

2010 ANNUAL REPORT

MAUREL & PROM

THE GROUP'S BUSINESS MODEL

Imagine:
 imagine oil systems

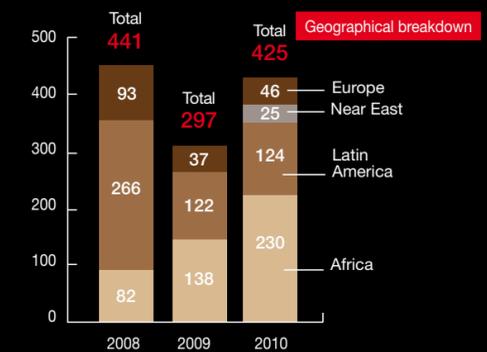
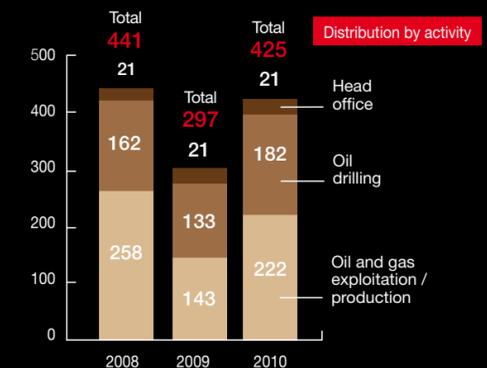
Research:
 research oil themes

Discover:
 discover new marketable reserves

Hedge:
 buy, develop and sell assets

Maurel & Prom founded its strategy on research, discovery, rapid production of hydrocarbons, and the optimisation of its asset portfolio. For this, the Group selected promising territories for exploration and experts with real knowledge of the exploration zones concerned.

THE TEAMS



CONTENTS

PRESENTATION OF THE GROUP

The Group's business model	Flap
The teams	Flap
History	P. 2
Note from the Chairman	P. 4
The management team	P. 5
Territories	P. 6
The year 2010 in numbers	
and significant events	P. 8
Production	P. 13
Focus on Gabon	P. 15
Focus on Nigeria	P. 17
Know-how	P. 18
Exploration	P. 20
Sustainable development	P. 26
Petroleum services	P. 29
The stock exchange	P. 31

FINANCIAL PART P. 33

1 / Financial situation	P. 34
2 / Risk factors	P. 46
3 / Corporate governance	P. 58
4 / Group employees	P. 86
5 / Maurel & Prom and its shareholders	P. 90
6 / Sustainable development	P. 94
7 / Company information	P. 98
8 / Other information about the Group	P. 112
9 / Notes	P. 118
Glossary	P. 119

PERSON IN CHARGE OF THE ANNUAL REPORT AND ITS UPDATING

Maurel & Prom (hereinafter "Maurel & Prom" or the "Company"), Jean-François Hénin is responsible for the financial information and the Annual Report.

His contact details are:

Jean-François Hénin
Chairman and Chief Executive Officer
Maurel & Prom:
12, rue Volney – 75002 Paris
Tel: 01 53 83 16 00
Fax: 01 53 83 16 04

Certification

"I hereby certify, after having taken every reasonable measure to this effect, that the information contained in this Annual Report is, to the best of my knowledge, accurate and does not contain any omission that could affect its scope.

I also hereby certify, to the best of my knowledge, that the financial statements have been prepared in compliance with applicable standards in France and accurately represent the assets and financial position and performance of the company and of all companies included in the consolidation, and that this Annual Report including the management report, the chapters of which are listed in the Table of Concordance, presents a true picture of the progress of activities, results and the financial position of the Company and of all companies included in the consolidation as well as a description of the main risks and uncertainties it faces.

I have obtained a completion of work letter from the Statutory Auditors, in which they indicate that they have verified the financial data and the financial statements contained in this document and have read the document in its entirety.

The historical financial data presented in the Annual Report are covered in the Statutory Auditors' reports, shown in paragraph 9 of said document, containing a number of comments.

Their report on the 2010 consolidated financial statements contains the following observations: In due respect of the opinion expressed above, we draw your attention to:

- Note 23 "Restatements carried out on the 2009 financial statements" which indicates the change in the accounting method related to the presentation of the sales and income taxes for the production sharing contracts,

- Notes 1 "General information" and 4 "Intangible assets" which describe the situation of the exploration investments of the group, which indicate the amounts incurred and recorded within the assets of the consolidated balance sheet, the amounts written off and the depreciation recorded as at December 2010.

The report on the 2010 company financial statements contains the following observation: In due respect of the opinion expressed above, we wish to draw your attention to notes 1.2 "Continuation of investment", 3.1 "Fixed assets", and 3.32 "Events occurring after closing", which describe the situation of the exploratory drilling of the Mafia Deep well being tested and indicate the amounts committed and entered as balance sheet assets of your company at the close of the 2009 fiscal year.

The report on the 2009 consolidated financial statements contains the following observation: In due respect of the opinion expressed above, we draw your attention to:

- Note 2 "Accounting methods" which indicates the changes in the accounting methods resulting from the application, starting 1 January 2009, of new IFRS 8 "Operating Sectors" and revised IAS 1 "Presentation of Financial Statements" standards.

- Notes 1 "General information", 4 "Fixed assets", and 27 "Events occurring after closing", which describe the situation of the exploratory drilling of the Mafia Deep well being tested and indicate the amounts committed and entered as balance sheet assets of your company at the close of the 2009 fiscal year.

The report on the 2009 company financial statements contains the following observation: In due respect of the opinion expressed above, we wish to draw your attention to notes 1.2 "Continuation of investment", 3.1 "Fixed assets", and 3.32 "Events occurring after closing", which describe the situation of the exploratory drilling of the Mafia Deep well being tested and indicate the amounts committed and entered as balance sheet assets of your company at the close of the 2009 fiscal year.

The report on the 2008 consolidated financial statements contains the following observation: In due respect of the opinion expressed above, we draw your attention to Note 27 of the Annexe on events occurring after closing, that describes the significant Group events occurring since 31 December 2008.

The report on the 2008 company financial statements contains the following observation: In due respect of the opinion expressed above, we draw your attention to Note 3.2.6 of the Annexe on events occurring after closing, that describes the significant Company events occurring since 31 December 2008.

Jean-François Hénin
Chairman and Chief Executive Officer
Paris, 20 April 2011

PERSONS IN CHARGE OF AUDITING THE FINANCIAL STATEMENTS

Incumbent auditors	Date of election	Duration of present mandate	Expiration of mandate
Daniel de Beaupaire 119, avenue de Wagram 75017 Paris	General Meeting of 12 June 2008	6 years starting on 12 June 2008	To the end of the General Shareholders' Meeting to approve the annual financial statements on 31 December 2013
Ernst & Young Audit Représenté par Patrick Cassoux Tour Ernst & Young Faubourg de l'Arche 92400 Courbevoie	General Meeting of 27 June 1996	6 years starting on 12 June 2008	To the end of the General Shareholders' Meeting to approve the annual financial statements on 31 December 2013
Alternate auditors	Date of election	Duration of present mandate	Expiration of mandate
Société IAC 46, rue du Général Foy 75008 Paris	General Meeting of 12 June 2008	6 years starting on 12 June 2008	To the end of the General Shareholders' Meeting to approve the annual financial statements on 31 December 2013
Société Auditex Faubourg de l'Arche 92400 Courbevoie	General Meeting of 12 June 2008	6 years starting on 12 June 2008	To the end of the General Shareholders' Meeting to approve the annual financial statements on 31 December 2013

2010

ANNUAL REPORT

MAUREL  PROM

Établissements Maurel & Prom

Limited Corporation with Board of Directors
with capital of €93,404,850.77

Registered Office: 12 rue Volney – 75002 Paris
Tel: +33 (0)1 53 83 16 00 – Fax: +33 (0)1 53 83 16 04
R.C.S. Paris 457 202 331 – Siret 457 202 331 00064

This 2010 Annual Report incorporates the annual financial report
as specified by Article 222-3 of the AMF General Regulations



This Annual Report was filed with the Autorité des Marchés Financiers on 20 April 2011 pursuant to the provisions of Article 212-13 of its General Regulations. It may be used in support of a financial transaction if it includes the relevant transaction notice from the Autorité des Marchés Financiers. It was prepared by the issuer and is binding on those who sign it.

Reference documents: pursuant to Article 28 of European Regulation No. 809/2004 dated 29 April 2004, the reader is referred to prior Annual Reports with regard to certain information:

1 - for the 2008 fiscal year: the management report, consolidated and annual financial statements, including reports from the statutory auditors on these statements, appear in paragraphs 13.2.2 and 13.2.4 of the Annual Report, respectively, filed on 30 April 2009 with the Autorité des Marchés Financiers under number D.09-0368;

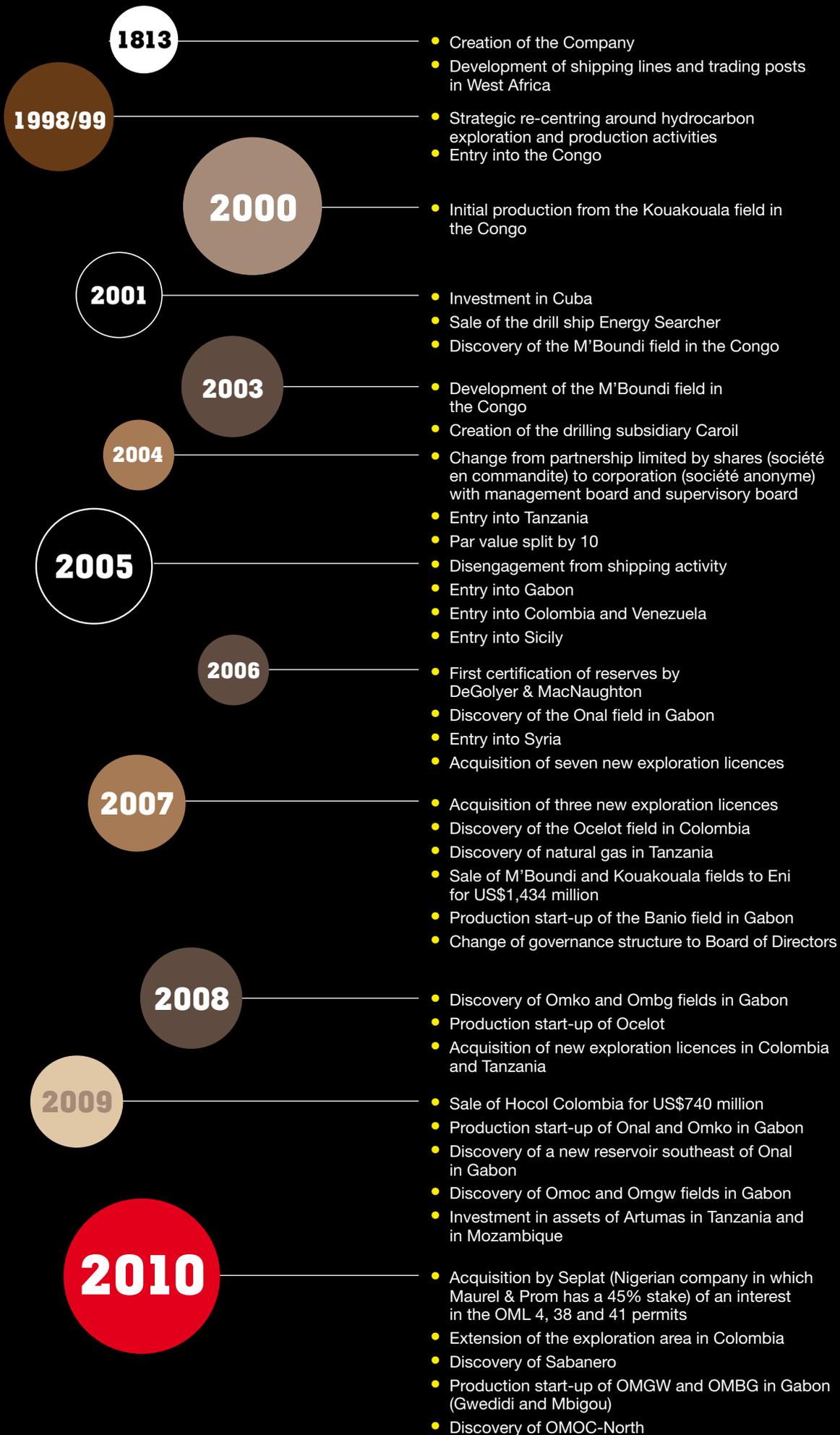
2 - for the 2009 fiscal year: the management report, consolidated and annual financial statements, including reports from the statutory auditors on these statements, appear in paragraphs 9.2.2 and 9.2.4 of the Annual Report, respectively, filed on 16 April 2010 with the Autorité des Marchés Financiers under number D.10-0274. These documents are available on the websites of the Company: www.maureletprom.fr and the Autorité des Marchés Financiers: www.amf-france.org.

HIS TORY

Imagine, Research, Discover

The Group

As a mid-size player among petroleum companies listed on the Paris stock exchange, Maurel & Prom has proved itself as an independent oil operator primarily active in Africa and Latin America.



CHAIRMAN'S MESSAGE

The results for 2010 were uneven and reflected the change of direction taken at the end of the previous year.

Non-recurring exploration expenses (over €200 million) stand out along with a 74% increase in reserves, and what appears to be 300 million barrels of resources to be confirmed in the coming years. It should be noted that throughout its past, Maurel & Prom has kept its discovery cost under US\$4 a barrel, which has been the basis of its historic economic model.

An 80% increase in sales and 136% rise in operating income from production and oil services activities signal a durable upturn in our activity which should continue in the current fiscal year. Increased production in Gabon should allow sales to continue growing in conditions similar to those of 2010. The same holds true for operating income, provided there is no dramatic change in crude oil prices or exchange rates. The strategic alliance recently concluded with Pacific Rubiales provides favourable prospects for our operation in Colombia by giving us the support of a heavy-oil specialist whose success is universally recognised.

It was 10 years ago that we discovered the MBoundi field in the Congo, which was the real birth of our Group as an oil company. Since then, we have acquired a level of experience and success that now allows us to envisage a faster pace of growth with a radically reduced risk profile. The prospects opened up by our entry into Nigeria with two renowned partners suggest we will be able to rapidly grow the value of our investments in that country. Our subsidiary Seplat has already been able to repay a large part of our investment and established lines of credit which allow us to consider a new way forward.

The financial markets at the start of this year supported our recovery and we hope that our shareholders will find the growth in our share price and future yields to be a just reward for their loyalty.

Maurel & Prom's teams are fully committed to the success of this objective.

JEAN-FRANÇOIS HÉNIN
Chairman of the Board of Directors



THE MANAGEMENT TEAM

**Years of professional
experience**
(in oil)

**Career
course**

Jean-François Hénin

Chairman and Chief Executive
Officer



41
(11)

Graduate of the Paris IAE in Economics

Treasury and Foreign Exchange Director of Lyonnaise de Dépôts, Treasurer of THOMSON CSF, Chief Executive Officer of Altus Finance, Vice-Chairman of the supervisory board of Altus Finance, Chairman and Chief Executive Officer of Electricité et Eaux de Madagascar (EEM), Manager, then Chairman of the management board and then Chairman and Chief Executive Officer of Maurel & Prom since 14 June 2007.

Michel Hochard

Administrative and Financial
Director



36
(26)

Graduate of the Commercial Institute of Nancy (ICN) in Accounting

Internal auditor in the Department of Finance of ELF Aquitaine, Head of the Finance Division of Afrique-Moyen Orient, Director of Finance of the SNEAP, then of ELF Aquitaine production and of ELF E&P, DRH delegate of ELF E&P, Director of Operations of Price Waterhouse Cooper BPO, member of the management committee of GEOS. Administrative and Financial Director of Maurel & Prom since September 2007.

Jean Bié

Director of Exploration



37
(37)

Graduate of the Ecole Nationale Supérieure des Mines in Paris.

As an engineer and geophysicist at ELF, which became Total, he worked in the Exploration and Production division for 26 years, before becoming Chief Executive Officer of Total Netherlands, then Total Gabon. He was the Purchasing Director of the Total Group, before joining Maurel & Prom in January 2011 as Director of Exploration.

Michel Perret

Director of Drilling



44
(44)

Graduate of the Institut Français du Pétrole (IFP)

Engineer for Forex, Forex Neptune and ELF Aquitaine, Independent Consultant for Shell, ELF, Eni, BHP Petroleum, participated in the creation of BHP Petroleum in Australia, of Joint Oil in Libya, participated in the transformation of Maurel & Prom into an oil exploration and production company. Director of Drilling of Maurel & Prom since October 2001

Philippe Corlay

Director of Production



29
(29)

Graduate of Hautes Etudes Industrielles in Lille and the School of Oil and Motors

Engineer for Beicip-Franlab, Manager of the assisted hydrocarbons recovery project, Head of the Reservoir Department of Coparex, in charge of oil field activities, then Director of Production of Maurel & Prom since August 2007.

TERRITORIES

Close to 80,000km² of land in exploration in 11 countries on 4 continents.

Venezuela

Bloc B2X 70/80
M&P 26.35%*



Colombia

Sabanero	433 km ²	10%
Tangara	1,300 km ²	24.50%
SSJN-9	2,647 km ²	50%
Muisca	2,320 km ²	100%
CPO 17	2,104 km ²	50%

Peru

Block 116 6,600 km² 100%

* Maurel & Prom holds 26.35% of the rights of the public-private company Lagopetrol. Currently being sold off.

France

Lavignolle 215 km² 25%
Mios 60 km² 25%

Italy

Fiume Tellaro 750 km² 60%

Syria

Block XI, Al Asi 6,375 km² 75%

Nigeria

OML 4 267 km² 20.25%
OML 38 2,094 km² 20.25%
OML 41 291 km² 20.25%

Tanzania

Bigwa-Rufiji/Mafia 12,025 km² 60%
Mandawa 6,811 km² 90%
Mnazi Bay 756 km²
- Production : 38.220%
- Exploration : 47.775%

Mozambique

Rovuma Onshore 13,315 m² 24%

Congo

Marine III 914 km² 75%
La Noumbi 2,827 km² 49%
Zingali 39 km² 15%
Loufika 61 km² 15%

Gabon

Etekamba 580 km² 100%
Kari 2,659 km² 100%
Nyanga-Mayombé 2,831 km² 100%
Banio 7 km² 100%
Omoueyi (exploration) 4,178 km² 100%
Onal 45 km² 85%
Omko 16 km² 85%
Gwedidi 5 km² 100%
Mbigou 5 km² 100%

THE YEAR 2010 IN NUMBERS

Over the course of 2010, the Group has developed and consolidated the actions implemented since 2009 (restructuring of the Group's assets and liabilities) with a view to achieving a better balance of risks within its portfolio of assets, highlighting 2 major areas of development: Gabon and Nigeria, all the while maintaining a significant activity in Colombia.

Reserves P1 + P2

288 Mboe
+74%

23

exploration/
evaluation wells
drilled and
completed in 2010

€332 million

of investments

€332 million of investments
€246 million in exploration
€63 million in production and development
€23 million in oil services

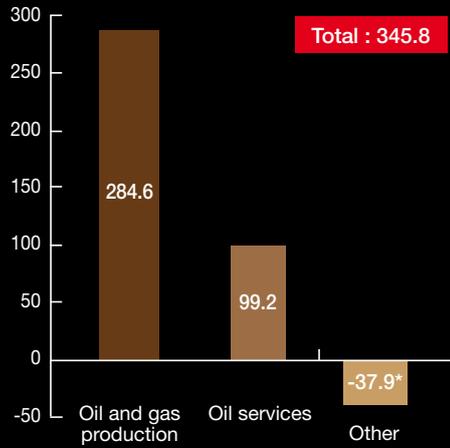
+€140 million for the acquisition
of assets in Nigeria

€95 million
Cash at 31/12/10

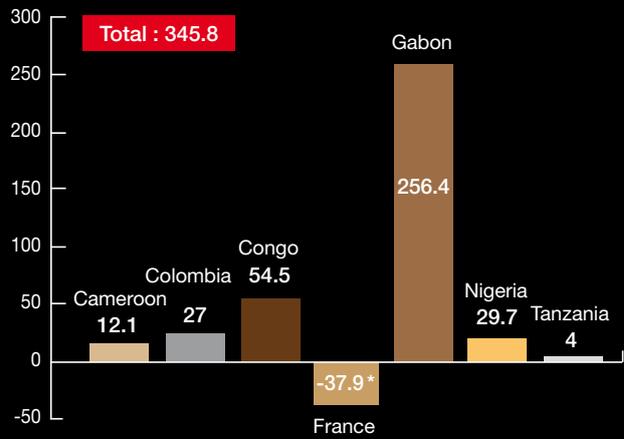
Gabon : 12,051 boepd
Nigeria* : 3,570 boepd
Entitlement

* from 26/08/2010

Sales by sector of activity
(in millions of euros)

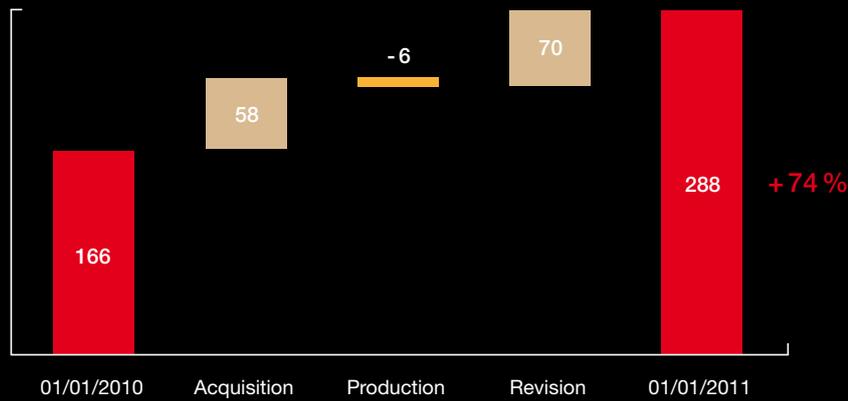


Sales by geographical sector
(in millions of euros)

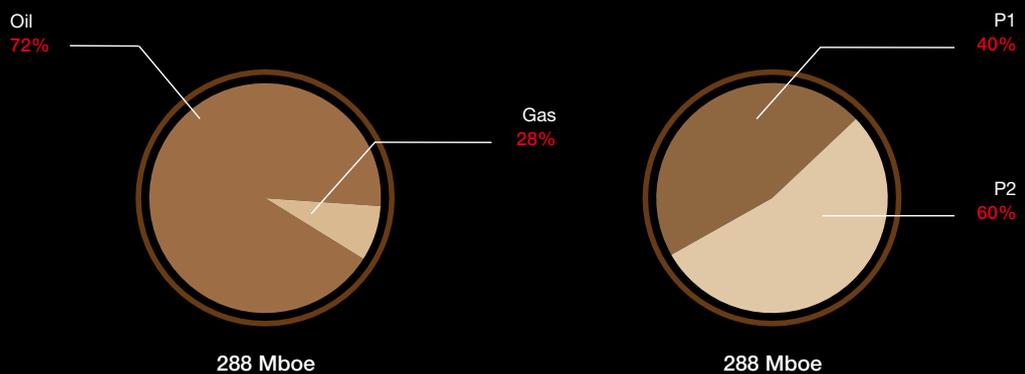


* Impact of crude oil hedges.

