reduction of net debt

The dynamic implementation of this strategy has allowed the Group to consolidate its financial independence by increasing cash flow from production activities and by reducing its exposure to exploration-related financial risk.

Operations are therefore now focused on the Group's development in Gabon and on increasing its production in Gabon as well as further actions aimed at fully or partially disengaging from risky assets or assets that necessitate the deployment of heavy financial resources.

Production at 100% in Gabon has resulted in an average of 18,140 boepd, allowing the Group to generate a strong cash flow of €239 million.

The investments necessary to increase production and its evacuation amounted to €87 million and were directed mainly at Gabon. €92 million in investments were made in exploration activities, and this mainly corresponds to the delineation of the Omoc and Omoc-Nord fields in Gabon.

Restructuring of the portfolio

The second strategic focus in 2011 has been the rebuilding of the portfolio of mining securities and the rationalising of its portfolio of equity interests.

This rationalisation work has led Maurel & Prom dispose of its wholly-owned oil services subsidiary, CAROIL, which freed up an additional €80 million in cash. Maurel & Prom also sold its interest in Lagopetrol as part of its activities in Venezuela, and shut down the Raba XProm Energia Company which represented the Group's interests in Hungary.

Following the discovery of the Sabanero field in Colombia and with a view to reducing the relative portion of exposure to financial risk, the Group grasped the opportunity of forming a strategic alliance with Pacific Rubiales Energy. This alliance concerns the continuing exploration of the Sabanero field and its development, and also the commitment to provide funding, subject to certain conditions, for activity on the other permits held by Maurel & Prom Colombia.

In addition, the Group sold 50% of the Lote 116 permit in Peru to this same Group. This transaction in not closed.

Following a study led by the Company's executive management and its Board of Directors, it has been declared that the value of Seplat's investment was not fully reflected in the Maurel & Prom Group's share price. The Board of Directors therefore decided to propose to the shareholders the separation of the exploration/production activities in Nigeria from the rest of the Maurel & Prom Group's activities in order to:

- better value each of the major assets of the Maurel & Prom Group (Gabonese and Nigerian assets);
- enable significant growth in MP Nigeria's standing and greater recognition of Seplat's value;
- make MP Nigeria's activity and results and those of Seplat more visible and transparent;
- provide greater leeway to forge alliances and pursue industrial partnerships in Nigeria.

At the Ordinary General Meeting on 12 December 2011, Maurel & Prom's shareholders gave almost unanimous approval to the distribution of 100% of the capital of MP Nigeria. Since this date, Maurel & Prom no longer holds any shares in MP Nigeria.

The distribution was preceded by an increase in the share capital of Maurel & Prom Nigeria worth €105 million underwritten by Maurel & Prom, to give it sufficient cash flow for independent growth.

The cash flow generated by the activity and the various structuring operations, plus the capital contribution of MP Nigeria, has allowed the Group to reduce its net debt by €74 million to €380 million, of which €368 million are convertible bonds.

KEY FINANCIAL DATA

	2011	2010
€/$ exchange rate	**1.3917**	**1.3270**
In €m		
Sales	**374**	**217**
***Gross operating surplus*[1]**	**273**	***130***
Asset depreciation	***-37***	*-211*
Operating income	**258**	**-139**
Financial income	*-17*	*19*
Income before tax	*241*	*-120*
Net income from continuing operations	*143*	*-164*
Equity associates	*9*	*4*
Net income from discontinued operations	*13*	*21*
Net income, Group share	**165**	**-139**
Cash at opening	95	428
Cash at closing	**61**	**95**

[1] Gross operating surplus enables the operational performance of operations to be measured. It is calculated by subtracting purchases of materials and consumables, sales of services, taxes (excluding income tax) and personnel expense from the sales figure.

Sales

The Group's consolidated sales amounted to €374 million, a 72% increase on the previous year.

This improvement was due mainly to the increase in volumes sold in Gabon (+21%) and a favourable price effect (+41%). Movements in the €/US$ exchange rate, however, adversely impacted volumes (-5%).

In early 2009, while securing financing for the Reserve Based Loan, the company set up hedging instruments for operating cash flows based on oil prices. In the first half of 2011, an average of 4,417 boepd was hedged at an average price of $75/b while the average price of Brent was $111/b. This produced a downward adjustment of €42.3 million. Volumes hedged in 2012 were in the order of 6,000 boepd at an average price of around $98/b.