Changes in P1+P2 reserves (oil+gas) net of royalties
(in Mboe)



Distribution of P1+P2 oil reserves net of royalties
(at 01/01/11 in Mbbbl)



THE YEAR 2010 IN NUMBERS

Financial data

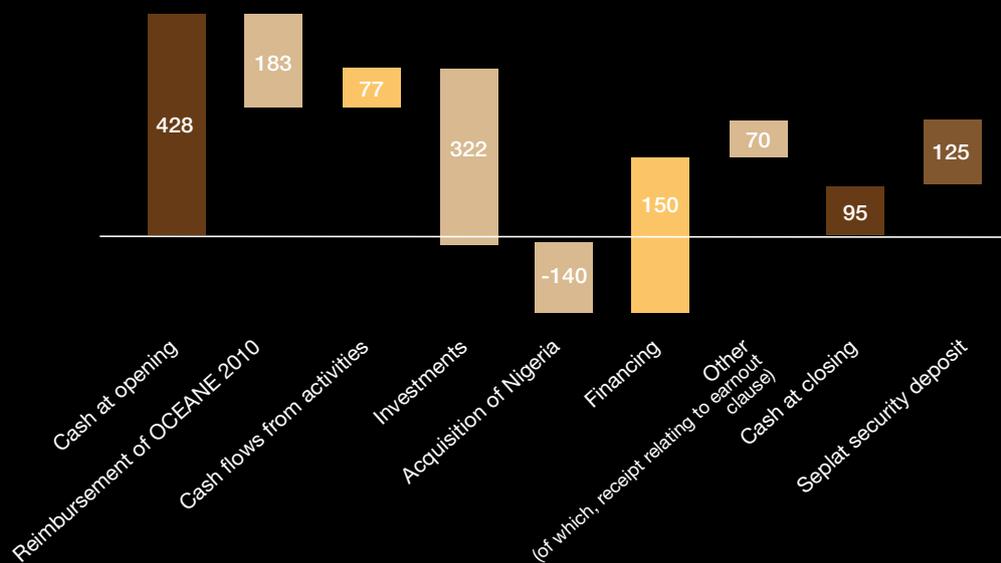
(in millions of euros)

	2010	2009*
Sales	346	192
INCOME FROM OIL PRODUCTION AND SERVICE ACTIVITIES	111	47
Provisions for depreciation of exploration assets	-76	
Exploration expenses	-135	-53
Other	-	-3
Income from oil production, exploration and service activities	-100	-9
OPERATING INCOME	-109	-20
Financial income	16	-25
Pre-tax income	-93	-45
Net income from continuing activities	-145	-46
Net income from discontinued operations	7	-5
NET INCOME, GROUP'S SHARE	-139	-51
Cash at opening	428	189
Net cash flow from operating activity	77	53
Investments	332	439
Nigeria acquisition	140	-
SEPLAT guarantee deposit	125	-
CASH AT CLOSING	95	428

* Figures restated to incorporate sale of Colombia assets

Changes in cash

(in millions of euros)



SIGNIFICANT EVENTS

Increased production in Gabon continues

In Gabon, the Group was able, almost immediately and with limited costs, to develop the Ombg and Omgw fields thanks to the size of the Onal production unit, which, from the outset, planned to take on the production of possible neighbouring fields. On 17 December 2010, the Group obtained the Exclusive Exploitation Authorisation for the Gwedidi (OMGW) and M'Bigou (OMBG) fields.

Discovery of Omoc-North in Gabon

The Group undertook the development work of the OMOc-North field, discovered in February 2010. The drilling of the evaluation wells began at the end of July 2010. The development investments of this discovery related to the drilling of the wells and the installation of the collectors connecting them to the Onal field facilities. The wells with a predominant sandstone base were connected to the pipeline evacuating the Onal platforms on 15 December 2010. The predominantly Kissenda wells will be connected to the production unit by a new pipeline.

Acquisition of assets in Nigeria

In Nigeria, the Group has acquired a 45% stake in the Nigerian company Seplat. On 30 July 2010, this company acquired 45% of the mining rights on the OMLs 4, 38 and 41, 55% stake of which remains the property of the Nigerian National Petroleum Corporation (NNPC). The other shareholders of Seplat are the Nigerian operators Platform Petroleum Ltd (22%) and Shebah Petroleum Development Company Ltd (33%). Production was accounted for progressively over the second half-year of 2010.

Resumption of exploration in Colombia

Three exploration wells were drilled under the Sabanero permit in Colombia and showed the presence of oil. After analysing the results, the Group launched a stratigraphic well campaign at the beginning of 2011.

Significant increase in P1 + P2 reserves

At 1 January 2011, the Group's reserves (oil + gas) were 288 Mboe, up 74% from the same date the previous year.

This sharp rise is due mainly to the success of the exploration-assessment programme on the Omoueyi permit in Gabon (Onal + satellites) and the incorporation of reserves from the acquisition of assets by Seplat (M&P 45%) in Nigeria.

■ Signing of the Exclusive Exploitation Authorisation for Ombg and Omgw (Mbigou and Gwedidi) on 17 December 2010

■ Discovery of Omoc-North

■ Strengthening of the Group's financial situation

Significant events at the start of 2011

■ Positive results of the first stratigraphic well under the CPO 17 permit in Colombia

■ Strategic alliance with Pacific Rubiales in Colombia

■ Appointment of Jean Bié as Director of Exploration

Key production dates

2001

- Start of production on the M'Boundi field in the Congo

2002
2003
2004

- Ramp-up of production through the development of the M'Boundi field

2005

- Integration of the production of fields in Colombia and Venezuela following the acquisition of Hocol in August

2006

- Development of the existing fields

2007

- Sale of Congolese assets
- Start of the development of the Onal field in Gabon
- Banio field in Gabon brought into production

2008

- Ramp-up of production in Colombia through the discovery of the Ocelote field

2009

- Sale of production fields in Colombia, development
- First production of the Onal and Omko fields in Gabon

2010

- First production of the Omgw and Ombg fields in Gabon
- Acquisition of production assets in Nigeria

PRODUCTION

in 2010

Hydrocarbon production by the Maurel & Prom Group in 2010 was primarily from fields in Gabon and Nigeria.

Gabon

€63 million
of investments in 2010

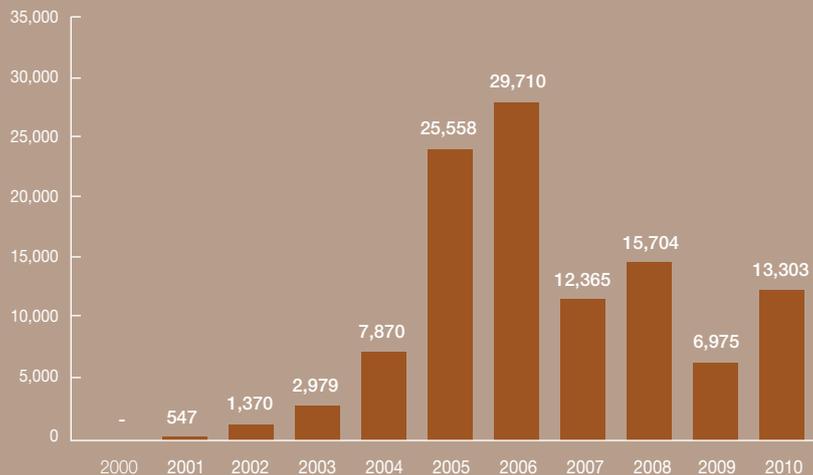
26 production
wells

Nigeria

€76 million
Acquisition of production assets

74 production
wells

Entitlements of the group (in bbl/d)





FOCUS ON GABON

2005

- Purchase of 4 licenses
- **Entry into Gabon**

2006

- **Discovery of Onal field**
- Obtained Onal AEE

2007

- **Start of production in the Banio field**
- Start of development work in the Onal field

2008

- Discovery of the Omko and Ombg satellites of the Onal field

2009

- **Start of production in the Onal and Omko fields**
- Discovery of a new reservoir in the south-east of the Onal field
- Discover of the Omoc and Omgw fields

2010

- **Discovery of the Omoc-North field**
- **Start of production in the Ombg and Omgw fields**
- Continuous increase in production
- Discovery of a new base sandstone section in the Onal field

Total investments > US\$ 1 billion

26 wells in production

M&P share of 174 Mbbl of P1 + P2 reserves, net of royalties

Development in five phases:

PHASE 1: *development of Onal with base sandstone layer*

PHASE 2: *injection of water on Onal*

PHASE 3: *extension of the Onal field*

PHASE 4: *development of the Omoc and Omoc-North fields*

PHASE 5: *development fields of Gwedidi and Mbigou*



3D seismic coverage

> 90%

4

fields in production

74

production wells

23

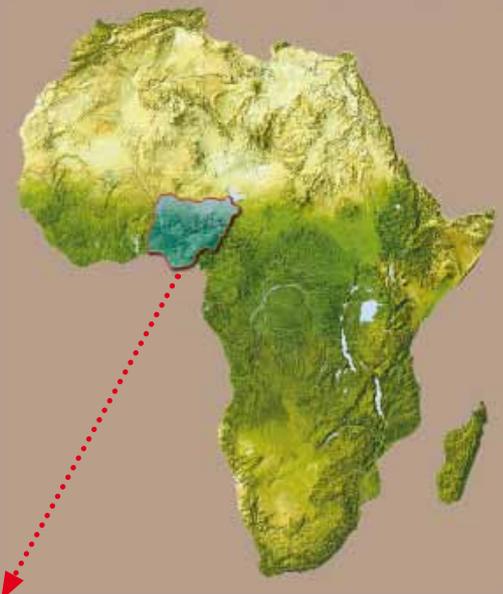
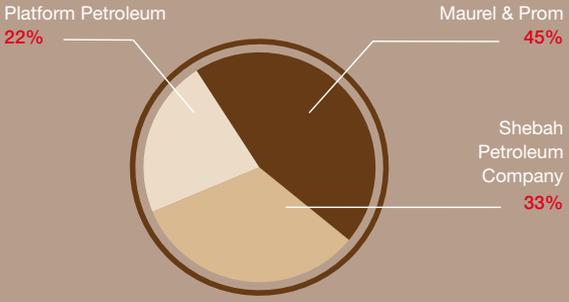
exploration wells

9

evaluation wells

FOCUS ON NIGERIA

SEPLAT shareholders



Oil reserves and resources
(before royalties Seplat's share)
P1 + P2 : 78 Mboe ; C1 + C2 : 150 Mboe

Oil reserves and resources
(before royalties Seplat's share)
P1 + P2 : 74 Mboe ; C1 + C2 : 95 Mboe



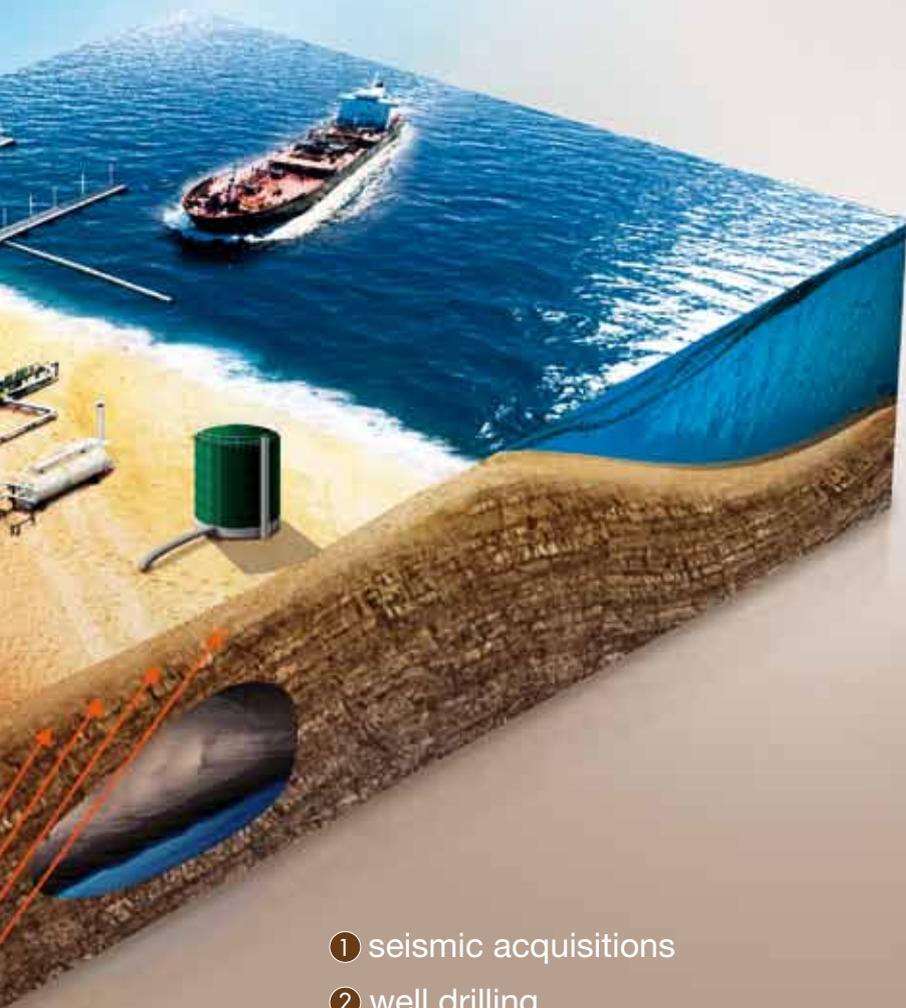
2010
ANNUAL
REPORT
p.18

KNOW HOW



In 10 years, the Group has conceived of oil systems, drilled around 100 exploration/evaluation wells with a significant success rate and discovered very large-size oil fields at the lowest cost.

- *Rapid decision making.*
- *Capacity to develop major size oil fields:
M'Boundi > 300 Mboe, Onal + satellites > 200 Mboe and Ocelote > 50 Mboe*
- *Dependable, sustainable and responsible relations with local governments and communities.*
- *Availability and flexibility of drilling equipment combined with true expertise in drilling: Caroil*



- ① seismic acquisitions
- ② well drilling
- ③ productive well heads
- ④ storage
- ⑤ evacuation pipeline



2010
ANNUAL
REPORT

p.20

EXPLO RATION

The goal of exploration is to discover exploitable accumulations of hydrocarbons. It includes geological and geophysical studies, acquisition and seismic processing as well as exploratory drilling.



23

exploration wells
drilled over the year

€ **246** million

in exploration expenditure
in 2010

24

exploration
permits

Gabon



■ ETEKAMBA ■ KARI ■ NYANGA MAYOMBE
■ OMOUEYI ■ ONAL + SATELLITES

Omoueyi (100%) – M&P Operator

- Exploration well drilling
- Discovery of Omoc-North
- Evaluation of Omgw field
- Seismic acquisition of 730 km

Etekamba (100%) – M&P Operator

- Continuation of geological, geophysical and aero-gravimetric studies

Kari (100%) – M&P Operator

- Continuation of geological and geophysical studies

Nyanga Mayombe (100%) – M&P Operator

- Drilling of Banio-5

Congo



■ LA NOUMBI ■ MARINE III-A
■ MARINE III-B ■ ZINGALI ■ LOUFIKA

Marine III (75%) - M&P Operator

- Drilling of MBafou and NGoumba

La Noubi (49%) - M&P Operator

- Drilling of Tié-Tié

Nigeria



■ OML 38 ■ OML 4
■ OML 41

OML 4, 38 and 41 (20.25%)
Seplat Operator

- Acquisition of 3 OML

Tanzania



■ BIGWA RUFJI MAFIA BLOCK ■ MANDAWA
■ MNAZI BAY

Bigwa-Rufiji-Mafia (60%)
M&P Operator

- Evaluation of the potential of the Mafia-Deep well

Mandawa (90%)
M&P Operator

- Drilling of Kianika-1

Mnazi Bay (47.775%)
M&P Operator

Mozambique



■ EPC AREA

Rovuma Onshore (24%) Anadarko Operator

- Continuation of geological and geophysical studies

Syria

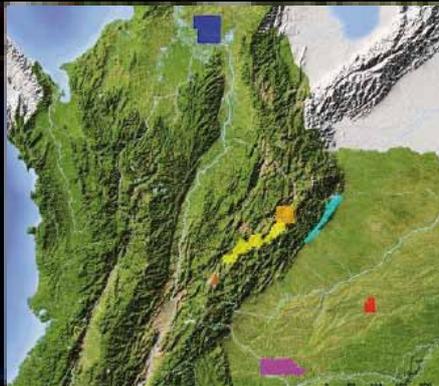


■ BLOCK XI

Al Asi (75%) – M&P Operator

- Drilling of Draco-1
- Progression to phase 2

Colombia



■ MUISCA ■ SABANERO ■ SSJN 9
■ TANGARA ■ COR-15 ■ CPO-17

CPO-17 (50%) Hocol Operator **SSJN-9 (50%) M&P Operator**

- Exchange of interest with Hocol
- Seismic acquisition

Sabanero (100%) M&P Operator

- Drilling of three positive wells

Tangara (24.5%) Hocol Operator

- Drilling of Cascabel-1

Muisca (100%) M&P Operator

- Drilling of Bachue-1

COR-15 (100%) M&P Operator

- Allocation of a study zone

Peru



■ BLOCK 116

Lote 116 (100%) M&P Operator

- Launch of biostratigraphic study
- Continuation of geological and geophysical studies



2010
ANNUAL
REPORT
p.26

SUSTAINABLE DEVELOPMENT

During the exploration and production phases, from obtaining the exploration permit right through to the end of operations, the Maurel & Prom Group takes particular care to develop and maintain a high level of relations and exchanges with the neighbouring communities (see Sustainable Development part 6).

A concrete idea and understanding of the approach is only possible through observing and respecting particular local features. The Group is thus committed to taking concrete development actions in every country where it intends to base its projects, case by case, depending on the needs and constraints that it finds.

Developing the local fabric and improving the living conditions of local people while it operates there, remains a real imperative for Maurel & Prom.

This concern is reflected concretely in every action plan in every country where the Group is based.



Dynamic sustainable development policy illustrated by a number of concrete actions

Health

Tanzania - Mandawa

- A dispensary built on the fringes of the Kianika 1 well drilling zone.

Gabon

At the beginning of March, Maurel & Prom delivered three renovated dispensaries to the people of Allonah, Nombedouma and Odimba, in the cantons located in the South Lakes region in the province of Moyen-Ogooué. The estimated project cost was approximately 155 million CFA francs.

- Renovation of three dispensaries
- Electrification by solar energy (solarisation) of the three renovated dispensaries
- Fitting out and provision of drugs to the three dispensaries
- Renovation of the Ndindi medical centre
- Fitting out and provision of drugs to the Ndindi medical centre

Education

The Congo

- Renovation of the roof of the Nzambi district primary school

Tanzanie - BRM

- A teachers' building built at Mafia

Supporting the development of local communities:

The Congo

- A 22 KVA generating unit + 12,000 litres of diesel were given to the people of the village of Tié-Tié (in the Nzambi district) following the drilling of Tié-Tié
- Gift of a fitted-out "pa" container for the security and customs services of the village of Tié-Tié (Nzambi district)
- Provision of a water well for the people of the village of Tié-Tié

Gabon

The work on the three health centres in Gabon was carried out by local SME, thereby contributing to local development and employment in the South Lakes region.



15

Drilling rigs,
14 of which are
in operation

88%

2010 usage rate
for drilling rigs

5

Operations countries

184

Personnel

€ **141.5**
million

Company sales
(70% of sales achieved
outside the Group)

€ **99.2**
million

Sales contributing
to Maurel & Prom sales

€ **12.4**
million

Net income
contributing to
Maurel & Prom net income
(12.5% of contributing
sales)

€ **16.7**
million

Company net income
(11.8% of company sales)

€ **23.7**
million

2010 investments

OIL SERVICES

Introduction

Caroil, a wholly owned subsidiary of Maurel & Prom, started offering oil drilling and mining services in the early 2000s when the Group decided to speed development on its M'Boundi and Kouakouala oil fields in the Congo. Accompanying the Maurel & Prom Group in its development while seeking to control its market risks, the company Caroil gradually diversified and enlarged its portfolio of equipment as well as its international presence. The company now owns 15 rigs with a range from 250 CV to 2,000 CV. Caroil's investments (acquisition of capacity or renewals) were primarily financed by cash contributions from its parent company. Today, Caroil has developed resources that allow it to self-finance its recurring expenses.

Strategy

Statistically, the cost of leasing a rig represents 1/4 to 1/3 of the total cost of drilling an oil well for development or exploration. Thus Caroil allows the Maurel & Prom Group to:

- Accelerate exploration and development of its oil fields.
- Control drilling costs.
- Take advantage of the opportunity to initiate contacts at a lower cost in order to enter on promising exploration licences.

Caroil's development strategy follows two trends:

- Building and using fully owned rigs.
- Specialising and making its mark as a professional company for onshore drilling services by broadening its customer base while maintaining its special relationship with Maurel & Prom.

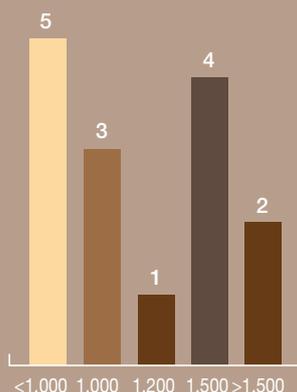
Initiated in 2005, the customer diversification policy has enabled Caroil to noticeably increase its contribution to the sales and financial results of the Maurel & Prom Group.

In 2011, Caroil will remain true to its objectives by emphasising:

- The development of its portfolio of varied customers.
- The enduring high quality of its services.

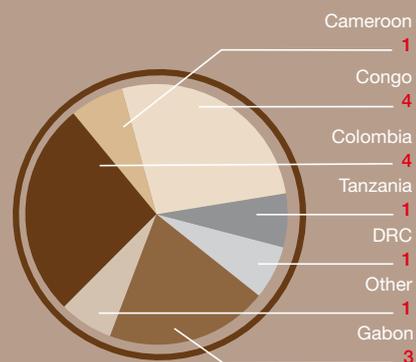
Breakdown of rigs by power

(HP)



Geographic breakdown of rigs

Total : 15





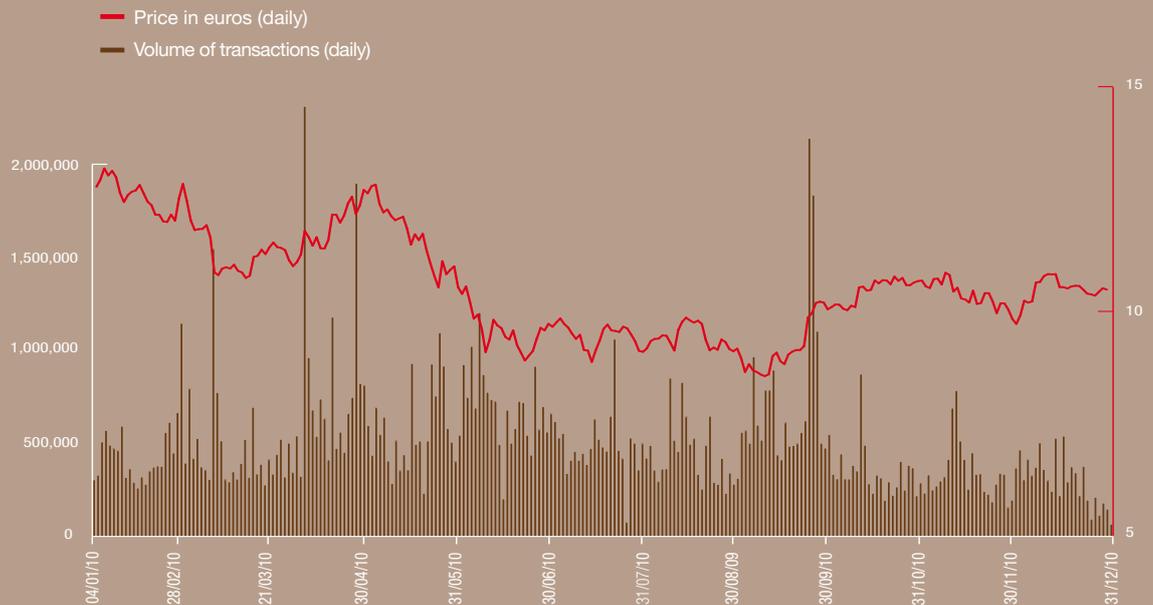
121,305,001
shares

31 March 2011

of which 5.17% are treasury shares

THE STOCK EXCHANGE

Average daily prices and volumes of Maurel & Prom shares



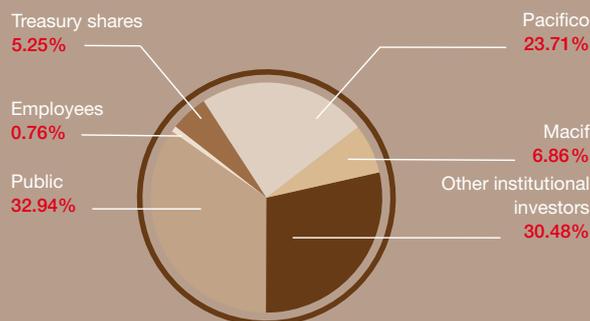
Changes in market price

- Average daily volume in 2010: 443,849 shares
- Stock market capitalisation on 31 March 2011: €1,649,748,013.6 at the price per share of €13.60, based on 121,305,001 shares.

Performance of market price for the year 2010:

- Lowest price (in trading): €8.510, reached on 01/09/10
- Highest price (in trading): €13.324, reached on 11/01/10
- Price on 31/12/10: €10.550

Breakdown of shareholders at 31/12/10



Geographic breakdown of other institutional shareholders at 31/12/10



FINANCIAL PART

Risk factors
Financial situation

Corporate
governance

Maurel & Prom

and its Shareholders

Sustainable
development

Consolidated
and company financial statements

Resolutions

Statutory auditor's
reports

Employees

CONTENTS

1	FINANCIAL POSITION	34
1.1	Financial summary of fiscal year 2010	35
1.2	Group oil and gas reserves and resources	39
1.3	Investments	42
1.4	Borrowing and financing	43
1.5	Trends and outlook	44
1.6	Large contracts	45
1.7	Financial information	45
2	RISK FACTORS	47
2.1	Risks linked to the group's oil and gas exploration and production activities	47
2.2	Financial risks	51
2.3	Legal risks	56
2.4	Insurance	57
3	CORPORATE GOVERNANCE <i>(Chairman's report pursuant to Article 225-37 of the French Commercial Code)</i>	59
3.1	Statement on corporate governance	59
3.2	Administration and management of Maurel & Prom	59
3.3	Internal control and risk management	81
3.4	Rules for admission and for convening annual and extraordinary general meetings of shareholders	85
4	GROUP EMPLOYEES	87
4.1	Employees	87
4.2	Employee shareholding	88
5	MAUREL & PROM AND ITS SHAREHOLDERS	91
5.1	Current shareholding structure	91
5.2	Dividends	93
5.3	Control of the issuer exercised by one or more shareholders	93
6	SUSTAINABLE DEVELOPMENT	95
6.1	The basis of Maurel & Prom's sustainable development policy: code of conduct	95
7	COMPANY INFORMATION	99
7.1	Information about the company	99
7.2	Share capital	99
7.3	Charter and articles of association	110
8	OTHER INFORMATION ABOUT THE GROUP	113
8.1	Transactions with related parties	113
8.2	Litigation and arbitration	113
8.3	Property, plant and equipment	114
8.4	Research and development, patents and licences	114
8.5	Information from third-parties, declarations of experts and declarations of interest	114
8.6	Publicly available documents	114
8.7	Organisation chart	115
8.8	Other group activities	116
9	NOTES	119
9.1	GLOSSARY	119
9.2	Consolidated financial statements at 31 December 2010	121
9.3	Statutory Auditors' Report on related party agreements and commitments	189
9.4	Statutory Auditors' Report, prepared in accordance with article L. 225-235 of the French Commercial Code, on the report prepared by the Chairman of the Board of Directors	192
9.5	Audit Fees	193
9.6	Five-year financial summary for Maurel & Prom	194
9.7	Text of proposed resolution	195
9.8	Information	211
9.10	Tables of concordance	216

1

FINANCIAL POSITION

1.1	Financial summary of fiscal year 2010	35
1.1.1	Consolidated Financial Statements	35
1.1.1.1	Activity	35
1.1.1.2	Sales	36
1.1.1.2.1	Sales by activity	36
1.1.1.2.2	Sales by geographic region	36
1.1.1.2.3	External factors that had significant impact on business	37
1.1.1.3	Operating income	37
1.1.1.4	Financial income	37
1.1.1.5	Net consolidated income	37
1.1.1.6	Balance sheet	37
1.1.1.7	Investments	38
1.1.1.8	Cash flow	38
1.1.1.9	Intragroup relations	38
1.1.2	Individual corporate accounts	39
1.2	Group oil and gas reserves and resources	39
1.2.1	P1 and P2 hydrocarbon reserves at 1 January 2011 (in Mboe*)	39
1.2.2	M&P share of hydrocarbon reserves net of royalties at 1 January 2011 (in Mboe*)	41
1.3	Investments	42
1.3.1	Main investments made during the last three years	43
1.3.2	Main investments in progress	43
1.3.3	Main investments considered	43
1.4	Borrowing and financing	43
1.4.1	Borrowing terms and financing structure	43
1.4.2	Restrictions on the use of capital having a significant effect on operations	43
1.4.3	Sources of financing planned for the main investments considered	44
1.5	Trends and outlook	44
1.5.1	Events occurring after closing	44
1.5.1.1	Unblocking of Seplat collateral	44
1.5.1.2	Positive result from the first stratigraphic well on the CPO 17 permit in Colombia	44
1.5.1.3	Strategic alliance with Pacific Rubiales Energy in Colombia	44
1.5.1.4	Sale of Maurel & Prom Venezuela	44
1.5.2	Changes in the Company's activity: known trends, uncertainties, commitments or events likely to significantly impact the outlook for the current fiscal year	44
1.5.2.1	Production	45
1.5.2.2	Sales	45
1.6	Large contracts	45
1.7	Financial information	45
1.7.1	Historical financial information	45
1.7.2	Verification of historical financial information	45
1.7.3	Other information appearing in the Annual Report, verified by the statutory auditors	45

FINANCIAL POSITION

1.1 FINANCIAL SUMMARY OF FISCAL YEAR 2010

1.1.1 / Consolidated Financial Statements

Over the course of 2010 the Group has developed and consolidated actions begun in 2009 (restructuring its assets and debt) aimed at balancing its asset portfolio, and focusing on two major growth vectors: Gabon and Nigeria, while maintaining significant activity in Colombia.

Capital investment in Gabon and the acquisition of production assets in Nigeria illustrate the Group's strategic aim to offer its shareholders a more measured risk profile.

Its renewed exploration in Colombia focuses on the regions where it already has significant experience, and excludes drilling in too-risky prospects while Maurel & Prom looks for partners to participate in financing future investment.

The Group's technical and operating results validate its continuing development strategy:

- ramping up production in Gabon and searching out satellite wells;
- reinforcing production in Nigeria, preparing for production start-up in fields already discovered and examining complementary evacuation solutions;
- confirming the potential of the exploration permit in Colombia, evidenced by the discovery at Sabanero and recently CPO 17;
- East Africa is proving to be a promising new region in terms of natural gas. This interest has been stimulated by a series of recent discoveries which are now galvanising major players in the sector. The new gas production in this region will be able to find a natural outlet in Asia and particularly in Japan which, in light of recent events, is substantially revising its future gas needs.

Book income for 2010 incorporates substantial exploration-related expenses that produced no discovery. Increased reserves will be reflected in future cash flow.

1.1.1.1 / Activity

Exploration and production

In **Gabon**, the Group has been able to develop the Gwedidi and Mbigou fields virtually immediately and at low cost, thanks to the size of the Onal production centre which was designed from the beginning to accept production from potential nearby fields. Accordingly, the OMGW-102, OMGW-201 and OMGW-103 wells have been drilled

and connected to the production centre. On 17 December 2010 the Group obtained Exclusive Exploitation Authorisation for the Gwedidi (OMGW) and M'Bigou (OMBG) fields.

The Group undertook development work at the OMOG-North field, discovered in February 2010. Assessment drilling began in late July 2010. The development investment for this field relates to the drilling of wells and setting up collection facilities to link them to the Onal field. The predominantly Base Sandstone wells (OMOG-N-301 and OMOG-N-302) were connected to the evacuation pipeline from the Onal platforms on 15 December 2010. The predominantly Kissenda wells will be connected to the production centre via a new pipeline.

At the same time, the Group is using the OMOG-101 well in southern Onal to assess the OMOG field discovered in March 2009. Once these works are completed, the wells will be connected to the OMOG-North evacuation facilities from the second quarter of 2011.

Average production in Gabon over the full year 2010 was 14,618 b/d.

In **Nigeria**, the Group took a 45% stake in the Nigerian registered company Seplat. On 30 July 2010 this company acquired 45% of the mining rights in OML 4, 38 and 41, 55% of which is owned by the Nigerian National Petroleum Corporation (NNPC). Seplat's other shareholders are the Nigerian operators Platform Petroleum Limited (22%) and Shebah Petroleum Development Company Ltd (33%). Production was integrated progressively during the second half of 2010. Based on the 128 production days in 2010, the fields produced 17,632 b/d of which Maurel & Prom's share was 3,570 b/d.

Oil and gas production in **Venezuela**, after oil taxes in kind of 30%, came to 993 barrels of oil equivalent per day over the full year 2010. Oil accounted for 66% of gross production. This activity is consolidated by the equity method (as an equity associate) and is therefore not recognised in Group sales.

In **Tanzania**, the Kianika-1 exploration well, drilled under the Mandawa exploration permit (Maurel & Prom operator, 90%), was abandoned. The objectives of this well had been achieved, showing good reservoir characteristics and confirming the potential for this theme in this region, but no hydrocarbon indices were detected.

Note that the Group is in the process of farming out the interests it holds in Tanzania.

In **Colombia**, the Cascabel-1 (Tangara) and Bachue-1 (Muisca) exploration wells were abandoned. Three exploration wells had been drilled under the Sabanero exploration permit, showing evidence of oil. After ana-

lysing the results, in early 2011 the Group launched a programme of stratigraphic drilling.

In the **Congo**, the NGoumba-1D and M'Bafou exploration wells, drilled under the Marine III permit (M&P operator, 75%), were plugged and abandoned. The Tié-Tié-NE-1 well drilled under the La Noumbi permit (M&P operator, 49%) encountered a silty sandstone zone that showed hydrocarbon indices. Measurements at the end of the drilling, however, indicated that production (mainly natural gas) would not be commercially viable because of the distance to any potential market. The well was therefore plugged and abandoned.

In **Syria**, the Al Asi permit area (M&P operator, 75%), situated along the Mediterranean coast north of the Lebanon-Syria border, covers 8,427 km². Based on 890 km of 2D seismic data acquired by the Group in 2007 and 2008, two zones of interest had been identified. The Draco prospect was identified in the eastern part. Two (Triassic) Kurrachine formations that had shown hydrocarbon indices during the drilling of the Draco-1 well were each tested in turn. The Kurrachine reservoir characteristics proved to be too degraded to allow hydrocarbon production. Based on the results from this well, the Group intends to focus its efforts on the second zone of interest in the western part of the permit area.

In **France**, the Group took a 25% stake in the Mios exploration permit. Note that the Group has a 25% stake in the adjacent Lavignolle exploration permit.

Petroleum services

During the period, Caroil extended its activity in Cameroon and the Democratic Republic of Congo. By redeploying part of its fleet to these new countries, the company has succeeded in keeping the usage rate of its commercial fleet high (88% in 2010 versus 85% in 2009). Its stock of rigs remained steady in 2010 with 15 rigs.

1.1.1.2 / Sales

Sales in 2010 increased sharply to €345.8 million, up 80% on 2009. This improvement reflects the ramping up of production from the Gabon fields and the entry into consolidation of OML 4, 38 and 41 in Nigeria with two extractions in the fourth quarter of 2010.

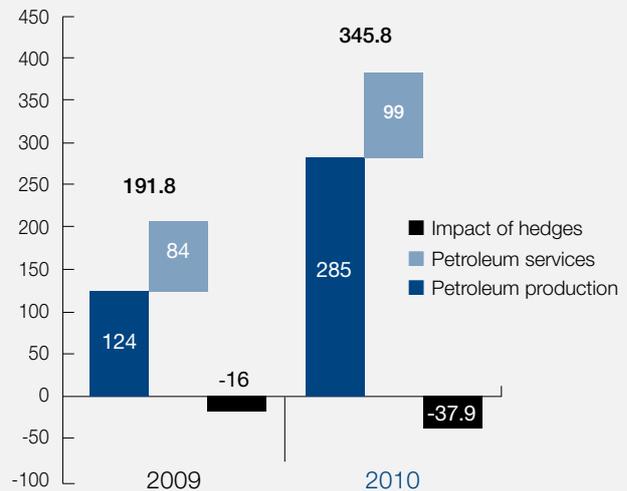
In early 2009, at the conclusion of the Reserve Based Loan (RBL), the Group put in place financial instruments to hedge operational cash flow based on the price of oil. The average hedge price in the 12 months of 2010 for 6,750 b/d (as compared with average royalties of 12,051 b/d) was US\$60.4/b, while the average price of Brent was US\$79.4/b, a downward adjustment of €37.9 million.

Excluding the impact of hedges, 74% of sales in 2010

came from oil production in Gabon and Nigeria and 26% from the drilling activity of the wholly owned M&P subsidiary Caroil.

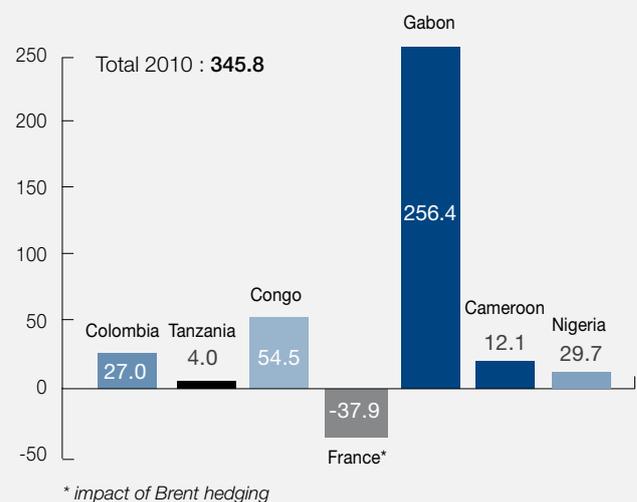
1.1.1.2.1 / Sales by activity

in millions of euros



1.1.1.2.2 / Sales by geographic region

in millions of euros



1.1.1.2.3 / External factors that had significant impact on business

Background data	2010	2009	Change
	12 months	12 months	
Exchange rate (€/€)	1.33	1.39	-5%
Exchange rate (\$/€)	0.75	0.72	+4%
Brent (US\$/barrel)	79.4	61.5	+29%

The €/US\$ exchange rate was very volatile during 2010 with a high of 1.456 and low of 1.194, a fluctuation of 22%. The closing rate at period-end was 1.336.

The average price of Brent was relatively steady throughout 2010 at an average US\$79.4 although this was sharply up on 2009.

1.1.1.3 / Operating income

The contribution to operating income by production activities was up sharply as a result of growth in hydrocarbon sales. The corresponding contribution of petroleum services was in line with the previous year. Operating income from production and petroleum services takes into account amortisation for Caroil drilling rigs in the amount of €16.5 million, as well as €45 million impairment for asset depletion in Gabon fields and €4 million asset depletion in Nigerian fields. Amortisation of asset depletion was up sharply (€49 million in 2010 versus €19 million in 2009) due directly to increased production. Operating income from production and petroleum services was €111 million compared to €47 million in 2009, a rise of 135%.

Steady exploration activity in recent years is reflected in significant expenses and provisions of €211 million.

In Tanzania, Maurel & Prom is continuing its efforts to capitalise on the significant investments undertaken to date. With respect to the Bigwa-Rufiji and Mafia (BRM) permit, the contractual exploration phase ends in 2015. An as-yet unamortised €144 million, representing exploration investment undertaken in this BRM region, has been recognised in the Group's accounts. Studies in the amount of €19 million, as well as €22 million work that led to the M'Kuranga discovery, will be recognised at their full value for the duration of the exploration phase. An amount in the region of €104 million corresponds essentially to work carried out on the Mafia-Deep well. The local volume of gas related to this well was evaluated by Schlumberger to be between 1.97 and 4.15 Tcf (1.0 and 2.2 Tcf as Group share net of royalties). Additional studies will need to be carried out to determine what proportion of these resources are commercially viable. Maurel & Prom has no plans to fund such studies and is looking for a partner to do so. The assessment costs will be lower if they can be carried out at the initially drilled well. The Group estimates that the value of re-using the Mafia-Deep drilling works is €26 million, which suggests a required provision of €76 million.

Operating income for fiscal 2010 was a negative -€109 million compared to -€20 million in 2009.

1.1.1.4 / Financial income

The cost of net financial debt was €38 million, including:

- interest expense on OCEANE 2014 and OCEANE 2015 in the amount of €28 million and on other borrowings in the amount of €7.7 million;
- income from cash in the amount of €4 million of which €3 million was payment by BNP of a deposit guaranteeing the €140 million loan to Seplat, €15 million of which had already been repaid;
- losses on derivative instruments in the amount of €6 million.

Taking into account €59 million realised capital gains, €50 million of which arises from the revaluation upwards of the €/US\$ exchange rate at fiscal year-end (the €/US\$ closing rate 1.44 at 31 December 2009 and 1.336 at 31 December 2010), net financial income was a positive €16 million compared to -€25 million in 2009.

1.1.1.5 / Net consolidated income

Tax expense was €57 million. This includes €29 million for the fiscal year in review (Cairil €6 million, €17 million in Gabon as tax for profit oil and €6 million in Nigeria) and €28 million deferred tax.

The consolidation on an equity basis of the Group's stake in the blended firm Lagopetrol was the main contributor to €4.5 million consolidated income, and the net proceeds from disposals of activities in 2009 contributed a further €6.7 million (from earn-out clauses related to Colombian/Hocol assets).

The net consolidated income of the Maurel & Prom Group was -€139 million compared to -€51 million in 2009.

1.1.1.6 / Balance sheet

The balance sheet total at 31 December 2010 was €1,849 million. The Group's share of equity capital was €835 million versus €940 million at 31 December 2009, down €105 million mainly due to its income under-performance.

1.1.1.7 / Investments

The total amount of investments made in 2010 was €472 million, and breaks down as follows:

(in millions of euros)	Colombia	Gabon	The Congo	Tanzania	Syria	Peru	Other	Total	Nigeria acquisition	Group Total
Exploration	52.8	110.8	27.5	40.8	9.4	2.8	2.0	246.2	64.0	310.2
Development	0.1	61.7	0.1	0.5	-	0.0	0.2	62.5	76.0	138.5
Drilling	7.8	4.3	9.6	0.4	-	-	1.4	23.4	-	23.4
TOTAL	60.7	176.7	37.1	41.7	9.4	2.8	3.6	332.0	140.0	472.0

1.1.1.8 / Cash flow

At 31 December 2010, Maurel & Prom had cash of €220 million of which €95 million was available cash.

Compared to 31 December 2009, key aspects include:

- redemption on 1 January 2010 of OCEANE 2010 in the amount of €183 million of which €6.2 million was interest, and the payment of €22.6 million interest for OCEANE 2014 on 31 July 2010;
- a sustained investment effort for all Group operations : exploration (€246 million), development (€63 million) and drilling (€23 million);
- Purchase of assets in Nigeria for €140 million;
- cash flow generated by operating activities (€77 million);
- €45 million inflow from disposals of activities (disposal of the earn-out clause relating to the sale of Colombian/Hocol assets);

- realised financing:

- RBL for €224 million;
- a new OCEANE bond issue in the amount of €70 million;
- €37 million facility agreed by Standard Bank, exercisable until 31 March 2011;
- €71 million participation in a loan agreement in Nigeria;

- amounts paid as guarantees as part of the acquisition of assets in Nigeria (€140 million), of which €15 million reimbursed;

- foreign exchange impact (-€41 million);

Net cash declined by €332 million.

1.1.1.9 / Intragroup relations

The table below shows the main aggregates of the Group and their breakdown between its main subsidiaries as of 31 December 2010:

Consolidation value in €K	Colombia/ Venezuela	Caroil	Gabon	Nigeria	Other	Holding company	Consolidated total
Immobilised assets (including goodwill)	41,649	123,079	834,107	134,995	107,506	2,133	1,243,471
Financial debt (*)	2,397	2	32	71,237	0	605,144	678,813
Net cash in the balance statement (**)	6,843	-51,790	11,159	10,241	4,652	114,270	95,375
Cash flows linked to the activity	56,916	20,644	193,050	-50,058	78,582	-221,718	77,417
Dividends paid in the year and returning to the listed company	-	-	-	-	-	-11,532	-11,532

(*) excluding bank overdrafts presented in net cash

(**) cash net of bank overdrafts

Transactions between the Company and its subsidiaries are in various domains (provision of services, current account agreements, etc.). The financial flows covered by regulated agreements are presented in the Auditor's special report to the financial statements shown in paragraph 9.3.