Gross operating surplus

The gross operating surplus amounted to €273 million in 2011 compared with €130 million in 2010. This increase is due to ramping up hydrocarbon production and higher selling prices.

Income from disposals

On 28 April 2011, Maurel & Prom signed an agreement whereby Pacific Rubiales Energy acquired 49.999% of its Colombian subsidiary M&P Colombia BV.

The sale was subject to the following conditions:

- The costs charged to these permits in the amount of US$63.1 million reimbursed in full to Maurel & Prom at the end of the audit;
- Future exploration activities on the Sabanero and COR15 permits plus reimbursement (through future free cash flow) for hydrocarbon production are carried in full; Pacific Rubiales Energy will also provide Maurel & Prom with the necessary funding to perform its part of the development activities on these permits;
- Future exploration activities on the SSJN-9, CPO-17 and Muisca permits are carried in full, in the amount of US$120 million;

On 21 March 2011 the Group signed an agreement whereby Maurel & Prom sold its subsidiary Maurel & Prom Venezuela, which owns 26.35% of Lagopetrol, to a company of the Integra Group (Argentina). This transaction was for €37.5 million. Given the uncertainty over effective payment dates, the Company has decided to provision €25 million (66%) of the corresponding receivable.

The Raba XProm Energia Kft subsidiary in Hungary was sold on 29 March 2011, relinquishing its current account. Note that the Group held a 34.3% stake in this company but consolidated it at 63.63%, taking into account the defaulting part of the partnership.

These transactions are recognised in "Income from disposals" in the amount of €122 million.

Operating income

As at 31 December 2011, exploration costs recognised as expenses amounted to €36.5 million and relate to:

- the Tangara permit in Colombia, Mandawa permit in Tanzania and Marine III permit in the Congo, in the amount of €5 million;
- the recognition under expenses of the dry well in Peyrot in France in the amount of €1 million;
- an additional €31 million depreciation was posted on exploration investments on the Bigwa Rufiji Mafia permit in Tanzania.

Amortisation charges consisted of:

- depletion of assets in Gabon: €50 million including amortisation of mining permits;
- depreciation of assets on the Al Asi permit in Syria: €10 million;
- depreciation of the Nemqueteba well in Colombia: €3 million.

After taking these various non-recurring elements into account, the Group's operating income amounted to €258 million, compared with a -€139 million loss in 2010.

Financial income

Interest expense on OCEANE bonds totalled €34 million. Interest expense on bank loans was €6 million.

Net foreign exchange gains (€22 million) mainly relate to the revaluation of the Group's currency positions at period end. The corresponding figure as at 30 June 2011 was a -€60 million loss.

The Group's financial income was a negative -€17 million in 2011.

Net income from discontinued operations

Maurel & Prom distributed the share capital of its subsidiary MP Nigeria, and all of its securities were admitted for listing on the NYSE Euronext regulated market in Paris on 15 December 2011. Consequently, MP Nigeria and its subsidiary Seplat, which is 45% owned by MP Nigeria, ceased to be part of Maurel & Prom Group from that same date.

On 15 September 2011, Maurel & Prom and Tuscany International Drilling Inc., a Canadian petroleum services company listed on the Toronto Stock Exchange (TSX), announced the signing of an agreement whereby Tuscany Rig Leasing S.A., a wholly-owned subsidiary of Tuscany, absorbed all the securities of Caroil SAS, a Maurel & Prom drilling subsidiary.

The purchase price paid by Tuscany to Maurel & Prom breaks down as follows:

- US$120 million in cash;
- 81.5 million Tuscany securities, listed on the Toronto Stock Exchange (TSX);
- 27.5 million stock options at a 1:1 rate exercisable unconditionally.

Following this transaction, Maurel & Prom holds 29.05% of the shares in Tuscany, which has been consolidated on an equity basis since 15 September 2011.

These two transactions have led to the Group posting additional income of €12.5 million.

Net income

Group consolidated net income for the 2011 fiscal year was €165 million. The various transactions on the asset portfolio, and movements in macroeconomic indicators, exchange rates and oil prices, had a strong impact on this result.

A dividend payment of €0.40 will be proposed to the Group's next General Meeting.