Mr Hénin, Chairman and Chief Executive Officer, also exercises management functions in some of the Group's subsidiaries. The positions held by Mr Hénin in the subsidiaries are listed in paragraph 3.2.1.2.

1.1.2 / Individual corporate accounts

Share capital in fiscal year 2010 was €14.4 million.

Operating income was a negative -€181.8 million. Total depreciation was very high this year due to heavy asset impairment in Tanzania. These came to €119.3 million.

Financial income was a negative -€5.7 million.

Non-recurring income was -€1.6 million.

Incorporating all these items, net income was -€179.5 million.

1.2 GROUP OIL AND GAS RESERVES AND RESOURCES

The Group's reserves correspond to the volumes of hydrocarbons revealed by exploration and assessment wells that are commercially exploitable. P1+P2 reserves net of royalties have been certified by DeGolyer & MacNaughton for Gabon (on 31/07/2010 for the Onal, Omko, Ombg and Omgw fields and on 1/1/2011 for the Omoc and Omoc-North fields) and Venezuela (on 1/1/2010), RPS-APA (in 2007) for Tanzania and Gaffney & Cline for Nigeria (on 1/1/2011).

Resources are classified as volumes of hydrocarbons revealed by drilling that are not part of a development plan and not linked to a sales contract. Hydrocarbon resources have been evaluated by Gaffney & Cline in Nigeria (on 1/1/2009), GLJ in Colombia (on 1/1/2011) and Schlumberger (in 2011) for the Bigwa Rufiji Mafia permit in Tanzania. There are also P3 reserves in Gabon, evaluated by DeGolyer & MacNaughton (on 1/1/2011), Ryder Scott in Sicily and RPS-APA (in 2007) in Tanzania.

In line with the Group's historic standards, reserves and resources are presented as Maurel & Prom's share, net of royalties and before taxes specific to each type of contract (production sharing agreement, concession contract, etc).

The gas/oil energy conversion factor used is 1 barrel of oil = 5,610 cubic feet of gas.

1.2.1 / P1 and P2 hydrocarbon reserves at 1 January 2011 (in Mboe*)

As at 1 January 2011, the Group's reserves (oil + gas) came to 288 Mboe, up +74% compared with 1/1/2010.

The table below shows the sharp increase in Group reserves due mainly to the successful exploitation of the Omoueyi

permit in Gabon (Onal + satellites) and the incorporation of reserves acquired in Nigeria.

P1+P2 RESERVES NET OF ROYALTIES AT 1/1/2011

		01/01/2010	Acquisition	Production	Revision	01/01/2011	P1**	P2***
in Mboe*	% retained							
ONAL	85%	87.2	-	-3.3	1.4	85.3	44.5	40.8
OMKO	85%	12.7	-	-0.3	0.8	13.2	7.5	5.7
OMBG	85%	4.2	-	-0.1		4.1	0.8	3.3
OMGW	85%	5.1	-	-0.6	3.9	8.4	4.0	4.4
OMOC-North	85%	-	-	-	27.5	27.5	9.8	17.7
OMOC	85%	-	-	-	34.7	34.7	12.3	22.4
BANIO	100%	0.5	-	-0.1	-	0.4	0.4	0.0
GABON (OIL)	-	109.7	-	-4.4	68.3	173.6	79.2	94.5
OIL + CONDENSATE	20.25%	-	27.3	-0.5	-0.1	26.7	8.5	18.2
GAS	20.25%	-	31.1	-	1.6	32.7	6.0	26.7
NIGERIA	-	-	58.4	-0.5	1.5	59.4	14.4	44.9
OIL	26.35%	5.7	-	-0.2	-	5.5	3.5	2.0
GAS	26.35%	4.8	-	-0.2	-	4.6	2.8	1.8
VENEZUELA	-	10.5	-	-0.4	-	10.1	6.3	3.8
MNAZI BAY - GAS	38.22%	44.6	-	-0.1	-	44.5	16.5	28.0
TANZANIA	-	44.6	-	-0.1	-	44.5	16.5	28.0
TOTAL OIL + CONDENSATE	-	115.4	27.3	-5.1	68.2	205.8	91.2	114.7
TOTAL GAS	-	49.4	31.1	-0.3	1.6	81.7	25.3	56.5
TOTAL	-	164.8	58.4	-5.4	69.8	287.5	116.5	171.2

*Mboe = Millions of barrels of oil equivalent.

** P1 = proven reserves *** P2 = probable reserves (see Glossary p.119)

The assessment results of the OMOG field discoveries, conducted in March 2009, and OMOG-North contribute to the 68 Mboe increase in Gabon reserves.

The incorporation of reserves associated with the fields in production in Nigeria, acquired in late July 2010, allows the Group to increase its reserves by 59.4 Mboe, corresponding to Gaffney & Cline's expert evaluation at the time the assets were acquired and confirmed in its report of 11 March 2011. These figures are likely to be revised substantially upwards as work progresses on discovered undeveloped fields (C1+C2 resources to be transformed into P1+P2 reserves), without prejudging the results of the exploration programme.

Proven (P1) oil reserves were 91.2 Mboe at 1/1/2011 versus 50.5 Mboe at 1/1/2010, up 81%. Probable (P2)

oil reserves were 114.7 Mboe at 1/1/2011 versus 65.8 Mboe at 1/1/2010, up 74%.

Group reserves at 1/1/2011 are therefore 288 Mboe, an increase of 122.7 Mboe, after taking the year's production into account.

1.2.2 / M&P share of hydrocarbon reserves net of royalties at 1 January 2011 (in Mboe*)

The resources shown in the following table have been evaluated by Gaffney & Cline in Nigeria, by DeGolyer and MacNaughton in Gabon, by Schlumberger in Tanzania and by GLJ in Colombia and show an evaluation of resources (net of royalties) linked to discoveries, or wells that have revealed the presence of as-yet unassessed hydrocarbons.

HYDROCARBON RESOURCES (M&P SHARE, NET OF ROYALTIES)

			Type of hydrocarbon	01/01/2011	Type of resource
GABON	ONAL	85%	Oil	25	P3
	OMKO	85%	Oil	4	P3
	OMBG	85%	Oil	14	P3
	OMGW	85%	Oil	4	P3
	OMOC-North	85%	Oil	19	P3
	OMOC	85%	Oil	26	P3
SUB-TOTAL GABON	-	-	Oil	92	P3
COLOMBIA	Sabanero	100%	Oil	33	C1+C2
	CPO-17	50%	Oil	<i>in process of evaluation</i>	-
NIGERIA	OML 4, 38, 41	20.25%	Oil + Condensate	53	C1+C2
	OML 4, 38, 41	20.25%	Gas	222 Bcf (40 Mboe)	C1+C2
TANZANIA	Mnazi Bay	38.22%	Gas	579 Bcf (103 Mboe)	P3
SICILY	Fiume Tollaro	60%	Gas	98 Mboe	P3
SUB-TOTAL	-	-	-	419 Mboe	-
TANZANIA	Bigwa Rufiji Mafia	60%	Gas	1.0 Tcf (184 Mboe) < x < 2.2 Tcf (388 Mboe)	local resources

*Mboe = Millions of barrels of oil equivalent.

P3 = possible reserves

C1+C2 (see Glossary p.119)

In Colombia, the recent discovery at Sabanero was evaluated by the independent expert GLI and allows the Group to benefit from 33 million barrels in resources. Following the positive drilling results of the first stratigraphic well under the CPO-17 exploration permit, the related resources are in the process of being evaluated.

In Nigeria, the hydrocarbon resources correspond to discovered undeveloped fields (C1+C2). A development plan for these resources is in process of being prepared. In 2011 the operator Seplat (M&P 45%) will prioritise and direct its efforts to maximise production of P1+P2 reserves by implementing the necessary works to transfer C1s to P1s and C2s to P1 and P2.

In Tanzania, the volume of local natural gas for the Mafia-Deep well was evaluated by Schlumberger to be between 1.97 and 4.15 Tcf (between 1.0 and 2.2 net of royalties as the Group's share). Additional studies will need to be carried out to determine what proportion of these resources are commercially viable. Maurel & Prom has no plans to fund such studies and is looking for a partner to do so.

None of these resources take into account the potential from future exploration activity, which the Group intends to pursue in these countries.

1.3 INVESTMENTS

1.3.1 / Main investments made during the last three years

The table below summarises the Group's capital investments in the last three years:

In € thousands	2010	2009	2008
OIL ACTIVITIES	447,883	423,348	510,727
<i>Gabon</i>	<i>172,458</i>	<i>239,720</i>	<i>260,031</i>
<i>Congo</i>	<i>27,534</i>	<i>16,008</i>	<i>6,015</i>
<i>Colombia (*)</i>	<i>52,874</i>	<i>71,355</i>	<i>159,329</i>
<i>Tanzania</i>	<i>41,345</i>	<i>68,102</i>	<i>76,121</i>
<i>Mozambique</i>	<i>546</i>	<i>10,262</i>	
<i>Venezuela</i>	<i>-</i>		<i>27</i>
<i>Peru</i>	<i>2,794</i>	<i>1,221</i>	
<i>Senegal</i>	<i>906</i>	<i>4,071</i>	<i>1,050</i>
<i>Syria</i>	<i>9,441</i>	<i>12,609</i>	<i>8,154</i>
<i>Nigeria</i>	<i>139,985</i>	<i>-</i>	<i>-</i>
<i>Sicily</i>	<i>2</i>	<i>-</i>	<i>-</i>
PETROLEUM SERVICES	23,407	15,423	27,700
OTHER ACTIVITIES	742	375	561
TOTAL	472,032	439,146	538,988

1.3.2 / Main investments in progress

Investments in progress at 31 December 2010 amounted to €9.5 million as follows:

- Work on surface facilities in Gabon in the amount of €2.0 million;
- Work to improve the power of drilling rigs owned by the subsidiary Caroil in the amount of €7.5 million.

1.3.3 / Main investments considered

Planned exploration investment for 2011 is in the region of US\$80 million. These projects may be reviewed over the course of 2011 depending on the results of studies and drilling underway at the time.

The US\$112 million investment for production and development relates mainly to Gabon in order to continue the development of the Onal field as well as to start up production in new fields under the Omoueyi permit.

Investments linked to petroleum services should amount to US\$22 million.

1.4 BORROWING AND FINANCING

1.4.1 / Borrowing terms and financing structure

Bonds

■ ISSUE OF NEW OCEANE 2015 BONDS

On 8 July 2010, the Company issued 5,511,812 OCEANE at €12.70 maturing 31 July 2015 bearing 7.125% interest, in the total amount of €70,000,000. The conversion or redemption may be carried out at any time at a rate of 1 share per bond.

The bond-based borrowing was initially entered as a financial debt at amortized cost, i.e., €64,128 million. This amortised cost was measured by discounting the future contractual cash flow at the effective interest rate of 9.292%.

The main purpose of this OCEANE issue, which is restricted to approved investors, is to help fund Seplat's acquisition of 45% of the OMLs 4, 38 and 41, in which Maurel & Prom is a 45% stakeholder.

Interest expense in the amount of €2,462 million was recognised for OCEANE 2015 at 31 December 2010.

■ OCEANE 2014

On 7 July 2009, the Company issued 19,074,519 OCEANE at €15.60 per unit, for a total gross amount of €297,562 million, of which €11,733 million represented issue costs.

The bonds pay interest of 7.125% per year (coupons

payable on 31 July each year) and will be redeemed in full at par value on 31 July 2014. The bonds can be converted or exchanged at any time at the rate of 1.02 share per bond. This bond issue has allowed OCEANE 2010 to be redeemed.

Other borrowings and financial debts

On 30 January 2009, the Company agreed a new facility with a bank consortium made up of BNP Paribas, Calyon, Natixis and Standard Bank Plc, for a maximum US\$500 million, of which US\$255 million is covered by firm commitments from these banks, secured by a pledge of the Group's Gabonese and Colombian oil reserves ("2009 Reserve Based Loan" or "RBL 2009"). This facility was renegotiated to take into consideration the sale of the company Hocol and an amendment was signed on 29 May 2009.

The size of the pledged reserves increased firm funding agreements at 31 December 2010 to US\$330 million, of which US\$300 million has been drawn down.

The use of this facility rests on covenants that need to be followed every half-year to guarantee the conditions for drawing:

- ratio of consolidated financial debt/capital resources (excluding foreign exchange impact and derivative hedge instruments) < 1;
- Current ratio >1.1, designating the ratio of current financial assets/current liabilities (excluding derivatives).

At 30 June 2010 and 31 December 2010 and at the date of this Annual Report, the Company complies with these ratios.

An additional €50 million (€37 M) line of credit from Standard Bank was drawn down in full in the third quarter of 2010.

At 31 December 2010, the Group's debt ratios were as follows:

- consolidated debt/equity: 81%
- current assets/current liabilities: 125%

Off-balance-sheet commitments are detailed in Note 25 to the consolidated financial statements appended to this Annual Report.

1.4.2 / Restrictions on the Use of Capital Having a Significant Effect on Operations

As part of RBL 2009, the Company has agreed to:

- periodically update its cash plan;
- grant no sureties or guarantees on certain assets of a Group member;
- engage in no disposals of certain oil assets of the Group on which the 2009 RBL was established,

particularly the disposal of certain oil fields located in Gabon;

- not incur any additional financial indebtedness, except for:
 - current bonds;
 - OCEANE 2014 and OCEANE 2015;
 - subordinate bonds maturing later than the 2009 Reserve Based Loan;
 - Bonds secured by assets other than the petroleum assets of the group on the basis of which the RBL 2009 was established;
 - certain intra-group borrowings;
 - other indebtedness up to US\$50 million for the Group as a whole;
- not to make loans to third parties, other than in current commercial transactions linked to its business.

1.4.3 / Sources of financing planned for the main investments considered for 2011

To finance the main investments it is considering, the Group specifically has:

- available cash of €95.4 million at 1 January 2011;
- RBL drawing rights of €30 million;
- strongly increasing 2011 cash flow from operations;
- the possibility of benefitting from the partial repayment of the shareholder advance provided by the Company to Seplat;
- reimbursement of the funds paid to guarantee the acquisition of assets in Nigeria (€125 million).

1.5 TRENDS AND OUTLOOK

1.5.1 / Events occurring after closing

1.5.1.1 / Unblocking of Seplat collateral

Seplat (M&P 45%) has entered into a US\$200 million refinancing agreement allowing it to repay the \$187 million bridge loan by BNP Paribas (first payment \$20 million at end 2010, final payment US\$167 million on 31 March 2011). At the same time, the \$167 million residual guarantee was unblocked in favour of Maurel & Prom. In addition, Seplat (M&P 45%) will use the available component of some \$30 million to partially repay the shareholder advance agreed by Maurel & Prom when buying out OML 4, 38 and 41.

1.5.1.2 / Positive result from the first stratigraphic well on the CPO 17 permit in Colombia

A stratigraphic well drilling programme was begun on the CPO 17 exploration permit (Hocol and Maurel & Prom both operators with 50% each) in Colombia. The purpose of this drilling programme is to assess various geological targets on the permit.

The first well that was drilled revealed Oligocene formation oil sands. Analyses are underway to determine the key parameters of the reservoir. Oil indices have also been observed during drilling in formations C5 and C7.

(See press release 05-11 of 22 February 2011)

1.5.1.3 / Strategic alliance with Pacific Rubiales Energy in Colombia

On 31 March 2011 Maurel & Prom announced the acquisition by Pacific Rubiales Energy of 50% of its interests in the Sabanero permit (M&P 100%), Muisca (M&P 100%), SSJN-9 (M&P 50%), CPO-17 (50%), and COR-15 (M&P 100%).

The acquisition of these permits is subject to the following conditions:

- Repayment to Maurel & Prom of the costs charged to these permits in the amount of US\$63.2 million at 31 December 2010 (estimated to be US\$ 65.4 M at 31 March 2011).
- Full assumption of future exploration activity on the Sabanero permit, with repayment from free cash flow derived from hydrocarbon production. Pacific Rubiales Energy will also provide Maurel & Prom with the necessary financing to execute its share of the development activities on this permit.
- Full assumption of future exploration activity up to US\$ 120 million on the SSJN-9, CPO-17 and Muisca permits.
- Full assumption of future exploration activity on the COR-15 permit, with repayment from free cash flow derived from hydrocarbon production. Pacific Rubiales Energy will also provide Maurel & Prom with the necessary financing to execute its share of the development activities on this permit.
- Pacific Rubiales Energy will give Maurel & Prom access to its transmission network on advantageous economic terms.
- The parties have agreed to jointly undertake, on a 50:50 basis, any potential acquisitions under the hydrocarbon permit surrounding Sabanero.

1.5.1.4 / Sale of Maurel & Prom Venezuela

The Group announces the sale to Integra of Maurel & Prom Venezuela, which holds 26.35% of Lagopetrol, in the amount of €37.5 million payable over time, corresponding to the book value of this asset in the Group's consolidated accounts.

1.5.2 / Changes in the Company's activity: known trends, uncertainties, commitments or events likely to significantly impact the outlook for the current fiscal year

In 2011 the Company will continue to invest in bringing into production positive wells revealed in the Onal region of Gabon and to capitalise on the fields discovered in Gabon and Colombia.

Integration of Nigerian assets will also be among the challenges in 2011 through the exploitation of reserves linked to developed and undeveloped fields.

1.5.2.1 / Production

In 2011, the Group's hydrocarbon production will come from assets in Gabon and Nigeria.

In Gabon, the Group should bring the North Morocco field into production once the surface facilities have been built.

1.5.2.2 / Sales

The Group sales target for oil and gas production is €518 million (US\$721 million) excluding hedges, with petroleum services contributing a further €93 million (US\$130 million). These targets are based on actual results at the end of March and a scenario for Brent of US\$75 for the rest of 2011 and the €/US\$ exchange rate at 1.30.

1.6 LARGE CONTRACTS

On 30 January 2009 the Company concluded an RBL financing contract with a banking pool, whose terms and conditions are described in paragraph 1.4.1 and 1.4.2 of this document.

In Gabon the Group, through its subsidiary Maurel & Prom Gabon, maintains a major direct customer relationship only with Socap International Ltd, a subsidiary of the Total group. Socap extracts and sells crude oil from the Onal field in Gabon. Given Socap's credit rating, the Company considers there is no customer risk.

In Nigeria the Group, through Seplat, has only one major relationship which is with Shell trading. Given Shell's credit rating, the Company considers there is no customer risk.

Apart from these contracts and others signed in the course of its normal activities, the Company has not entered into any significant agreements.

1.7 FINANCIAL INFORMATION

1.7.1 / Historical financial information

The management report, the consolidated and the annual financial statements for the years ended 31 December 2008 and 31 December 2009, including the Statutory Auditors' reports on these latter, appear, respectively, in the Annual Reports filed on 30 April 2009 with the French Financial Markets Authority (AMF) under number D.09-0368 and on 16 April 2010 under number D.10-0274, which are incorporated by reference in this Annual Report.

1.7.2 / Verification of historical financial information

For verifications of historical financial information, please see the Statutory Auditors' reports on the individual corporate statements and the consolidated statements appearing in the Notes to this Annual Report and the previous Annual Reports mentioned in paragraph 1.7.1 above.

1.7.3 / Other information appearing in the Annual Report, verified by the statutory auditors

The Statutory Auditor's reports on the report of the Chairman of the Board of Directors and the regulated agreements are shown in the Notes.

2

RISK FACTORS

2.1	Risks linked to the group's oil and gas exploration and production activities	47
2.1.1	Risks relating to the regulatory procedure for obtaining some permits	47
2.1.2	Risks linked to the evaluation of reserves	47
2.1.3	Risks linked to exploration and to renewal of reserves	47
2.1.4	Risks linked to hydrocarbon production capacity	48
2.1.5	Political risk	48
2.1.6	Risks linked to competition	48
2.1.7	Industrial and environmental risks	48
2.1.8	Risks related to the possible dependence of the Maurel & Prom Group on customers, suppliers or subcontractors	51
2.2	Financial risks	51
2.2.1	Risk of fluctuations in hydrocarbon prices	51
2.2.2	Change risk	53
2.2.3	Liquidity risks	55
2.2.4	Interest rate risk	56
2.2.5	Share risk	56
2.2.6	Counterparty risk	56
2.3	Legal risks	56
2.3.1	Legal risks associated with the hydrocarbons sector	56
2.3.2	Risk linked to unresolved disputes	57
2.3.3	Risks linked to claims not covered by insurance	57
2.4	Insurance	57

RISK FACTORS

Hydrocarbon exploration and production require major investment and are accompanied by a high risk of loss of the capital invested mainly due to the associated geological, economic, legal or political risks described below. In addition to the risks specific to the oil industry, the risks relating to the Group's own industrial and commercial activity must be added.

Consequently, investors (before deciding to invest) and shareholders are invited to examine all the information contained in this Annual Report including the risks described below. If they arise, these are the risks that, at the date of filing this Annual Report, could have a significant negative effect on the Group, its business, financial situation and/or performance, and that are important for making investment decisions.

2.1 RISKS LINKED TO THE GROUP'S OIL AND GAS EXPLORATION AND PRODUCTION ACTIVITIES

2.1.1 / Risks relating to the regulatory procedure for obtaining some permits

The Group's oil and gas exploration and operation business is subject to the various regulations that apply in this sector (Oil Code, law on oil and gas exploitation) in each of the countries in which the Group operates this business, particularly as regards the granting of mining rights or the obligations concerning minimum work programmes.

The context of the oil and gas activities, particularly production sharing procedures, operational decisions, posting and limiting of oil costs, certain tax issues in connection with operations and rules of cooperation between the Group and its partners who hold oil or gas exploration or operating permits, on the one hand, and the host country, on the other hand, is generally defined in a Production Sharing Contract concluded between these parties and the Oil Minister of the host country.

In addition, a "Partnership Agreement" (or "JOA") generally defines the relationship between the parties other than the host government.

In addition to the PSCs, permits are granted by the host government that authorises the Group to carry out its hydrocarbon exploration and production activities. The duration of these permits is limited in time with renewal periods and they include obligations regarding surface area rehabilitation during the exploration period.

The impact on the conditions for the use of petroleum permits, from a downturn in the political or economic situation or more rigorous regulations or conditions for obtaining permits in one or more of the countries in which the Group currently holds oil exploration or operating permits is a risk that is difficult to assess.

2.1.2 / Risks linked to the evaluation of reserves

Reserves on 1 January 2011, presented in paragraph 1.2 of this document have been certified or evaluated by external certifiers on the basis of economic conditions and using existing geological and engineering data to estimate quantities of hydrocarbons that can be produced. The evaluation process involves subjective judgments and may need to be re-evaluated in the future according to advances in the knowledge of strata.

2.1.3 / Risks linked to exploration and to renewal of reserves

Exploration activity that relies on the discovery and extraction of hydrocarbons requires major commitment to preliminary operations. Geological and seismic analyses are thus preliminary to exploration drilling. Operations of this type make it possible to decide on the location of exploration drilling, to transition to the production start-up phase or to decide whether to pursue exploration. At the time these operations are launched, there are still numerous uncertainties about the quality of hydrocarbons and the feasibility of their extraction.

The hydrocarbons sought when obtaining permits and during drilling operations may be absent or inadequate in their quantity to be economically exploitable.

Consequently, the many uncertainties that remain in the exploration phase mean that the Group cannot ensure that the investments committed will be profitable enough.

In addition, knowledge of reserves can sometimes be unpredictable and only be known gradually in the course of the exploration. Finally, the practical conditions of the exploration and its costs may vary during the phase of exploration for reserves.

It is thus impossible to guarantee that new oil or gas resources will be discovered in adequate quantities to replace existing reserves or to allow the Group to recover all the capital invested in exploration activities and ensure the profitability of the investments made.

In order to limit the technical risks in exploration, exploration programmes are validated upstream based on technical criteria before being submitted to the Board of Directors for approval. The Group's

exploration schedule is also sent to shareholders twice a year and the results of any exploration well are released to the media as soon as they are known.

2.1.4 / Risks linked to hydrocarbon production capacity

When the estimate of reserves and the economic analysis justify development of a discovery, the reserves may, during production, turn out to be less than those forecast, and thus compromise the economics of the operation.

In addition, developing a hydrocarbon production field requires significant investments to build facilities and drill or inject wells and to implement advanced technologies to extract and produce, over the duration of the permit and generally lasting several decades, hydrocarbons with complex properties.

Making these investments and implementing these technologies under generally difficult conditions can result in uncertainties about the amount of the investments necessary and the operating costs, and have a negative impact that lowers the expected results.

Lastly, the Group's oil or gas production may be restricted, delayed or cancelled due to a number of factors inside or outside the Group, among which are malfunctions of production facilities or discharge of hydrocarbons, administrative delays particularly in the approval of development projects in host countries, shortages, delays in the delivery of equipment and materials and adverse weather conditions. Such factors may have an impact on the Group's cash flow and results.

In order to limit the risks of underestimating investments or production costs and avoid delays in completion:

- All development projects are validated in technical and financial terms before being submitted to the Board for approval.
- Dedicated teams have been put into place for each major project.
- Risks are continuously assessed on the basis of technical and financial reports and indicators to measure how effectively projects are progressing.

2.1.5 / Political risk

Part of the Group's activities and hydrocarbon reserves are in countries that may in some cases be considered to present risks of political or economic instability. In one or more of these countries, the Group could in the future face risks such as the expropriation or nationalization of its assets, the breaching or renegotiation of Production Sharing Contracts (PSCs), exchange control restrictions, losses due to armed conflict or terrorist action, or other problems arising from those countries' political or economic instability.

In order to limit political risks, the Group diversifies its exploration and production programmes across multiple countries and within those countries the Group strives to maintain a discreet presence by emphasising its skills. Moreover, in some of these countries the Group depends on the experience and practical knowledge of the oil operators of its local partners who are well established and who enjoy an excellent reputation both ethically and professionally.

2.1.6 / Risks linked to competition

The Group faces competition from other oil companies to acquire rights on oil permits for the exploration or production of hydrocarbons. Due to its positioning and its size, the main competitors of the Group are "junior" or "mid-size" oil companies.

In order to limit the risk of competition in obtaining permits, the Group maintains, in accordance with practice in the oil sector, partnerships with other "junior" and "mid-size" oil companies.

2.1.7 / Industrial and environmental risks

The group faces industrial and environmental risks that are specific to the oil and gas industry. Among these risks are eruptions of crude oil or natural gas, cave-ins of well heads, spills or leaks of hydrocarbons leading to toxic risks, fires or explosions.

All these events are capable of damaging or destroying the hydrocarbon wells in production, as well as the surrounding facilities, endangering human lives or property, and leading to interruption of business, causing environmental damage with certain direct consequences for the health and economic lives of nearby communities.

In order to limit the industrial and environmental risks, the Group has put in place an HSE policy (Hygiene, Safety, Environment) described in Chapter 6. The Group is also hedging against certain risks by subscribing to specific insurance policies (cf. paragraph 2.4 below).

In its oil business activities, Maurel & Prom Group pays constant attention to preventing industrial and environmental risks and takes the utmost care to respect the regulatory requirements of the countries in which it operates.

It also constantly monitors the legal and regulatory, national and international trends concerning industrial and environmental risks. Maurel & Prom is also constantly seeking to improve its safety, security and risk prevention resources on the production sites.

Systematic impact studies

Pursuant to applicable regulations in the countries where the Group operates, Maurel & Prom carries out systematic impact studies before starting any specific work and examines and assesses the safety risks and the impact on the environment. In order to identify, quantify and prevent the onset of such risks, Maurel & Prom relies on its own expertise as well as on external experts approved by the governments of the countries involved.

Approval of surface installations

Maurel & Prom seeks to obtain the competent ministry's safety approval for surface installations. This approval may also be required by Maurel & Prom's insurers and/or by the local government (civil security).

Approval and permission to install pipelines

In compliance with the host country's regulations, the Maurel & Prom Group carries out the preliminary studies necessary to obtain the authorisations and approvals needed to install pipelines to route the hydrocarbons that have been produced.

Standards

In its drilling operations, Maurel & Prom applies API (American Petroleum Institute) standards. The production installations are designed according to the recommendations of American insurance companies (GE GAP Guidelines), and its systems and equipment comply with French and international standards for the matters involved (API, ISO, ASME, NF, etc.). Maurel & Prom is also governed by radio and satellite communication standards and obtains the authorisations required in the host country.

Safety procedures

Maurel & Prom has developed an HSE management system to implement a decentralised Health, Safety and Environment policy based on rules recognised by the international Oil and Gas Producers Association (OGP). A Group-wide reference manual has been developed to enable each subsidiary to set its own HSE rules and its main operating subsidiaries to assemble their own in-house HSE expertise. Maurel & Prom employees benefit from an HSE awareness and training policy involving constant improvement of safety and prevention of risks. The Group is constantly making improvements in terms of prevention of industrial and environmental hazards. It strives to develop its oil business while improving the management and operating rules concerning the safety of persons, facilities and intellectual property.

Site remediation

Maurel & Prom has a policy of restoring exploration sites (dry wells) to their original state once operations are completed. In addition, because of the nature of its business, the Maurel & Prom Group will normally be required to bear the costs of restoring sites that have been affected by operations and oil transportation equipment. Every year the Company evaluates and if necessary updates the provisions it has constituted to cover the future costs of dismantling and restoring the sites.

2.1.8 / Risks related to the possible dependence of the Maurel & Prom Group on customers, suppliers or subcontractors

The Group, not having its own marketing structure, has entered into agreements with firms that specialise in that area.

The Group believes it runs no counterparty risk as its production is sold to leading oil Groups such as Socap (Total Group) in Gabon and Shell Trading in Nigeria. However, the evacuation of Gabon production is dependent on the proper functioning of the Total facilities.

In Venezuela, in common with all oil operators, production is sold to PDVSA (Venezuela's National Oil Company), which is also the largest shareholder in the Lagopetrol joint-venture in with which the M&P Group is associated.

Matters relating to personnel on the rigs operated by Caroil are handled by a company specialising in supplying the technical skills required in the gas, oil and drilling industry. Staff are interchangeable and may be seconded to similar companies in the industry.

Caroil is currently a service provider for Eni Congo S.A.

The table below shows the Group's share of the revenue earned from the Group's top customer and top five customers:

	2010	2009	2008
<i>Top customer as percentage of total sales</i>	65%	55%	70%
<i>Top five customers as percentage of total sales</i>	94%	96%	86%

The following table shows the Group's share of Purchases and capital outlays to its top supplier, top five suppliers and top ten suppliers:

	2010	2009	2008
<i>Top supplier as percentage of total purchases and capital outlays</i>	10%	3%	9%
<i>Top five suppliers as percentage of total purchases and capital outlays</i>	28%	18%	32%
<i>Top ten suppliers as percentage of total purchases and capital outlays</i>	38%	30%	39%

2.2 FINANCIAL RISKS

2.2.1 / Risk of fluctuations in hydrocarbon prices

The economy and in particular the profitability of the oil and gas industry are very sensitive to the price of hydrocarbons expressed in US dollars.

The Group's cash flow and future results are strongly impacted by the change in the price of hydrocarbons expressed in US dollars.

In order to limit the risk of exposure to fluctuations in oil and gas prices, the Group has a policy to hedge a portion of its future production against any decrease in prices, using financial instruments adapted to its size and its production, thus taking advantage of any rise in these decreases on the non-hedged part of production. This hedging policy is part of the management of bank credit lines made available to the Group.

Hedging transactions

To cover risks involving commodities, Maurel & Prom has implemented a cash-flow hedge on the quality of Brent, taking into account its hydrocarbon production in Gabon. This situation is as follows:

PORTFOLIO OF HEDGING INSTRUMENTS AS OF 31/12/10:

Type of contract	Accounting treatment	Start date	Expiry date	Selling price	Quality	MTM Dec-10 (in €m)	bbl/d			
							2010	2011	2012	2013
Sell swap	hedge	12/11/08	30/06/10	71.00	Brent	0.0				
Sell swap	hedge	15/12/08	31/12/10	63.40	Brent	-0.3	500			
Sell swap	hedge	19/12/08	31/12/10	57.00	Brent	-0.8	1,000			
Sell swap	hedge	20/12/09	31/12/10	58.80	Brent	-1.7	2,250			
Sell swap	hedge	22/12/08	31/12/10	55.00	Brent	-0.4	500			
Sell swap	hedge	08/01/09	31/12/11	62.00	Brent	-4.9	500	500		
Sell swap	hedge	13/05/09	31/12/11	6215	Brent	-19.3	2,000	2,000		
Sell swap	hedge	22/10/10	31/12/12	85.75	Brent	-1.1		500	500	
Sell swaption	trade	22/10/10	31/12/11	91.00	Brent	-1.1				
Asian put sell	trade	22/10/10	31/12/13	59.00	Brent					
Buy call option	trade	22/10/10	31/12/13	80.70	Brent					
Sell call option	trade	22/10/10	31/12/13	100.00	Brent	3.9				
Sell swap	hedge	22/10/10	31/12/13	86.68	Brent	-5.9		500	500	500
Sell put option*	trade	09/11/10	31/12/12	59.00	Brent					
Put sell option*	trade	09/11/10	31/12/12	80.00	Brent	-0.7			500	
Buy put option*	trade	09/11/10	31/12/12	110.00	Brent					
Buy put option*	trade	09/11/10	31/12/12	143.00	Brent					
Sell put option	trade	12/11/08	30/06/10	50.00	Brent	0.0	750			
Sell put option	trade	19/11/08	31/12/10	50.00	Brent	0.0				
Buy call option	trade	06/11/09	31/12/10	140.00	Brent	-0.0				
Volumes hedged							7,500	3,500	1,500	500
Average hedge price (in \$)							60	69	84	87
MTM portfolio						-32.3	-32.3			

Type of commitments

Two main types of derivatives are used to reduce exposure to exchange rate fluctuations:

- “swaps” of sales of Crude (“sell swaps”) for a given volume and over a given period at a given sale price per barrel;
- sophisticated instruments that combine sell swaps and options to set the selling price per barrel while benefitting to a certain degree from a rising market.

Although these instruments are used for hedging purposes and have similar characteristics to options that are treated as derivatives, they may not be fully eligible to be recognised as hedge instruments under IFRS. For this reason, the portfolio includes hedge derivatives that IFRS accounting principles treat as trading instruments.

The hedges set up in late 2008 and early 2009 as part of the start up of production in Gabon, representing 8,750 barrels a day in 2009, 7,500 barrels a day in the first half of 2010 and 6,750 barrels in the second half of 2010, have for the most part expired. Only two derivatives have been set up to replace them for 2011, hedging 2,500 barrels a day.

In view of the ramp-up in Gabon production and the integration of Nigerian production, new hedges were put in place in late 2010. The additional volumes hedged are marginal: 1,000 barrels a day in 2011, 1,500 in 2012 (of which 1,000 are classifiable as hedge instruments for accounting purposes) and 500 in 2013.

Authorisation and tracking of commitments

The transactions are implemented in accordance with the decisions of the Chairman and Chief Executive Officer and are confirmed by the two required signatories, the Chairman & CEO and the Chief Financial & Administrative Officer of the Group. Reporting, which is updated after each transaction, allows the structure of the positions to be checked. The transactions are recorded in the Group’s systems by the Treasury Department and confirmed by the Accounting Department.

Analysis of sensitivity of oil derivatives portfolio at 31 December 2010

The accounting treatment applicable to cash flow hedges can be summarised as follows:

- the instruments are initially recognised at fair value;
- at accounts closing date, the change in fair value corresponding to the effective portion of the hedge is recognised as recyclable equity capital; the change in fair value corresponding to the ineffective portion is recognised in expenses and financial income;
- the change in fair value recognised as equity is recycled through income (other operating expenses and income) either when the hedged element impacts earnings, or when the hedge agreement expires.

The fair value of the instruments contracted by the Group is measured by independent external appraisers.

As these are trading transactions, liquidations at expiry as well as changes in the fair value of current operations are recognised with a counterpart in financial income.

The Company has evaluated the impact of a +/- 10% change in the current price of Brent for the volumes involved, until the expiry of the portfolio. The potential impact of a movement in forward curves, on the value of derivative instruments posted at 31 December 2010, measured in accordance with IFRS 7, is:

- a €29.3 million decline in equity capital in the event of a 10% upward price movement;
- a €28.8 million increase in equity capital in the event of a 10% downward price movement.

The table below shows the sensitivity of derivatives in the portfolio to fluctuations in the price of Brent in 2010 and 2011.

(in € million)	2010		2011	
	Impact Earnings	Impact Shareholders' equity	Impact Earnings	Impact Shareholders' equity
<i>Price reduction scenario (-10%)</i>				
<i>Cash Flow Hedge contracts</i>	15.7	28.8	8.7	9.2
<i>Fair Value Hedge contracts</i>				
<i>Contracts not allocated (trading)</i>	-1.0	-1.0		
<i>Price increase scenario (+10%)</i>				
<i>Cash Flow Hedge contracts</i>	-15.7	-29.3	-8.7	-9.2
<i>Fair Value Hedge contracts</i>				
<i>Contracts not allocated (trading)</i>	0.5	0.5		

2.2.2 Foreign exchange risk

Although the Group's reporting currency is the euro, its operating currency is the US dollar since sales, the major portion of operating expenses and a significant part of investments, are denominated in this currency.

Consequently, the Group's accounts are highly sensitive to movements in the €/US\$ exchange rate.

The impact on 2010 earnings and equity capital of a 10% movement upward or downward in the €/US\$ exchange rate is shown below (in €M):

	Impact on pre-tax income		Translation impact (on equity capital)	
	10% rise in €/US\$ parity	10% decline in €/US\$ parity	10% rise in €/US\$ parity	10% decline in €/US\$ parity
US\$	-80.3	65.1	-32.2	39.3
TOTAL	-80.3	65.1	-32.2	39.3

In order to limit its exposure to exchange risk, the Company from time to time uses hedging strategies that use derivative instruments (currency futures transactions and foreign exchange options) and maintains a portion of its cash and cash equivalents in

US dollars in order to finance foreseeable investment expenses in US dollars.

There is no foreign exchange hedging as of 31 December 2010.

The Group's foreign exchange position (in thousands of US dollars) at 31 December 2010 was as follows:

	Assets and liabilities	Commitments in currencies	Net position before hedge	Financial hedge instruments	Net position after hedge
Trade receivables and payables	6	-	6	-	6
Non-current financial assets	185	-	185	-	185
Other current assets	-	-	0	-	0
Derivative instruments	-44	-	-44	-	-44
Other creditors and liabilities	722	-	722	-	722
Cash and cash equivalents	87	-	87	-	87
US\$ EXPOSURE (IN \$M)	957	0	957	0	957

BREAKDOWN OF FINANCIAL LIABILITIES BY CONTRACTUAL MATURITY

In € million	31/12/2010	2011		2012	
		interest	nominal	interest	nominal
<i>Bonds</i>	368		26		26
<i>Other borrowings and financial debts</i>	339	9	129	6	97
<i>Derivative instruments</i>	44		30		14
<i>Other</i>	33		33		
TOTAL	785	9	185	6	138

Exchange rate risk is disclosed in detail in Note 27 to the financial statements in the 2010 Annual Report.

2.2.3 / Liquidity risks

In common with all industrial and commercial activities, the Group is exposed to a risk of insufficient liquidity or to a risk that its financial strategy is inadequate.

To confront this risk, the Group maintains a balance between debt and treasury funds on the one hand, and indebtedness and its ability to repay on the other, in compliance with ratios that are usually considered cautious. The financing options are reviewed and validated by the Board of Directors, the Group's treasury is centralised and the sources of financing are diversified.

A report on the financing lines available at 31 December 2010 and the main covenants is shown in Note 15 to the consolidated financial statements for the period ended 31 December 2010. A summary of the financing statement is shown in paragraph 1.4.1.

Given the volatility of commodity prices and exchange rates, the Group's budget is updated semi-annually and cash-flow simulations that incorporate adverse changes are sent at least monthly, and whenever requested by the Group's Management.

Group debt ratios at 31 December 2010 were as follows:

- consolidated debt/equity: 81%;
- current assets/current liabilities: 125%.

Breakdown of financial liabilities by contractual maturity is shown in the table below:

2013		2014		2015	
interest	nominal	interest	nominal	interest	nominal
	26	26	298	5	70
2	75		38	0	0
2	101	26	336	5	70

2.2.4 / Interest rate risk

The Group's borrowing terms and the financing structure are detailed in Section 1.4.1 of this Annual Report.

Like all companies that use external financing lines and investment of available cash, the Group is exposed to interest rate risk.

Group debt at 31 December 2010 was €678.8 million and consisted of two OCEANE fixed-rate convertible bond issues totalling €342.9 million. Variable-rate borrowing which amounted to €332 million consisted mainly of the RBL (€225 million). A 1% rise in interest rates would entail an additional €3 million interest expense over a year.

Guarantees (BNP collateral and commitments on works in Colombia) are repaid at fixed rate. Given its short-term cash investments at 31 December 2010, a 1% movement in interest rates upwards or downwards would have no material impact on income.

Interest rate risk is disclosed in Note 27 to the consolidated financial statements of the 2010 Annual Report.

2.2.5 / Share risk

Successive plans to buy back treasury shares have been in place since 12 January 2005. The Company held 6,363,052 treasury shares at 31 December 2010.

The book value of the treasury shares held at 31 December 2010 was €81.5 million although they had a market value of €67.1 million. This variance, which had no impact on Group consolidated income, was accommodated by a provision for the purpose.

A decrease of 10% in the value of these securities would have a negative impact of €7 million on the Company earnings.

In view of the above, the Company does not consider itself in share risk and therefore does not presently have any specific hedging instrument.

2.2.6 / Counterparty risk

The Group is exposed to counterparty risk with respect to:

- loans and debt securities granted to customers and other third parties as part of operating activities;
- transactions for investment, hedges and financing made in banking or financial establishments;

The Company estimates that the first risk is limited to the extent that the Group's customers are generally internationally-known oil companies, recognised independents or national operators with whom the Group has had business relations for a long time. When this is not the case, the Group conducts an in-depth examination of the solvency of its counterparties.

As part of its activities that may be conducted through partnerships, the Group applies a rigorous selection policy for its partners.

In addition, Caroil continues its policy of diversifying its customer base and, as at 31 December 2010, has achieved 70% of its business outside the Group with customers that are mainly international oil groups.

The Company deems that the second risk is also limited to the extent that the Group's significant financial transactions are only handled by several leading banking and financial establishments. No counterparty problem was encountered in the year 2010.

2.3 LEGAL RISKS

2.3.1 / Legal risks associated with the hydrocarbons sector

The Group's oil and gas exploration and operating activity is strictly governed by the different regulations applicable to this sector (Oil Code, law on oil and gas exploitation) in each of the countries in which the Group conducts its activity, particularly with respect to the allocation of mining rights, the durations and legal conditions of operations, which focus on the obligations for minimum work programmes, and if any, the contractual procedures for sharing production (PSCs).

The oil and gas sector often represents a significant economic weight in the countries in which the Group operates, and it may be subject to payment of royalties, higher taxes and duties than other economic sectors.

A negative change in the political or economic situation, a tightening of oil or tax regulations, or of the conditions for obtaining or using permits in one or more countries in which the Group today holds oil exploration or operating permits, presents a risk that is difficult to evaluate in terms of its impact on the Group's activity and on the valuation and the profitability of the potentially concerned assets.

To limit the legal and tax risks linked to the oil sector, the Group is trying to establish adequate relations with local governments and the communities in the countries in which it operates.

2.3.2 / Risk linked to unresolved disputes

The Maurel & Prom Group is involved in various procedures and claims in the course of its ordinary business. The Group's disputes and the risks of dispute of which it is aware are set out in paragraph 8.2.

2.3.3 / Risks linked to claims not covered by insurance

In addition to traditional risk coverage insurance, the group subscribes to insurance contracts that are specific to its business and to the nature and location of its assets. The policy for risk insurance coverage is detailed in paragraph 2.4 below.

The Group deems that the coverages from the subscribed policies are reasonably suited to the risks incurred by the ongoing activities of the Group. Discontinuity in the drilling operations (Caroil) or hydrocarbon production in a field or a country for whatever reason is not covered by insurance for loss of operations.

2.4 INSURANCE

The Group subscribes to the following kinds of insurance:

- civil liability of the Directors and officers;
- fire, storm, natural catastrophe, water damage;
- theft and vandalism, broken glass;
- civil liability insurance for offices not including professional civil liability, basic legal protection.

In addition to traditional risk coverage insurance, the group subscribes to insurance contracts that are specific to its business and to the nature and location of its assets.

Insurance policies related to the exploration and production activity cover the following:

- risks for damage to oil facilities, including the pipeline network and drilling rigs that are reimbursed up to their declared value, risks of real losses of assets that are covered up to their replacement value and risks of pollution linked to drilling operations; and
- risks of civil and general liability up to US\$50 million per claim.

In addition to this coverage on the hydrocarbon exploration and production activity, the Group has subscribed to a “worksites all risk” insurance contract that covers the risks related to the construction of production facilities at the Onal field in Gabon. The total annual amount of insurance premiums paid by the Group is in the region of €3.07 million for the period from 1 June 2010 to 30 June 2011, based on a €/US\$ parity of 1.35.

To date, the Company has decided to not acquire any insurance coverage for loss of production.

As part of its oil exploration, production and development work, the Maurel & Prom group is at risk of causing environmental damage resulting, for example, from collapses, eruptions, spills, leaks, fires and/or explosions of oil wells and surrounding facilities. Such damage is covered by insurance contracts, as part of an “Energy Package” insurance contract. Such contracts, signed with subcontractors and service providers that Maurel & Prom uses, also contain, payable by these subcontractors and service providers, an obligation to insure in an amount that allows them to cover their civil liability under the contract in question.