Investments

Investments during the period mainly relate to the development of assets in Gabon. As the Omoc and Omoc-Nord production permits (AEEs) are still in the process of being granted, the investments in these fields are recognised under exploration. The table below shows all the Group's investments in 2011.

In million euros	GABON	CONGO	TANZANIA	MOZAMBIQUE	OTHER	COLOMBIA	TOTAL
Exploration	51.8	1.2	5.9	1.0	6.3	25.6	91.8
Development	81.1	0.1	1.4		0.2	4.0	86.8
TOTAL	**132.9**	**1.3**	**7.4**	**1.0**	**4.5**	**31.5**	**178.6**

Cash

As at 31 December 2011, Maurel & Prom posted a cash position of €61 million. Cash flow over the period breaks down as follows:

- Flows from operations:
  - Flows from operating activities: +€239 million, of which €6 million reflects the change in working capital in Colombia due to the financial cost of Pacific Rubiales Energy's operations;
  - Exploration expenditure: -€92 million;
  - Development investments: -€87 million.

- Flows reflecting the restructuring of the asset portfolio:
  - Disposal of 49.999% of MP Colombia: +€44 million;
  - Disposal of Caroil: +€80 million;

o Capital increase linked to the distribution of MP Nigeria securities: -€125 million;

- Flows relating to Group debt:
  - Repayment obtained of the deposit paid by M&P to BNP as a financing guarantee for its subsidiary Seplat: +€125 million;
  - Repayment of part of the Reserve Based Loan: -€163 million;
  - Repayment of a Standard Bank credit line: -€37 million;
  - New BGFI loan: +€11 million.

- Other flows:
  - Dividend paid: -€29 million;
  - Other: +€13 million.

Net debt

Over the course of 2011 the Group reduced its net debt, from -€454 million at 31 December 2010 to -€380 million at 31 December 2011. The breakdown is as under:

- Convertible bonds (nominal)	-€368 million
- Reserve Based Loan (RBL)	-€62 million
- Bank loans	-€11 million
- Cash and cash equivalents	+€61 million.

EVENTS OCCURRING AFTER CLOSING

In Gabon, on the Etekamba permit (100% M&P) the drilling of the first well, ETBIB-1, proved to be negative; the Gamba reservoirs, although very high quality, cannot be effectively closed. The drilling of a second prospect, ETBO-1, which has a separate structure, began in mid-March.

In Tanzania, recent offshore gas discoveries by major oil companies have led the Group to reconsider its position in this region. As such, the Group has decided to exercise its pre-emption rights following the agreement signed between Wentworth Resources and Cove Energy in February 2012. Once the transaction is finalised, the Group will hold 48.06% of the development licence and 60.075% of the exploration licence for Mnazi Bay.

As a result and based on the gas resources evaluated in 2007 by RPS-APA, the Group's share of resources net of royalties on the Mnazi Bay permit amounts to 56 Mboe.

As the project by the Tanzanian authorities to build a pipeline along the Tanzanian coast will demand, initially, a steady production in the order of 80 million cubic feet per day, the Group has decided to carry out workovers on three existing wells. In order to increase the level of resources and achieve higher output, it was decided to drill two exploration wells in the North part of the permit; the Ziwani-1 wells are in the process of being drilled.

In Namibia, the government granted two exploration permits to the Group as well as to its partners, in the Walvis basin. The two exploration permits, No. 0044 (block 2212B) and No. 0045 (blocks 2313A, 2313B and 2413A) are situated off the coast of Namibia, under 500 to

2,500 metres of water. MP Namibia becomes the operator of the permits with a 37% stake, alongside PGS Seismic, the National Petroleum Corporation of Namibia, Livingstone Mining Resource Development and Frontier Mineral Resources.

In Colombia, the independent certifier GLJ evaluated the Sabanero field (50% M&P) on 1 January 2012. P1+P2 reserves net of royalties amount to 7.8 Mboe for the Group.

2012 PROSPECTS

In 2012, the Group will pursue its efforts to develop its assets, namely by:

i. ramping up production in Gabon and Colombia;
ii. confirming the potential of the exploration permits, particularly in Colombia;
iii. increasing gas reserves in Tanzania;
iv. researching new opportunities to ensure the future growth of the Group.