3 CORPORATE GOVERNANCE

*(Chairman's report pursuant to Article 225-37 of the French Commercial Code)
This report was approved by the Board of Directors on 31 March 2010.*

3.1	Statement on corporate governance	59
3.2	Administration and management of Maurel & Prom	59
3.2.1	Administration, executive management and management structures	59
3.2.1.1	Composition of the Board of Directors, executive management and management	59
3.2.1.1.1	Board of Directors and executive management	59
3.2.1.1.2	Observer	63
3.2.1.1.3	Management	63
3.2.1.1.4	Other information	63
3.2.1.2	List of positions and duties performed by the members of the Board of Directors and the executive managers in other companies in the five last years	64
3.2.1.3	Potential conflicts of interest	67
3.2.2	Functioning of administrative and management bodies	68
3.2.2.1	Relations of the members of the Board of Directors and company management	68
3.2.2.1.1	Securities transactions	68
3.2.2.1.2	Contracts with the issuer or its subsidiaries providing for the granting of benefits under the terms of such contracts	69
3.2.2.2	Organisation and functioning of the Board of Directors	69
3.2.2.2.1	Presentation of the Board of Directors	69
3.2.2.2.2	Chairmanship and convening of the Board of Directors	71
3.2.2.2.3	Deliberations	72
3.2.2.2.4	Missions of the Board of Directors	73
3.2.2.2.5	Nature of information provided to members of the Board of Directors for the preparation of work	73
3.2.2.2.6	Assessment of the Board of Directors	74
3.2.2.3	Compensation and benefits of all types given to corporate officers	74
3.2.2.3.1	Non-managing corporate officers	74
3.2.2.3.2	Corporate managing officers	74
3.2.3	Compensation and benefits of all types given to corporate officers	76
3.2.3.1	Non-managing corporate officers	76
3.2.3.2	Corporate managing officers	76
3.2.3.2.1	Compensation of the Chairman and Chief Executive Officer	76
3.2.3.2.2	Board of Directors	79
3.2.3.2.3	Stock-options and bonus shares	80
3.2.3.3	Capital ownership of corporate officers	81
3.3	Internal control and risk management	81
3.3.1	Internal control and risk management procedures	81
3.3.1.1	Definition and objectives	81
3.3.1.2	Organisation of internal control	81
3.3.1.3	Risk management	82
3.3.1.4	Implementation	82
3.3.1.5	Supervision of the internal control procedures	83
3.3.1.5.1	The Board of Directors	83
3.3.1.5.2	The Audit Committee	83
3.3.1.5.3	Executive management	84
3.3.1.5.4	Internal controllers	84
3.3.1.5.5	Statutory Auditors	84
3.3.1.5.6	2010 accomplishments and 2011 prospects	84
3.4	Rules for admission and for convening annual and extraordinary general meetings of shareholders	85
3.4.1	Invitations to General Meetings	85
3.4.2	Access and participation of shareholders in General Meetings	85

CORPORATE GOVERNANCE

3.1 STATEMENT ON CORPORATE GOVERNANCE

The Company confirmed that the AFEP/MEDEF Code that the Company voluntarily complies with in the sense of Article L. 225-37 of the French Commercial Code.

3.2 ADMINISTRATION AND MANAGEMENT OF MAUREL & PROM

3.2.1 / Administration, executive management and management structures

Jean-François Hénin's role as Chairman of the Board of Directors and Chief Executive Officer was renewed on 20 May 2010.

3.2.1.1 / Composition of the Board of Directors, executive management and management

3.2.1.1.1 / Board of Directors and executive management

The Board of Directors is composed of at least three members and at most twelve members, appointed by the Ordinary General Shareholders' Meeting, barring legal exception in the case of mergers. The members of the Board of Directors may be re-elected.

The number of members of the Board of Directors over age seventy cannot exceed one-third of the active members.

The General Meeting of 20 May 2010, under Resolutions 6, 7 and 8, renewed the mandates of Board members Jean-François Hénin, Roland d'Hauteville and Emmanuel de Marion for a further three years.

It also ratified, under Resolution 9, the appointment by the Board of Directors on 31 March 2010 of Ambroise Bryant Chukwueloka Orjiako to replace Alain Gomez who resigned, for the remainder of Mr Gomez's term, which is until the Ordinary General Meeting called to approve the financial statements for the year ending 31 December 2011.

Lastly, at its meeting of 20 May 2010 the Board of Directors coopted Ms Nathalie Delapalme to replace the company Financière de Rosario which had resigned its position. The General Meeting will be asked to ratify the cooptation of Ms Delapalme on 12 May 2011. As the mandate of her predecessor expires at the General Meeting called to approve the 2010 financial statements, the Meeting will be asked to renew her mandate for a term of three years, until the General Meeting called to approve the financial statements for the year ending 31 December 2013.

The Company's Board of Directors at 31 December 2010 consisted of:

Members of the Board	Date of election	Expiration of term	Positions
Jean-François Hénin	20 May 2010	General Meeting called to approve the financial statements for 2012	Chairman and Chief Executive Officer
Gérard Andreck	18 June 2009	General Meeting called to approve the financial statements for 2011	Vice Chairman
Christian Bellon de Chassy	12 June 2008	General Meeting called to approve the financial statements for 2010	Director
Roman Gozalo	12 June 2008	General Meeting called to approve the financial statements for 2010	Director
Nathalie Delapalme (*)	Coopted by the Board on 20 May 2010	General Meeting called to approve the financial statements for 2010	Director

Members of the Board	Date of election	Expiration of term	Positions
Ambroise Bryant Chukwueloka Orjiako	20 May 2010	General Meeting called to approve the financial statements for 2011	Director
Roland d'Hauteville	20 May 2010	General Meeting called to approve the financial statements for 2012	Director
Emmanuel de Marion de Glatigny	20 May 2010	General Meeting called to approve the financial statements for 2012	Director
Alexandre Vilgrain	18 June 2009	General Meeting called to approve the financial statements for 2011	Director

(*) As the company *Financière de Rosario* had resigned its directorship at the close of the General Meeting of 20 May 2010, the Board of Directors meeting immediately following this Meeting coopted Ms Delapalme to replace it.

Jean-François Hénin, 66 years old

Maurel & Prom
12, rue Volney
75002 Paris

Mr Hénin was Chief Executive Officer of Thomson CSF Finance, then of Altus until May 1993. Mr Hénin was then President and Chief Executive Officer of the company *Electricité et Eaux de Madagascar* between 1994 and 2000. Since that date, he has worked as managing director of Maurel & Prom, then as Chairman of the management board since the transformation of the Company into a *société anonyme* at the end of 2004.

Mr Hénin was appointed Chairman of the Board of Directors on 14 June 2007, at the close of General Meeting that approved the transformation of the Company into a *société anonyme* (public limited company) with a board of directors. His mandate as director was renewed by the General Meeting of 20 May 2010 for a further three years, until the General Meeting called to approve the financial statements for the year ending 31 December 2012. At the same time the Board of Directors at its meeting immediately following the General Meeting of 20 May 2010 appointed Mr Hénin as Chairman and Chief Executive Officer.

Prior to the change in the Company's management model, Jean-François Hénin was Chairman of the management board beginning 28 December 2004.

Prior to the transformation of Maurel & Prom into a *société anonyme* with a management board and supervisory board, Jean-François Hénin was managing director of Maurel & Prom (in the form of a partnership limited by shares until 2004) and Chairman and Chief Executive Officer of the company *Aréopage*, managing director and partner of Maurel & Prom (in the form of a partnership).

Hénin also performs leadership functions in the Group, as described in paragraph 3.2.1.2 of this Annual Report.

Emmanuel de Marion de Glatigny, 64 years old

Maurel & Prom
12, rue Volney
75002 Paris

Marion de Glatigny has been a member of the Board of Directors since the General Meeting of 14 June 2007. His mandate, which expired at the end of the General Meeting called to approve the 2009 financial statements, was renewed on 20 May 2010 for a period of three years until the close of the General Meeting called to approve the financial statements for the year ending 31 December 2012.

Prior to that he was member and vice chairman of the supervisory board of Maurel & Prom. He was appointed for the first time on 19 June 2001 as member of the supervisory board of Maurel & Prom (then a partnership limited by shares).

Mr Marion de Glatigny developed his management expertise through his work as an officer in an insurance company and also during his terms as member on supervisory boards and boards of directors since 1984.

Roland d'Hauteville, 68 years old

Maurel & Prom
12, rue Volney
75002 Paris

Mr d'Hauteville has been a member of the Board of Directors since the General Meeting of 14 June 2007. His initial mandate, which expired at the end of fiscal year 2009, was renewed on 20 May 2010 for a period of three years until the close of the General Meeting called to approve the financial statements for the year ending 31 December 2012.

In May 2006, Mr d'Hauteville was coopted as a member of the supervisory board of Maurel & Prom.

Most of Mr d'Hauteville's career has been in banking and finance. After the HEC (1964) and military service as a teacher in Madagascar, he entered the First National City Bank in Paris and later joined the Banque Commerciale de Paris, which would merge with the Banque Vernes in 1971. He stayed in this establishment for 17 years, where he held the position of Director of Finances. In 1985, he founded the Banque de Financement et de Trésorerie (BFT) where he served as Chief Executive Officer until 1990, when it was taken over by Crédit Agricole. He then became Chief Executive Officer of Banque Elkann, and subsequently of the brokerage company Leven, before becoming advisor to the Chairman of Cyril Finance.

He is now Chairman of Compagnie Financiere Internationale Privee (COFIP SAS), a Board Member of Banque Michel Inchauspe (BaMI), and of Panhard General Defense, Manager of COFFIP, as described in Section 3.2.1.2 of this Annual Report.

Alexandre Vilgrain, 55 years old

Maurel & Prom
12, rue Volney
75002 Paris

Mr Vilgrain has been member of the Board of Directors since the General Meeting of 14 June 2007. His initial mandate, which lasted two years, was renewed for an additional 3 years on 18 June 2009, or until the close of the Ordinary General Meeting called to approve the financial statements for the year ending 31 December 2011.

Prior to that, Mr Vilgrain had been named as member of the supervisory board of Maurel & Prom by the Board of 18 August 2005, replacing Mr Jean-Louis Chambon.

In 1979 Alexandre Vilgrain joined the family agro-industrial group (Jean-Louis Vilgrain group) where he assumed numerous duties in subsidiaries in France, Africa, and in the Indian Ocean. In Asia, he founded the company Delifrance Asia, a French-style cafe-bakery chain introduced on the Singapore Stock Exchange in 1996, and in 1995 he succeeded his father, Jean-Louis Vilgrain, as Chairman and Chief Executive Officer of Somdiaa. Mr Vilgrain outlined and implemented a strategy for developing the Group in Africa in the grain and sugar industry.

As a board member of subsidiaries of the Somdiaa Group, he also held various positions at external companies. Specifically, for nearly 10 years he represented Somdiaa as observer to the Board of Directors of Proparco. In 2009 he was appointed Chairman of the Conseil Français des Investisseurs en Afrique (French commission of investors in Africa - CIAN).

The Somdiaa Group (€238 million sales in 2008), a major economic player in the agri-food industry in Africa, has more than 50 years' experience mainly in the sugar, flour and livestock feed sectors and recently in cotton.

Ambrosie Bryant Chukwueloka Orjiako, 50 years old

Maurel & Prom
12, rue Volney
75002 Paris

Ambrosie Bryant Chukwueloka Orjiako was coopted as director by the Board of Directors of Maurel & Prom at its meeting of 31 March 2010. His cooptation was ratified by the General Meeting of 20 May 2010 and his mandate expires at the close of the General Meeting called to approve the financial statements for 2011.

Mr Orjiako has more than fifteen years experience as a CEO/chairman and CEO/president in various organisations both upstream and downstream from the oil industry. Trained in medicine, Doctor Orjiako began his career as a specialist in orthopaedic and trauma surgery before becoming a successful entrepreneur in the oil and gas sector by becoming involved in the import and export of oil products in Nigeria and abroad.

He sits on the Board of several companies whose activities include industries upstream and downstream of the oil industry, shipping, banking services, insurance and pharmaceutical products. Specifically he is CEO/Chairman of Shebah E&P Company Limited (SEPCOL), founded in 2004 with a head office in Lagos. The goal of this company is to redevelop its Nigerian assets and become a technical and financial service provider to owners of proven undeveloped oil reserves in West Africa.

Mr Orjiako is also committed to charitable causes and has set up a foundation to support access to education, healthcare and resources for the underprivileged.

Gérard Andreck, 66 years old

Maurel & Prom
12, rue Volney
75002 Paris

As chairman of Macif and the Macif Group, Mr Andreck has knowledge and expertise of corporate finance, strategy and governance.

Mr Andreck has been member of the Board of Directors since the General Meeting of 14 June 2007. His first term, lasting two years, was renewed by the Ordinary General Meeting for an additional 3 years on 18 June 2009, or until the close of the General Meeting to approve the financial statements for the year ending 31 December 2011.

Prior to that, as a member of the Board of Directors of Maurel & Prom, he was appointed Chairman of the supervisory board on 7 November 2005, replacing Mr Pierre Jacquard.

He was first appointed on 29 June 2005 as permanent representative of Macif on the supervisory board, then personal member of the supervisory board beginning 7 November 2005. The appointment of Gerard Andreck

personally to the supervisory board was ratified by the General Meeting of 20 June 2006.

Roman Gozalo, 65 years old

Maurel & Prom
12, rue Volney
75002 Paris

Mr Gozalo was appointed director of the Company by the General Meeting of 12 June 2008 for a term of three years. As his mandate was expiring, the General Meeting of 12 May 2011 was asked to renew it for a further three years until the close of the General Meeting called to approve the financial statements for the year ending 31 December 2013.

Prior to that, Mr Gozalo was member of the management board from 24 October 2005 to 14 June 2007, then, after the transformation of the company to a société anonyme with a Board of Directors, he was appointed Chief Executive Officer by the Board of Directors on 30 August 2007, until May 2008.

Mr Gozalo developed his management expertise by serving as executive officer of three subsidiaries of the Total Group between 1988 and 2002 and also as Administrative Director (General Secretary) of the Elf Group from 1995 to 1999.

Christian Bellon de Chassy, 77 years old

Maurel & Prom
12, rue Volney
75002 Paris

Bellon de Chassy has been a member of the Board of Directors since the General Meeting of 14 June 2007. As his initial mandate expired at the close of the General Meeting called to approve the financial statements for the year ended 31 December 2010, the General Meeting of 12 May 2011 was asked to renew it for a further period of three years until the close of the General Meeting called to approve the financial statements for the year ending 31 December 2013.

Prior to that, he was member of the supervisory board of Maurel & Prom, having been named by the supervisory board on 11 May 2006, to replace Mr Laurent Lafond who resigned. The appointment of Mr Christian Bellon de Chassy was ratified by the General Meeting of 20 June 2006.

Mr Bellon de Chassy is an expert court witness and international arbitrator. He is a Science graduate (in Chemistry and Geology) and Engineer from the Institut du Pétrole (Ecole Nationale Supérieure du Pétrole et des Moteurs, ENSPM 1966: drilling and production)

As board member of Comex, then at Elf, he acquired broad hands-on experience in drilling, production and offshore construction, particularly in Norway. In creating and running his own oil consulting company, Orcal

Offshore (15 employees), he has completed more than 200 marine oil assignments as a Lloyds-certified loss adjuster. He acted as advisor at the request of oil tankers or their insurers, and certified oil work procedures in more than 30 countries.

As a consultant to the European Community (DG 13) he took part in directing energy research, and subsequently was in charge of managing budgets for the European Central Bank. Appointed by the International Chamber of Commerce, he worked as arbitrator for the International Court of Arbitration.

Nathalie Delapalme, 54 years old

Maurel & Prom
12, rue Volney
75002 Paris

Ms Delapalme was coopted by the Board of Directors on 20 March 2010 to replace as director the company Financière de Rosario which resigned. The General Meeting of 12 May 2011 was asked to ratify this appointment.

In addition, as Nathalie Delapalme had been ratified for the remaining term of her predecessor which was now expiring, the General Meeting was asked, subject to resolution being approved as to her cooptation, to renew Ms Delapalme's mandate for a period of three years until the close of the General Meeting called to approve the financial statements ending 31 December 2013.

Nathalie Delapalme began her career in the French Senate, serving between 1984 and 1985 and then between 1997 and 2002, mainly as an administrator and then advisor to the Finance Commission.

She was also Deputy Cabinet Secretary for the Minister for Cooperation between 1995 and 1997, then advisor on Africa to the Foreign Ministry between 2002 and 2007. After her role as Inspector General in the Finance department (Inspectorate General of France) between 2007 and 2010, she joined the Mo Ibrahim Foundation in June 2010 as Director of Research and Public Policy.

3.2.1.1.2 / Observer

The Board of Directors may appoint Observers to the company, chosen from among the individual shareholders, in a number not to exceed four.

The term of the Observers is set at three years.

Observers are called upon to participate and observe the meetings of the Board of Directors and may be consulted by it; they may also present comments at the General Meetings on proposals submitted to them, if they deem it appropriate. They are invited to each meeting of the Board of Directors. The Board of Directors may assign specific tasks to the Observers.

They may take part in committees created by the Board of Directors, except for the audit committee.

Observers must own at least one share in the Company. The Board of Directors may decide to pay Observers proportional attendance fees allotted to it by the General Meeting and authorise the reimbursement of expenses that Observers have incurred in the interest of the Company.

Gilles Brac de la Perrière, appointed to his role until the General Meeting of 20 May 2010, decided he did not want his directorship renewed.

The Board of Directors decided not to find a replacement for him.

3.2.1.1.3 / Management

The Maurel & Prom management team is described on page 5.

3.2.1.1.4 / Other information

To the Company's knowledge, no member of the Board of Directors or former member of the management board or a former member of the supervisory board:

- has been convicted of fraud during at least the last five years;
- has ever been involved, as managing or non-managing corporate officer, in any bankruptcy, sequestration or liquidation;
- has been prohibited by a court from serving as a member of a directory, management or supervisory board of an issuer or from acting in the management or conduct of an issuer's business during the last five years;
- has been subject to official public sanctions applied against him by statutory or regulatory authorities (including designated professional bodies), with the exception of Mr Jean-François Hénin and Frédéric Boulet who were sentenced:

– by the Budget and Financial Discipline Court [Cour de Discipline Budgétaire et Financière] in the Altus Finance case to pay a fine (Judgment of 24 February 2006) and who, under the terms of the certification of a settlement in July 2006 in the Executive Life case (a US procedure which allows the defendant to maintain his innocence while agreeing, depending on the circumstances, to plead guilty to the facts in order to end the prosecution), had to pay a fine of US\$1 million and has been banned from US territory for a period of five years. Finally, in the Altus Finance case, the Paris district court [TGI de Paris], in a judgment handed down on 14 May 2008, acquitted Mr Jean-François Hénin of all charges against him; and

– by the disciplinary tribunal of the Autorité des marchés financiers (AMF), which, by a decision dated 4 December 2008, sentenced Maurel & Prom and Mr Jean-François Hénin, Chairman of its management board at the time of the offence, to monetary sanctions of €300,000 and €200,000 respectively for failure to disclose accurate, fair and precise information to the public through two statements released on 10 June and 26 October 2005. The statement published in June 2005 included the third party portion in the oil reserves the Company had just acquired. The fact of including the third party portion also skewed the cost price per barrel announced to the public. The statement published in October 2005 mentioned a less substantial reserve amount and attributed the difference to a change in the calculation criteria and to the adoption of IFRS accounting standards without clearly showing the inaccurate accounting for the third party portion in the June statement. The disciplinary tribunal stressed the importance for an oil and gas exploration and production company of the basic distinction between the directly owned portion and the third party portion and the evident anomaly to which the inclusion of the third party portion in calculating the Purchase price led. Furthermore, the disciplinary tribunal of the AMF disciplined Mr. Frédéric Boulet, the Company's former Chief Executive Officer. Mr Jean-François Hénin, personally, and Maurel & Prom have appealed this decision under the terms of Articles R. 621-44 to R. 621-46 of the French Monetary and Financial Code. The Paris court of appeals, in an order dated 2 February 2010 rejected the appeal to the decision of the disciplinary tribunal of the AMF. Jean-François Hénin, personally, and Maurel & Prom, have decided not to lodge an appeal with the Court of Cassation.

3.2.1.2 / List of positions and duties performed by the members of the Board of Directors and the executive managers in other companies in the five last years

Jean-François Hénin

■ Positions held in the year 2010

Within Maurel & Prom Group:

- **Chairman and Chief Executive Officer:** Etablissements Maurel & Prom SA; Maurel & Prom Nigeria; Maurel & Prom Volney 5; Maurel & Prom Congo; Zetah M&P Congo (dormant company);
- **Chairman:** Caroil SAS; Maurel & Prom Venezuela; Maurel & Prom West Africa; Maurel & Prom Assistance Technique; Maurel & Prom Volney 2; Maurel & Prom Volney 4;
- **Managing Director A:** Maurel & Prom Colombia BV; Maurel & Prom Latin America BV;
- **General Director:** Prestoil Kouilou;
- **Director:** Zetah Kouilou Ltd; Zetah Noubi Ltd; Seplat Petroleum Development Company Ltd; Maurel & Prom Exploration Production Tanzania Ltd; Panther Eureka S.r.l.;

Positions held in French companies:

- **Chairman of the management board:** Pacifico S.A.;
- **Board Member:** Pacifico Forages; EO2;

Positions held in foreign companies:

- **Board Member:** New Gold Mali; Representative of Pacifico.

■ Positions held in previous years

Positions held in the year 2009

Within Maurel & Prom Group:

- **Chairman and Chief Executive Officer:** Etablissements Maurel & Prom SA; Maurel & Prom Congo, Zetah M&P Congo (dormant company);
- **Chairman:** Caroil SAS; Maurel & Prom Venezuela; Maurel & Prom West Africa; Maurel & Prom Assistance Technique; Maurel & Prom Volney 2; Maurel & Prom Nigeria; Maurel & Prom Volney 4; Maurel & Prom Volney 5;
- **Managing Director A:** Maurel & Prom Colombia BV; Maurel & Prom Latin America BV;
- **General Director:** Prestoil Kouilou;
- **Board Member:** Zetah Kouilou LTD; Zetah Noubi LTD; Seplat Petroleum Development Company LTD; Maurel & Prom Exploration Production Tanzania LTD; Panther Eureka S.r.l.;

Positions held in French companies:

- **Chairman of the management board:** Pacifico S.A.;
- **Board Member:** Pacifico Forages; EO2;

Positions held in foreign companies:

- **Board Member:** New Gold Mali; Representative of Pacifico.

In 2005, 2006, 2007 and 2008 Jean François Hénin was Chairman of the Management Board at Pacifico.

Emmanuel de Marion de Glatigny

■ Positions held in the year 2010

- **Chairman of the supervisory board:** Pacifico S.A.;
- **Board Member:** Safetic; Pacifico Forages; Maurel & Prom Nigeria.
- **Manager:** Glatigny Patrimoine S.A.R.L.

■ Positions held in previous years

Fiscal Year 2009

- **Chairman of the supervisory board:** Pacifico S.A.;
- **Board Member:** Easydentic; SEREN; Pacifico Forages;
- **Manager:** Glatigny Patrimoine S.A.R.L.

Fiscal Year 2008

- **Chairman of the Supervisory Board:** Pacifico S.A.
- **Director:** Easydentic; SEREN
- **Manager:** Glatigny Patrimoine S.A.R.L.

Fiscal Year 2007

- **Chairman of the Supervisory Board:** Pacifico
- **Director:** Easydentic; SEREN

Fiscal Year 2006

- **Chairman of the Supervisory Board:** Pacifico
- **Director:** Easydentic; SEREN

Roland d'Hauteville

■ Positions held in the year 2010

- **Chairman:** Compagnie Financière Internationale Privée (COFIP) S.A.S.;
- **Board Member:** Banque Michel Inchauspé;
- **Board Member:** Panhard General Défense;
- **Manager:** COFFIP S.C.

■ Positions held in previous years

Fiscal Year 2009

- **Chairman:** Compagnie Financière Internationale Privée (COFIP) S.A.S.;
- **Member of the supervisory board:** Banque Michel Inchauspé;
- **Board Member:** Panhard General Défense;
- **Manager:** COFFIP S.C.

Fiscal Year 2008

- **Chairman:** Compagnie Financière Internationale Privée (COFIP);
- **Member of the Supervisory Board:** Banque Michel Inchauspé;
- **Director:** Léséleuc Group; Panhard General Défense;
- **Manager:** COFFIP S.C.

Fiscal Year 2007

- **Chairman:** Compagnie Financière Internationale Privée (COFIP); Volney 12 SAS;
- **Member of the Supervisory Board:** Banque Michel Inchauspé;
- **Director:** Léséleuc Group; Panhard General Défense.

Fiscal Year 2006 (appointed May 2006)

- **Chairman:** Compagnie Financière Internationale Privée (COFIP); Volney 12 SAS;
- **Member of the Supervisory Board:** Banque Michel Inchauspé;
- **Director:** Léséleuc Group; Panhard General Défense.

Roman Gozalo**■ Positions held in the year 2010**

The Company is not aware of any other directorship held by Mr Gozalo.

■ Positions held in previous years**Au cours de l'exercice 2009**

The Company is not aware that Mr Gozalo has held any other directorship in 2009.

Fiscal Year 2008

- **Director:** Maurel & Prom Congo; Hocol SA; Hocol Peru; Homcol Cayman;
- **Chairman of the Supervisory Board:** Caroil.

Fiscal Year 2007

- **CEO:** Maurel & Prom;
- **Chairman of the Supervisory Board:** Caroil.

Fiscal Year 2006

- **CEO and member of the management board:** Maurel & Prom;
- **Chairman of the Supervisory Board:** Caroil.

Alexandre Vilgrain**■ Positions held in the year 2010****Positions held in French companies:**

- **Chairman and CEO:** Somdiaa; Conetrage; Alexandre Vilgrain Holding;
- **Permanent representative:** Somdiaa to the Board of Directors of Sominfor;
- **Director:** Secria; Sonopros; Care France; Maurel & Prom Nigeria;
- **Chairman of the Board of Directors:** Fromentiers De France;
- **Manager:** Fromimo;
- **Chairman:** CIAN (Conseil Français des Investisseurs en Afrique);
- **Member of the supervisory board:** CFAO.

Positions held in foreign companies:

- **Board Member:** Gabon company SMAG; Société Sucrière du Cameroun (SOSUCAM); Compagnie

Sucrière du Tchad (C.S.T.); US company Food Research Corporation; Ivory Coast company SUCAF.

- **Chairman and Chief Executive Officer:** Saris-Congo; Le Grand Moulin Du Cameroun (SGMC).

■ Positions held in previous years**Fiscal Year 2009****Positions held in French companies:**

- **Chairman and Chief Executive Officer:** Somdiaa; Conetrage; Alexandre Vilgrain Holding;
- **Chairman of the Board of Directors:** Fromentiers de France;
- **Chairman:** CIAN (Conseil Français des Investisseurs en Afrique);
- **Permanent Representative:** Somdiaa on the Board of Directors of the company SOMINFOR;
- **Representative:** COGEDAI on the Board of Directors of PETRIGEL (Reunion Island);
- **Board Member:** Secria; Sonopros; Care France;
- **Manager:** Fromimo;
- **Member of the supervisory board:** CFAO.

Positions held in foreign companies:

- **Chairman and Chief Executive Officer:** Saris-Congo;
- **Board Member:** Gabon company SMAG; Société Sucrière du Cameroun (SOSUCAM); Compagnie Sucrière du Tchad (C.S.T.); US company Food Research Corporation (FRC); Le Grand Moulin du Cameroun (SGMC).

Fiscal Year 2008

- **Chairman and CEO:** Somdiaa;
- **Chairman of the Board of Directors:** CIAN (Conseil Français des Investisseurs en Afrique);
- **Board member:** Care France.

Fiscal Year 2007 (member of the Supervisory Board then Director since June 2007)**Positions held in French companies:**

- **Chairman and CEO:** Somdiaa;
- **Representative:** Somdiaa on the Board of Directors of CIAN (observer).

Fiscal Year 2006 (member of the Supervisory Board)**Positions held in French companies:**

- **Chairman and CEO:** Somdiaa;
- **Representative:** Somdiaa on the Board of Directors of CIAN.

Positions held in foreign companies from 2006 to 2008:

- **Director:** the Gabon company SMAG; Société Sucrière du Cameroun (SOSUCAM); Société Saris-Congo; Société Compagnie Sucrière du Tchad (C.S.T.); the US company Food Research Corporation (FRC);
- **Chairman of the Board of Directors:** SGMC (Cameroon).

G rard Andreck

■ Positions held in the year 2010

Positions held in French companies:

- **Chairman of the Board of Directors:** CEMM; CEGES; MACIF; MACIF SGAM; OFI Holding (ex OFI Instit); SOCRAM BANQUE S.A.;
- **Chairman:** GEMA;
- **Vice Chairman:** AFA; IMA SA (member of the supervisory board); OFI Asset Management S.A.;
- **Board Member:** Compagnie Fonci re de la Macif; Couleurs Mutuelles (UGM); Fonci re de Lut ce S.A.; Fondation MACIF; MACIF Gestion; MACIF Participations S.A.; MACIFILIA S.A.; MACIF Mutualit ; SICAV OFI MIDCAP; SCOR; SFEREN;
- **Member of the supervisory board:** GPIM S.A.S.; Mutavie S.A.;
- **Member of the Management Committee:** SIEM S.A.S.; SILL (rental investment property company) S.A.S.;
- **Member of the Steering Committee:** MACIFIMO S.A.S.;
- **Observer:** SICAV OFI Tr sor.

Positions held in foreign companies:

- **Chairman:** Eurecos (Spain);
- **Board Member:** Atlantis Seguros (Spain); Atlantis Vida (Spain); S.A. EURESA Holding (Luxembourg).

■ Positions held in previous years

Fiscal Year 2009

Positions held in French companies:

- **Chairman of the Board of Directors:** CEMM SAS; CEGES; MACIF SAM; MACIF SGAM; OFI Holding (ex OFI Instit); SOCRAM BANQUE S.A.;
- **Chairman:** GEMA SA;
- **Vice Chairman:** AFA; IMA SA (member of the supervisory board); OFI Asset Management S.A.;
- **Board Member:** Compagnie Fonci re de la Macif S.A.S.; Couleurs Mutuelles (UGM); Fonci re de Lut ce S.A.; MACIF Gestion; MACIF Participations S.A.; MACIFILIA S.A.; MACIF Mutualit ; SICAV OFI MIDCAP; OFIMALLIANCE; SEREN S.A.; SCOR; SFEREN SGAM.
- **Member of the supervisory board:** GPIM S.A.S.; Mutavie S.A.; OFI RES;
- **Member of the Management Committee:** SIEM S.A.S.; SILL (rental investment property company) S.A.S.;
- **Member of the Steering Committee:** MACIFIMO S.A.S.;
- **Observer:** SICAV OFI Tr sor.

Positions held in foreign companies:

- **Director:** Atlantis Seguros (Spain); Atlantis Vida (Spain); S.A. EURESA Holding (Luxembourg).

Fiscal Year 2008

Positions held in French companies:

- **Board member:** SCOR, CCR (Caisse Centrale de R assurance), SEREN S.A.;
- **Chairman:** Macif, GEMA (Groupement des Assurances Mutuelles).

Fiscal Year 2007

Positions held in French companies:

- **Chairman:** Macif;
- **Vice-chairman:** GEMA (Groupement des Assurances Mutuelles);
- **Board member:** SEREN S.A.

Fiscal Year 2006

Positions held in French companies:

- **Board member:** the CCR (Caisse Centrale de R assurance);
- **Chairman:** Macif.

Christian Bellon de Chassy

■ Positions held in the year 2010

The Company is not aware of any other position held by Mr Bellon de Chassy.

■ Positions held in previous years

In 2006, 2007, 2008 and 2009 Christian Bellon de Chassy held no directorships.

Nathalie Delapalme

■ Positions held in the year 2010

- **Member of the supervisory board:** CFAO.

Financiere de Rosario

■ Directorships held in previous years by

Jean-Fran ois Michaud, representative of Financiere de Rosario, and Ms Delapalme's predecessor.

Fiscal Year 2009

- **Chairman of the board and Chief Executive Officer:** Financiere de Rosario; Financiere Slota; Slota S.A.;
- **Chairman:** DYB SAS;
- **Managing Director:** Comcell Investissements S.A. (Luxembourg);
- **Board Member:** Copagno S.A.; Copagmont S.A.; Taxis Paris Ile de France S.A.; JDP Luxembourg S.A.; Comcell Management (Luxembourg);
- **Permanent Representative:** Financiere de Rosario on the Board of SEREN;
- **Manager:** Cellgate (Luxembourg);

- **Manager of the SARLs:** Ablis Taxis; Amboise Taxis; Apollonia Taxis; Arras Taxis; Atols Location; Benyamin Taxis; Blois Taxis; Brehat Taxis; Caesarea; Chartres Taxis; Chaumont Taxis; Clisson Taxis; Domremy; Dyka; Fredalex; Joutred; Kady; Karam; Kitax; Krizertax; Lahire Taxis; Lavi Taxis; Loches Taxis; Loire Taxis; Micpol; Montfort Taxis; Orleans Taxis; Patay; Pierrefonds Taxis; Polmic; Pyrenees Taxis; Reims Taxis; Rochefort Taxis; Saint-Cloud Taxis; Seva; Societe Nouvelle Atelier 60; Splendid Taxis; Taxis Alex; Taxibis; Taxicap; Taxigar; Taxipac; Taxiray; Taxivanes; Tolbiac Taxis; Valisa Taxis; Vaucouleurs Taxis; Vaucresson Taxis.

Fiscal Year 2008

- **Chairman and CEO:** Financière de Rosario, Financière SLOTA and SLOTA.
- **Chairman:** SAS DYB.
- **Managing Director:** Comcell Investissements SA (Luxembourg).
- **Director:** Copagno, Copagmont SA, Taxis Paris Ile de France, JDP Luxembourg SA and Comcell Management (Luxembourg).
- **Permanent representative:** Financière De Rosario on the Board of SEREN.

Fiscal Year 2007

- **Chairman and CEO:** Financière de Rosario, Financière SLOTA and SLOTA;
- **Chairman:** SAS DYB;
- **Managing Director:** Comcell Investissements SA (Luxembourg);
- **Board member:** Copagno, Copagmont, Taxis Paris Ile de France, JDP Luxembourg and Pacifico Forages.

Fiscal Year 2006

- **Chairman and CEO:** Financière de Rosario and Financière SLOTA;
- **Chairman:** SAS DYB and SFIBB;
- **Director:** Comcell Investissements SA, Copagno, Copagmont, Taxis Paris Ile de France, JDP Luxembourg and Pacifico Forages.

Ambrosie Bryant Chukwueloka Orjiako

■ Positions held in the year 2010

Positions in Nigerian Companies:

- **President/CEO:** SHEBAH E&P Co. Ltd.;
- **Chairman and Director of several Nigerian companies including:** Zebbra Energy Ltd; Shebah Marine Services Ltd; Neimeth International Pharmaceutical Plc.

■ Positions held in previous years

Fiscal Year 2009 Positions in Nigerian Companies:

- **President/CEO:** SHEBAH E&P Co. Ltd.;
- **Chairman/CEO:** ORDREC Investments Ltd;
- **Chairman:** Zebbra Energy Ltd; Shebah Marine Services Ltd; Berwick Nig. Ltd; Helko Marine Services Ltd; Helko Nig. Ltd; Abbeycourt Energy Services Ltd; Abbeycourt Trading Co. Ltd; Neimeth International Pharmaceutical Plc;
- **Director:** Leadway Assurance Co. Ltd.

3.2.1.3 / Potential conflicts of interest

The Company is not aware of any potential conflict of interest between the private interests of the Members of the Board of Directors and/or former members of the management board and their duties with respect to the Company other than those presented hereinafter:

Under an agreement for provision of services signed by Maurel & Prom and Pacifico S.A, a company of which Jean-François Hénin is shareholder and Chairman of the management board, Pacifico S.A. has invoiced a total amount of €1,081,941.78 net of taxes.

3.2.2 / Functioning of administrative and management bodies

3.2.2.1 / Relations of the members of the Board of Directors and company management

3.2.2.1.1 / Securities transactions

During the year 2010, the Company is aware of the following transactions on securities of the corporate executives:

Corporate officer	Transaction	Date	Security	Unit price	Gross amount
Financière de Rosario	Sale	19/04/10	Share	€12.2506	€2,121,204.00
Financière de Rosario	Sale	20/04/10	Share	€12.3309	€1,803,616.00
Financière de Rosario	Sale	21/04/10	Share	€12.2756	€1,299,507.00
Financière de Rosario	Sale	22/04/10	Share	€12.2228	€588,943.00
Financière de Rosario	Sale	23/04/10	Share	€12.1671	€776,942.00
Roland d'Hauteville	Purchase	30/04/10	OCEANE	€18.1060	€45,265.00
Roland d'Hauteville *	Purchase	07/05/10	Share	€10.5350	€4,056.00
Financière de Rosario	Sale	18/05/10	Share	€10.75	€12,674.25
Financière de Rosario	Sale	18/05/10	Share	€10.708	€198,098.00
Financière de Rosario	Sale	19/05/10	Share	€10.4170	€520,850
Financière de Rosario	Sale	19/05/10	Share	€10.0791	€503,955
Financière de Rosario	Sale	19/05/10	B.S.A.	€0.1469	€7,345.00
Roland d'Hauteville *	Purchase	20/05/10	Share	€10.178	€267,914
Financière de Rosario	Sale	20/05/10	B.S.A.	€0.266	€13,300.00
Roland d'Hauteville	Purchase	25/05/10	Share	€9.779	€29,337
Financière de Rosario	Sale	28/05/10	Share	€10.000	€800,000.00
Financière de Rosario	Sale	28/05/10	B.S.A.	€0.200	€10,000 00
Financière de Rosario	Sale	14/06/10	B.S.A.	€0.1908	€9,540.00
Financière de Rosario	Sale	21/06/10	Share	€10.0174	€337,245.78
Financière de Rosario	Sale	08/07/10	Share	€10.00006	€63,883.83
Financière de Rosario	Sale	09/07/10	Share	€9.60	€6,458,361.60
Financière de Rosario	Sale	13/07/10	B.S.A.	€0.16	€4,294.40

* through Cofip SAS of which he is Chairman

3.2.2.1.2 / **Contracts with the issuer or its subsidiaries providing for the granting of benefits under the terms of such contracts**

With the exception of the agreements described below, the members of the Board of Directors have not, during the previous three years, entered into any contract with Maurel & Prom or its subsidiaries that grant benefits under the terms of such contracts.

Agreement with the company Pacifico S.A. for provision of services

An agreement for services dated 21 June 2005 was signed between Maurel & Prom and the company Pacifico S.A., of which Mr Jean-François Hénin is shareholder and Chairman of the management board. This agreement was the subject of an amendment dated 11 June 2007. The services provided by the company Pacifico S.A. for Maurel & Prom were as follows:

- search for strategic partners in the area of oil and gas;
- conduct study missions for investment and divestment projects, determine the target parameter;
- search for new markets and new opportunities for growth;
- design of development for acquisition and disposal scenarios and determination of the financing policy;
- advise and follow-up on the negotiations assigned to it (contract agreement projects, Group development), in particular with respect to technical cooperation projects;
- monitoring and technical, accounting, financial, and administrative support for drilling activities.

The financial terms of this agreement are as follows:

- annual lump sum fee of €100,000 payable quarterly;
- additional fees set at €84,470 exc. tax per month. These are calculated on the basis of the services rendered and the real cost of these services provided by the four consultants until 1 October 2010. After which there remains only one consultant with drilling-related responsibilities. This amount is adjusted quarterly according to the number of days of services truly rendered and at the corresponding daily rate. Additional fees were €21,836 excl. tax per month for the final quarter of 2010.

In total Pacifico S.A. invoiced for €1,081,941.78 excl. tax for the 2010 fiscal year.

This agreement can be terminated by the parties at any time with 2 months' advance notice.

Sublease agreement with the company Pacifico S.A.

A sublease agreement was signed between the Company and Pacifico S.A. and was approved by the meeting of the Board of Directors of the Company on 13 December 2007.

This sublease covers the offices located on the first floor of the building located at 12 Rue Volney, 75002 Paris with a surface area of approximately 240 m².

The contract was signed for a period of one year starting on 11 June 2007 and renews automatically.

The 2009 yearly lease rental was €211,700.55 excl. tax.

Research and assistance missions

The Board of Directors on 25 November 2009 agreed to entrust two missions in the following areas to one of the Board Members, Christian Bellon de Chassy:

- research of areas of diversification in renewable energies;
- insurance, by lending his support to managing damage in Gabon.

The board asked that the Appointments and Compensation Committee propose a compensation for these two missions.

The board of 31 March 2010 approved the compensation proposal made by the Appointments and Compensation Committee and set Mr de Chassy's compensation at a one-time amount of €98,000.

On 30 March 2011 the Board of Directors approved the following agreements impacting Mr. Orjiako:

Agreement between Seplat, Shebah Exploration and Production Company Ltd, and Alenne British Virgin Island Limited

The evacuation of Seplat hydrocarbon production is governed by a contract signed with Shell Petroleum Development Company (SPDC), in Nigeria.

In order to offset the risk of dependence on a single evacuation route for its production, Seplat signed an agreement with Shebah Exploration and Production Ltd and Alenne British Virgin Islands Ltd on 16 November 2010 for the possible leasing or acquisition of the "Trinity Spirit" floating oil production, storage and offloading unit (FPSO).

Seplat paid Alenne British Virgin Islands Limited a US\$15 million refundable deposit. This deposit is repayable by Alenne to Seplat on demand if 1) Seplat decides not to buy the FPSO; 2) Seplat decides not to lease the FPSO; 3) Seplat decides not to use the FPSO in transporting, processing or delivering its oil production. The leasing or acquisition of the Trinity Spirit FPSO would therefore provide Seplat with an alternative means of transporting its hydrocarbons to the SPDC Nigeria pipeline.

Agreement signed by Seplat and Abbeycourt Petroleum Company Limited

Seplat's ambition is to grow its mining sector and is therefore looking to new projects for investment opportunities.

In order to put its growth objective on a firm footing and with a view to identifying and negotiating the best opportunities, Seplat signed a 2-year memorandum of understanding on 22 March 2010 with Abbeycourt

Petroleum Company Limited (APCO), a company specialising in the oil and gas industry in Nigeria.

To support this goal Seplat has set aside a US\$25 million fund at APCO, with APCO as manager. Over the term of the memorandum, APCO will reverse to Seplat any amounts not used for this mission.

As part of its mission to identify, structure and negotiate the strategic investments it has been entrusted with, APCO acts as Seplat's Agent.

3.2.2.2 / Organisation and functioning of the Board of Directors

3.2.2.2.1 / Presentation of the Board of Directors

The Board of Directors determines the strategies for the Company's business and ensures their implementation. With due respect to the powers expressly given to the shareholders' meetings and within the limits of the corporate objective, it addresses all questions related to the proper functioning of the Company and governs, by its decisions, the affairs that concern it.

In its relations with third parties, the Company is committed even by the acts of the Board of Directors that are not part of the corporate objective, unless the Company

can prove that the third party knew that the act was outside that objective or that it could not ignore it given the circumstances, excluding the fact that the publication of the Articles of Association alone is adequate proof.

The Board of Directors is responsible for controls and audits it deems necessary.

The Board of Directors of the Company, in its meeting of 25 April 2008, formulated and unanimously approved the words of its Bylaws. This document was updated by the Board of Directors at its meeting of 31 March 2010.

These Bylaws repeat and specify certain articles of the Articles of Association such as the composition of the Board of Directors and the notion of independent director, the rules of functioning, the missions, rights and obligations required of members as part of a "charter", the designation and the role of observer as well as the composition and the tasks of the audit committee and the appointments and compensation committee. The Bylaws are available on the Company's website.

To the Company's best knowledge, the breakdown of shares held by corporate officers in the Company at 31 December 2010 is shown in the table below:

Corporate officer	Shares	OCEANE	Warrants
Jean-François Hénin ⁽¹⁾	28,750,246	-	28,750,246
Gérard Andreck ⁽²⁾	1	-	-
Emmanuel de Marion de Glatigny ⁽³⁾	135,078	-	135,097
ABC Orjiako	10	-	-
Nathalie Delapalme	10	-	-
Alexandre Vilgrain	1	-	-
Christian Bellon de Chassy ⁽⁴⁾	8,459	-	8,459
Roland d'Hauteville ⁽⁵⁾	123,914	17,500	94,591
Roman Gozalo	27,266	-	20,936

(1) Through Pacifico S.A., controlled by Mr Jean-François Hénin and the members of his family.

(2) Mr Gérard Andreck is moreover Chairman of Macif, second shareholder of the Company owning 8,324,204 shares on 31 December 2010.

(3) Mr De Marion de Glatigny directly owns 111,828 shares of the Company and indirectly, through a PEA (company shareholding plan), 23,250 shares held by his spouse.

(4) Mr De Chassy directly owns 3,352 shares and indirectly 5,107 shares with members of his family.

(5) Mr D'Hauteville directly owns 23,914 Company shares. He is a 55% shareholder of the company COFIP that holds 100,000 shares in the Company at 31 December 2010. He also directly holds 7,500 Oceane 2014s; the company COFIP holds 10,000 of it.

Every member of the Board of Directors thus owns the minimum number of shares required under Article 15 of the Company Articles of Association (i.e., 1 share), although the law no longer requires a Director to hold at least one Company share to be able to sit on his Board.