To these ends, the Group will invest in the order of US$125 million in exploration and US$269 million in development. These amounts will be financed through cash flow generated by the Group, particularly cash flow from production in Gabon, which should be greater than US$500 million, based on an average gross production of 19,450 boepd for the whole of 2012.

FINANCIAL STATEMENTS AS AT 31/12/2011

The audit procedures for the consolidated financial statements have been completed. The certification report is currently being issued. The consolidated financial statements approved by the Board of Directors meeting on 29 March 2012 are available on the Company's website: www.maureletprom.fr.

Assets

In thousands of euros	31/12/2011	31/12/2010
Intangible assets	563,103	520,625
Property, plant and equipment	587,572	722,845
Non-current financial assets	8,844	62,226
Investments accounted by equity method	81,031	39,991
Non-current derivative instruments	1,186	0
Deferred tax assets	8,133	12,505
Non-current assets	**1,249,869**	**1,358,192**
Inventories	9,240	14,948
Trade receivables and related accounts	60,246	71,084
Other current financial assets	71,437	260,422
Other current assets	31,002	44,169
Income tax receivable	21	350
Current derivative instruments	5,323	3,931
Cash and cash equivalents	60,771	95,423
Current assets	**238,040**	**490,327**
Total assets	**1,487,909**	**1,848,519**

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Liabilities

In thousands of euros	31/12/2011	31/12/2010
Share capital	93,550	93,405
Additional paid-in capital	221,199	221,483
Consolidated reserves	362,047	740,179
Treasury shares	(76,246)	(81,501)
Net income, Group share	164,560	(138,776)
Equity, Group share	**765,110**	**834,790**
Non-controlling interests	1	1
Total net equity	**765,111**	**834,791**
Non-current provisions	7,206	5,687
Non-current bonds	338,271	329,586
Other non-current borrowing and financial debt	61,829	210,574
Other creditors and miscellaneous non-current liabilities	0	271
Non-current derivative instruments	2,974	14,395
Deferred tax liabilities	118,755	58,986
Non-current liabilities	**529,035**	**619,499**
Current bond borrowing	10,968	13,346
Other current borrowings and financial debt	11,144	125,307
Trade payables and related accounts	78,059	70,842
Income tax payable	12,421	16,128
Other creditors and miscellaneous liabilities	53,118	120,988
Current derivative instruments	16,506	30,031
Current provisions	11,547	17,587
Current liabilities	**193,763**	**394,229**
Assets held for sale and discontinued operations	0	0
Total liabilities	**1,487,909**	**1,848,519**

Consolidated Comprehensive Income Statement

Net income for the period

In thousands of euros	31/12/2011	31/12/2010*
Sales	373,575	216,974
Other income	793	284
Purchases and change in inventories	(17,762)	(19,222)
Other purchases and operating expenses	(45,830)	(38,583)
Tax expense	(23,834)	(15,652)
Personnel expense	(14,196)	(13,814)
Amortisation charges	(65,616)	(47,402)
Depreciation of exploration and production assets	(36,514)	(211,478)
Provisions and depreciation of current assets	(26,111)	(5,176)
Reversals of operating provisions	634	315
Gain (loss) on asset disposals	122,141	1
Other expenses	(9,210)	(5,105)
Operating income	**258,070**	**(138,858)**
Gross cost of debt	*(40,284)*	*(32,485)*
Income from cash	*3,217*	*4,041*
Net gains and losses on derivative instruments	*1,616*	*(4,072)*
Net cost of debt	(35,451)	(32,516)
Other financial income and expenses	18,647	51,605
Financial income	**(16,804)**	**19,089**
Income before tax	**241,266**	**(119,769)**
Income tax	(98,214)	(44,669)
Net income from consolidated companies	**143,052**	**(164,438)**
Net income from equity associates	(1,330)	4,487
Net income from continuing operations	**141,722**	**(159,951)**
Net income from discontinued operations	26,158	21,175
Gain / Loss on distribution (IFRIC 17)	(3,320)	
Consolidated net income	**164 560**	**(138,776)**
Net income, Group share	*164,560*	*(138,776)*
Non-controlling interests	*0*	*0*

Earnings per share		
Basic	1.43	-1.21
Diluted	1.27	-1.21

Income per share from discontinued operations		
Basic	0.20	0.18
Diluted	0.14	0.18

Earnings per share from continuing operations		
Basic	1.23	-1.39
Diluted	1.12	-1.39

(*) Restated for discontinued operations

Comprehensive income for the period

In thousands of euros	*31/12/2011*	*31/12/2010*
Net income for the period	**164,560**	**(138,776)**
Other components of comprehensive income		
Currency translation adjustments	29,971	23,344
Derivative instruments	17,395	22,741
- Change in fair value of unexpired hedges (in existence the previous year)	*19,558*	*17,927*
- Fair value of new hedges for the period recognised as equity	*(3,319)*	*5,842*
- Fair value of the portion of hedges recycled in the income statement	*1,156*	*(1,028)*
Change in AFS – Pebercan securities		401
Total comprehensive income for the period	**211,926**	**(92,290)**
- Group share	*211,926*	*(92,290)*
- Non-controlling interests	*0*	*0*

Cash Flow Statement

In thousands of euros	*31/12/2011*	*31/12/2010**
Consolidated net income from continuing operations	**151,925**	**(159,951)**
Tax expense for continuing operations	98,214	44,669
Consolidated net income from continuing operations before tax	**250,139**	**(115,282)**
- Net charges (reversals) for amortisation and provisions	91,469	55,934
- Unrealised gains (losses) due to changes in fair value	30,197	39,316
- Exploration expenses	36,514	135,126
- Calculated expenses and income related to stock options and similar benefits	2,511	2,017
- Other calculated income and expenses	(554)	17,151
- Gains (losses) on asset disposals	(122,141)	(1)
- Income (loss) from equity associates	(8,873)	(4,487)
- Other financial items	6,219	3,770
Cash flow before taxes	**285,481**	**133,544**
Payment of tax due	(24,092)	(10,832)
Change in working capital requirements for operations	(22,258)	(15,880)
- Customers	(23,179)	(13,206)
- Suppliers	24,508	(34,582)
- Inventories	740	(7,417)
- Other	(24,327)	39,325
Cash flow from discontinued activities	214,604	(29,413)
NET CASH FLOW FROM OPERATING ACTIVITIES	**453,735**	**77,419**
Disbursements for acquisitions of tangible and intangible fixed assets	(178,585)	(308,642)
Proceeds from disposals of tangible and intangible fixed assets	43,880	4,887
Disbursements for acquisitions of financial assets (unconsolidated securities)	(539)	(4,440)
Proceeds from disposals of financial assets (unconsolidated securities)	34	10,321
Acquisition of subsidiaries	478	0
Change in loans and advances granted	145,166	(137,294)
Other cash flows from investing activities	(589)	(6,863)
Net proceeds from discontinued operations	(288,075)	(113,051)
NET CASH FLOW FROM INVESTMENT ACTIVITIES	**(278,230)**	**(555,082)**
Amounts received from shareholders for capital increases	(205)	(136,343)
Dividends paid	(28,772)	(11,532)
Proceeds from new loans	68,155	345,013
Interest paid	(6,226)	(3,770)
Borrowing repayments	(267,445)	(205,711)
Treasury share acquisitions	5,255	(2,836)
NET CASH FLOW FROM FINANCING FROM DISCONTINUTED ACTIVITIES	17,260	201,833
NET CASH FLOW FROM FINANCING ACTIVITIES	**(211,978)**	**186,654**
Impact of exchange rate movements	(3,774)	(42,582)
Change in cash from discontinued operations	5,446	1,423
CHANGE IN NET CASH	**(34,674)**	**(332,169)**
Cash and cash equivalents at start of period	95,375	427,544
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**60,701**	**95,375**

(*) Restated for discontinued operations

For more information: www.maureletprom.fr

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This document may contain forward-looking statements regarding the financial position, results, business and industrial strategy of Maurel & Prom. By nature, forward-looking statements contain risks and uncertainties to the extent that they are based on events or circumstances that may or may not happen in the future. These projections are based on assumptions we believe to be reasonable, but which may prove to be incorrect and which depend on a number of risk factors such as, fluctuations in crude oil prices, changes in exchange rates, uncertainties related to the valuation of our oil reserves, actual rates of oil production and the related costs, operational problems, political stability, legislative or regulatory reforms, or even wars, terrorism and sabotage.

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