The Bylaws of the Board of Directors updated 31 March 2010 specify the criteria, listed in the table below, that the appointments and compensation committee and the board examine to qualify an independent board member:

- not be an employee or Company corporate officer, employee or director of a company that it consolidates, and not have been so in the last five years;
- not be a corporate officer of a company in which the Company holds directly or indirectly a Director position or in which an employee designated as such or a corporate officer of the Company (currently or having been so for less than five years) holds a Director position;
- not be a customer, supplier, business banker, or significant finance banker of the Company or of its Group or other entity for which the Company or its Group represents a significant part of its activity;

- not have any close family relationship with a corporate officer;
- not have been, in the preceding five years, Statutory Auditor for the Company or of a company that owns at least 10% of the Company's capital stock or of a company of which the Company owns at least 10% of the capital, when its position ends;
- not be Director of the Company for more than 12 years.

These are Directors who represent large shareholders of the Company and may be considered as independent as long as they do not take part in control of the Company. Above a threshold of 10% of capital or in voting rights, the committee should systematically inquire about the qualification of independence while taking into consideration the makeup of the Company's capital and the existence of potential conflicts of interest.

On this basis, the appointments and compensation committee deemed, at its meeting on 30 March 2011, that as of 31 December 2010, five members of the Board of Directors should be considered as independent:

- Christian Bellon de Chassy
- Roland d'Hauteville
- Alexandre Vilgrain
- Gérard Andreck
- Nathalie Delapalme

3.2.2.2.2 / Chairmanship and convening of the Board of Directors

The Board of Directors chooses from among its own members a Chairman, who should be a physical person, and, if it deems it necessary, one or more Vice-Chairmen. It sets the term of their duties, which cannot exceed the duration of their terms as members. The Board can, moreover, end such positions at any time.

After the General Meeting of 14 June 2007 deciding to transform the company into a société anonyme (public limited company) with a board of directors, the Chairmanship of the Board of Directors was entrusted to Mr Jean-François Hénin by the Board of Directors, on the same day that it also appointed Mr Gérard Andreck as Vice-Chairman. Mr Jean-François Hénin's term of office, which ended with the closing of accounts for the fiscal year ending 31 December 2009, was renewed by adoption of the sixth resolution of the General Meeting of 20 May 2010. He was appointed Chairman by his peers at the meeting of the Board of Directors held on the same day at the end of the General Meeting.

The age limit for exercising the position of Chairman of the Board of Directors is set at seventy (70) years. When this age limit is reached during the term of office, the Chairman the Board of Directors shall be deemed to have officially resigned.

The Chairman of the Board of Directors organises and directs its work, which he reports to the General Meeting.

He ensures the proper functioning of the Company bodies and ensures, in particular, that the Directors are able to carry out their mission.

3.2.2.2.3 / Deliberations

The Board of Directors meets as often as required by the interest of the Company when convened by the Chairman or when the Board of Directors has not met for more than two months. At least one-third of the members of the Board of Directors is required to ask the Chairman to convene a board meeting.

The Board of Directors may only validly deliberate when at least half of its members are present.

Decisions are made by the majority of its members present or represented. In the case of a tie vote, the presiding Chairman's vote will be the tie breaker.

The deliberations of the Board of Directors are recorded in the meeting minutes created in compliance with the law.

The agenda is set by the Chairman of the Board of Directors and is sent to the members within a reasonable period of time before the meeting of the Board.

Each member is informed of the responsibilities and of the confidentiality of the information received in the meetings of the board that he/she attends.

The meeting minutes are recorded in a special registry. The minutes of each meeting must be expressly approved at the subsequent meeting of the board.

The Board of Directors met 6 times during the year 2010 and the average rate of attendance of the members was 87.35%.

In compliance with applicable provisions, the Auditors are invited to the meetings of the Board of Directors examining the half-year and annual financial statements. They are also invited to attend all meetings of the Board of Directors.

Boards of Directors	Rate of attendance
31 March 2010	100%
22 April 2010	90%
20 May 2010	78%
28 June 2010	78%
26 August 2010	100%
16 December 2010	90%
Average attendance	89.33%

The Board of Directors of 31 March 2010 deliberated in particular on the following agenda:

1. Approval of the minutes of the meeting of Board of Directors of 25 November 2009;
2. Progress of business;
3. Examination and approval of the consolidated financial statements for the year ended 31 December 2009; review of the relevant notice;
4. Proposal for allocation of the earnings of the year ended 31 December 2009 and of the dividend distribution; Issue of stock warrants? Distribution of bonus shares?
5. Approval of updated 2010 budget;
6. Examination of SFAF (French Society of Financial Analysts) presentation outline;
7. Authorisation of an agreement between the company and a Director;
8. Updating of the Bylaws of the Board of Directors;
9. Approval of the proposed management report of the Board of Directors for the annual financial report and Annual Report;
10. Approval of a report by the Chairman on corporate governance and internal control; adoption of AMF internal control reference;
11. Approval of the proposed special reports:
 - report by the Board of Directors on the options to acquire or subscribe shares;
 - report by the Board of Directors on allocations of bonus shares;
 - report by the Board of Directors on the proposed resolutions sent to the General Meeting.
12. Expiry of term of office as Directors of Messrs. Jean-François Hénin, Roland d'Hauteville and Emmanuel de Marion de Glatigny;
13. Cooptation of a Director in replacement of Mr Alain Gomez, who resigned;
14. Convening of the Ordinary and Extraordinary General Meeting and setting of the agenda and of proposed resolutions;
15. Miscellaneous questions.

The Board of Directors of 22 April 2010 deliberated in particular on the following agenda:

1. Issue of stock warrants;
2. Subdelegation to the Chairman and Chief Executive Officer of the powers required to issue stock warrants;
3. Suspension and/or adjustment of the rights of stock option, bonus shares and OCEANE holders;
4. Miscellaneous questions.

The Board of Directors' meeting of 20 May 2010, held after the General Meeting, deliberated in particular on the following agenda:

1. Approval of minutes of meetings of the Board of Directors of 31 March and 22 April 2010;

2. Cooptation of a Director in replacement of Société Financière de Rosario which resigned;
3. Renewal of the term of office of the Chairman and Chief Executive Officer/Powers/Compensation;
4. Appointment of powers to the Chairman with respect to security bonds, endorsements and guarantees;
5. Appointment of powers to the Chairman and Chief Executive Officer in order to make allocation of bonus shares existing or to be issued for employees and/or corporate officers of the Company;
6. Activation of the share buy-back programme;
7. Financing;
8. Progress of business;
9. Miscellaneous questions.

The Board of Directors, in its meeting of 28 June 2010, deliberated in particular on the following agenda:

1. Financing;
2. Progress of business;
3. Miscellaneous questions.

The Board of Directors of 26 August 2010 deliberated in particular on the following agenda:

1. Approval of minutes of meetings of the Board of Directors of 20 May and 28 June 2010;
2. Examination of the financial statements of the first half 2010;
3. Approval of the report of activity for the first half 2010;
4. Examination of the draft report of the results of the first half 2010;
5. Sub-delegation to the Chairman and Chief Executive Officer of the powers required to ascertain the execution of the capital increases resulting from the conversion of the stock warrants, correlatively modify the articles of association and perform any required notification formalities;
6. Capital increase and final allocation of bonus shares to employees on 15 October 2008; correlative reduction of capital by cancellation of treasury shares;
7. Miscellaneous questions.

The Board of Directors of 16 December 2010 deliberated in particular on the following agenda:

1. Approval of the minutes of the meeting of Board of Directors of 26 August 2010;
2. Progress of business and review of open files;
3. Presentation of an end-2010 estimate and projected 2011 budget;
4. Allocation of bonus shares to employees;
5. Capital increase and final allocation of bonus shares to employees on 15 December 2008;

6. Reduction of capital by cancellation of treasury shares;
7. Miscellaneous questions.

3.2.2.2.4 / Missions of the Board of Directors

Management mission

The Board of Directors determines the strategies for the Company's business and ensures their implementation. With due respect to the powers expressly given to the Shareholders' Meetings and within the limits of the corporate objective, it addresses all questions related to the proper functioning of the Company and governs, by its decisions, the affairs that concern it.

Appointment and revocation of the Chairman, Chief Executive Officer and the Executive Vice Presidents

The Board of Directors appoints the Chief Executive Officer and the Executive Vice Presidents, and appoints from among its members the Chairman of the Board of Directors. The Board of Directors determines the compensation of the Chairman, Chief Executive Officer and Executive Vice Presidents and can revoke them. The Board of Directors can also grant to one or more of its members, or to third parties, whether shareholders or not, any special mandates for one or more determined purposes.

Controls and audits

The Board of Directors is responsible for controls and audits it deems necessary. In particular its mission is to ensure adherence to the standards of good management and prudence in preparing the financial statements and managing the risks linked to the Company's activity, while providing its assistance and its advice to management in its strategy for growth and organisation.

At all times of the year, the Board of Directors conducts these controls and audits and can obtain the documents it deems useful to carry out its mission. Each Director receives all information necessary to carry out his/her mission and can obtain from the Chairman or the Chief Executive Officer all the documents necessary to carry out his/her mission.

This control is independent from the one conducted by the auditors, since it involves not only the regularity of the financial statements, but also compliance of the management actions of the Company with the rules for good governance.

Specialised committees

The Board of Directors has specialised committees that perform their activities under its aegis. The functioning and activity of the specialised committees created by the Board of Directors are described in paragraph 3.2.2.3.

Powers of the Chairman and Chief Executive Officer

The Chairman and Chief Executive Officer organises and directs the work of the Board of Directors, and in this

regard, pursuant to the articles of association, he convenes and presides over the Board of Directors' sessions; more generally, he also looks after the proper functioning of the Company's bodies. The Chairman and Chief Executive Officer has the broadest powers to act in all circumstances in the name of the Company and exercise his powers in pursuit of the Company's corporate objective, in due respect of those powers that the law expressly allocates to Shareholders' Meetings.

In compliance with the provisions of Articles L. 225-35 and R. 225-28 of the French Commercial Code, the Board of Directors unanimously decided to authorise for one year, starting on 20 May 2010, regardless of the duration of commitments that are bonded, endorsed or guaranteed, the Chairman and Chief Executive Officer to freely grant bonds, endorsements or guarantees in the name of the Company, to the extent of a unitary amount of €50 million and to the extent of a global amount of €200 million.

It is specified that above these ceilings, the Chairman and Chief Executive Officer cannot grant any bond, endorsement or guarantee for third parties without the express authorisation of the Board of Directors, and that he can grant bonds, endorsements or guarantees in the name of the Company to the tax and duty administrations without limit in amount.

3.2.2.2.5 / Nature of information provided to members of the Board of Directors for the preparation of work

Information before each meeting of the Board of Directors

A detailed file is sent to the members of the Board of Directors prior to each meeting containing the information that allows complete examination of the points contained in the agenda of the Board of Directors.

It contains, in particular, the minutes of the previous meeting, the significant events since the last meeting of the Board of Directors, and if necessary, the transactions in progress or envisioned. These documents are generally commented upon by the Chairman and Chief Executive Officer during the meetings of the Board of Directors.

The members of the Board of Directors can also ask to be provided with any additional documents in advance or on the occasion of the meetings of the Board of Directors.

Financial information

The Chairman and Chief Executive Officer shall present, quarterly, with the approval of the Administrative and Financial Manager, a report on the Group's activity and that of its main subsidiaries for the past quarter.

A detailed and annotated income statement and balance sheet shall be presented by the Administrative and Financial Manager at the time of each half-year or annual closing.

In the three months after the closing of each period, the proposed consolidated financial statements are sent to the Board of Directors for auditing. The Board of Directors then presents to the General Meeting its report on the activity and the financial statements for the period.

Information on particular transactions

Concerning the transactions for external growth or the sale of assets, the Board of Directors examines the data that are provided to it by the Chairman and Chief Executive Officer on the transactions and strategy, and gives its opinion on the opportunity of the files presented, and gives if necessary authorisation to the Chairman and Chief Executive Officer to carry out transactions.

Permanent information

The Board of Directors may also ask the Chairman and Chief Executive Officer and management, each time it is necessary, for any information or analysis that it deems opportune or to conduct a presentation on a precise subject.

In addition, between the meetings, the members of the Board of Directors are regularly informed of the events or transactions that are significant for the Company.

insert new section after "Company":

3.2.2.2.6 / Assessment of the Board of Directors

Pursuant to the AFEP-MEDEF Corporate Governance Code to which the Company subscribes, the Board of Directors conducted a self-assessment to review its composition, organisation and operation and well as that of its committees.

This assessment was conducted in the form of a questionnaire sent to each Board member plus individual interviews by the Chairman of Appointments and Compensation Committee. The results of these questionnaires were compiled by the Appointments and Compensation Committee at its meeting of 18 December 2010, and presented to the Board of Directors' meeting of 30 March 2011.

Upon reviewing the results the members of the Board of Directors expressed a generally very favourable opinion on the Board's composition, operation and committees. It was specifically noted that the pertinence and quality of the information contained in the report delivered to the Board contributed to the overall improvement of the work of the Board.

The Board of Directors took note of the work conducted in this self-assessment to identify certain operational improvement possibilities which will be implemented in its subsequent meetings.

3.2.2.3 / Organisation and functioning of specialised committees

The Board of Directors has set up specialised committees:

3.2.2.3.1 / Audit Committee

Composition of the Audit Committee

In compliance with the provisions of Article 6.1 of the Bylaws of the Board of Directors, adopted by the Board of Directors of 31 March 2010, the Audit Committee is composed of three members chosen by the Board of Directors from among its members. The Chairman of the Audit Committee is elected by his peers.

The Audit Committee is composed of:

- Roman Gozalo, director; Chairman.
- Roland d'Hauteville, independent director;
- Nathalie Delapalme, independent director.

The members of the audit committee are appointed for the term of their mandates as members of the Board of Directors or for a duration set by the Board of Directors. They can, however, resign at any meeting of the Board of Directors without reason or advance notice.

Missions of the Audit Committee

The general role of the Audit Committee, as defined by the Bylaws of 31 March 2010, is to assist the Board of Directors so that it can have the information and resources available to ensure the quality of internal controls and the reliability of the financial information provided to shareholders and to the financial market.

The Audit Committee has the following primary missions:

- monitoring the process of preparing the financial information;
- examining the corporate financial statement, the Company's consolidated financial statements, and the financial statements of its main subsidiaries;
- controlling the relevancy and permanency of the accounting methods adopted (i) to establish the corporate and consolidated financial statements, and (ii) for the consolidation scope;
- examining major transactions involving a risk of conflict of interest between the Company and the members of the Board of Directors;
- monitoring legal compliance of the semi-annual, annual, consolidated and corporate financial statements by the statutory auditors;
- monitoring the independence of the statutory auditors;
- examining the main risks to which the Company is exposed and the solutions used by the Company to address these risks;

- monitoring the effectiveness of the internal control and risk management systems, and examining the report on these same subjects by the Chairman of the Board of Directors to the General Meeting; and
- examining any subject likely to have a significant impact on the substance and presentation of the financial statements.

It issues a recommendation on the Statutory Auditors proposed for appointment by the General Meeting.

It reports regularly to the Board of Directors on the performance of its missions and informs it immediately of any difficulties.

The audit committee meets as often as it deems necessary or appropriate, at the invitation of any one of its members, and at least twice yearly, and in all cases before the meetings of the Board of Directors meeting for approval of the financial statements. For the validity of its deliberations, the presence of at least half of its members is necessary.

The resolutions of the audit committee are adopted by majority approval of the members attending the meeting. Each member has one vote. In the event of a tie vote, the Chairman's vote is the tie breaker.

The audit committee can issue, for the Board of Directors, nonbinding written or verbal recommendations. The members of the Audit Committee can, as part of their mission, hear the officers of the Maurel & Prom group, for example the Chairman and Chief Executive Officer.

Activity of the Audit Committee during the 2010 period

During the year 2010, the audit committee held four working sessions attended by the company's administrative and financial management and the auditors. The attendance rate of these meetings was 100%.

During the course of these meetings, the Audit Committee has worked primarily on estimating 2009 results and preparing a budget estimate for 2010, the Chairman's report on internal control, the financial statements for 2009, the financial statements for the first half of 2010, the reviewing of risks and examination of internal control procedures, 2010 results and 2011 budget.

3.2.2.3.2 / Appointments and Compensation Committee

Composition of the Appointments and Compensation Committee

The functioning of the Appointments and Compensation Committee is governed by the Bylaws of the Board of Directors. The Appointments and Compensation Committee is composed of three members chosen by the Board of Directors from among its members or from third parties to the Company, recognised for their expertise. Its Chairman is elected by the members of

the Appointments and Compensation Committee for a term of one year unless it decides otherwise. The objective of the Board of Directors is that at least half of the members of the Appointments and Compensation Committee are independent directors. The Company's corporate managing officers cannot be members of the Appointments and Compensation Committee.

The director members of the Appointments and Compensation Committee are appointed for the term of their mandates on the Board of Directors. The members of the Appointments and Compensation Committee who are not members of the Board are appointed for a mandate of one year, renewable automatically. They may, however, resign at any meeting of the Board of Directors without reason or advance notice.

The Appointments and Compensation Committee is composed of:

- Christian Bellon de Chassy, Chairman and independent director;
- Emmanuel de Marion, director and
- Alexandre Vilgrain, independent director.

Missions of the Appointments and Compensation Committee

■ Selection and appointment missions

The Chairman shall collaborate with the work of the Appointments and Compensation Committee in this matter.

- Applicants for director positions:

The Appointments and Compensation Committee may have to make proposals and issue opinions on individual candidates, whether independent or not, for the Company's director positions;

- Applicants for the corporate managing officer positions (CEO/Vice CEO):

The Appointments and Compensation Committee may have to make proposals and issue opinions on individual candidates, whether independent or not, for the Company's corporate managing officer positions.

The Appointments and Compensation Committee shall create a plan of succession for the corporate managing officers in the case of unforeseen vacancies.

- Recruitment of non-corporate officers:

The Board of Directors can solicit the opinion of the Appointments and Compensation Committee when recruiting or dismissing non-corporate officers.

■ Missions with respect to compensation

- Compensation of corporate managing officers;

- The mission of the Appointments and Compensation Committee is to make proposals on the compensation of corporate managing officers (amounts of fixed and variable compensation, if any);

- The Appointments and Compensation Committee also makes recommendations with regard to the retirement and benefits plan, and the rights to various pecuniary benefits of the management and corporate officers, and on the financial conditions of their departure from the board;

- The Appointments and Compensation Committee makes its proposals at the beginning of each year for the year in progress. In particular, the Appointments and Compensation Committee, at the beginning of each year, will issue its opinion on the details of compensation, company benefits and in-kind benefits, of the Chairman and Chief Executive Officer, in compliance with regulations, market conditions, and the best interests of the Company.

- Policy for compensation of non-corporate managing officers:

The Appointments and Compensation Committee makes sure that the policy for compensation of the Company's non-corporate managing officers is in compliance with the market and the best interests of the Company.

- Breakdown of attendance fees and exceptional compensation:

- The Appointments and Compensation Committee is in charge of determining, each year, (i) the overall amount of attendance fees submitted to the General Meeting for approval and (ii) the conditions for allocating such attendance fees among the members of the Board of Directors, which will be submitted to the Board, taking into consideration, in particular, the attendance of these members at the meetings of the Board and in the committees of which they are members;

- The Appointments and Compensation Committee can also be asked to issue an opinion on all proposals for exceptional compensation made by the Board of Directors for compensation of any member charged with a mission or a mandate in compliance with the provisions of Article L. 225-46 of the French Commercial Code.

Activity of the Appointments and Compensation Committee during the year 2010

The Committee met four times in the year 2010. It essentially dealt with the compensation of corporate officers and the distribution of attendance fees. Its recommendations were founded mainly on an analysis of the individual performances and the contributions of those concerned.

3.2.3 / Compensation and benefits of all types given to corporate officers

Except for the Chairman and Chief Executive Officer, a director (cf. paragraph 3.2.2.1.2) and the former Chief Executive Officer (prior to the change to the Company's model of governance), no corporate officer received any compensation in 2010, for whatever reason, beyond attendance fees allocated every year to the members of the Board of Directors of the Company (cf. paragraph 3.2.3.2.1 - table 3 and paragraph 3.2.3.2.2).

3.2.3.1 / Non-managing corporate officers

The members of the Board of Directors receive attendance fees that are voted on each year by the General Shareholders' Meeting. The Board of Directors, on the proposal of the Appointments and Compensation Committee, distributes the envelope of attendance fees according to the following rule:

- a fixed portion, which represents 50% of the overall envelope and is proportionally distributed over the year of the duties.
- a variable portion, representing 50% of the overall envelope and that is distributed in accordance with attendance and duties exercised each year.

Details on the attendance fees paid in the last three fiscal years are shown in paragraph 3.2.3.2.2.

As a reminder, the overall amount of the attendance fees allocated by the General Shareholders' Meeting has not changed for four years and for four years the Chairman and Chief Executive Officer has renounced his share of these.

3.2.3.2 / Corporate managing officers

The Board of Directors, when proposed by the Appointments and Compensation Committee, sets the compensation for its corporate managing officers.

This compensation in the Company concerns one person only, the Chairman and Chief Executive Officer.

The compensation of the Chairman and Chief Executive Officer has no variable portion. Its amount is reviewed annually. The current compensation of the Chairman and Chief Executive Officer was set by a decision of the Board of Directors on 20 May 2010 at €500,000 and has not been modified since 2007.

There is no specific retirement plan for corporate managing officers who benefit from the same retirement plans as those applicable to all employees in the Group.

No bonus shares or share options are allocated to the corporate managing officers.

3.2.3.2.1 / Compensation of the Chairman and Chief Executive Officer

TABLE SUMMARISING THE COMPENSATION AND ALLOCATED OPTIONS AND SHARES TO EACH CORPORATE MANAGING OFFICER

Name and title of the corporate managing officer Jean-François Hénin, Chairman and CEO	Fiscal Year 2009	Fiscal Year 2010
	<i>Compensation due in the year (detailed in Table 2)</i>	500,000
<i>Value of options allocated in the year (detailed in table 2)</i>	-	-
<i>Value of shares for performance allocated in the year (detailed in table 4)</i>	-	-
TOTAL	500,000	500,000

TABLE SUMMARISING THE COMPENSATION OF EACH CORPORATE MANAGING OFFICER

Name and title of the corporate managing officer Jean-François Hénin, Chairman and CEO	Amounts in fiscal year 2009		Amounts in fiscal year 2010	
	due	paid	due	paid
- Fixed compensation	500,000	500,000	500,000	500,000
- Variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
- Attendance fees	-	-	-	-
- In kind benefits/ automobile	-	-	-	-
TOTAL	500,000	500,000	500,000	500,000

Table of attendance fees		
Members of the Board	Attendance fees paid in 2009	Attendance fees paid in 2010
<i>Jean-François Hénin</i>	-	-
TOTAL	-	-

For the other corporate officers, see paragraph 3.2.3.2.2

No option to subscribe or purchase shares has been allocated during the year 2010 to any corporate officer, nor has been exercised by any corporate managing officer.

In addition, no share for performance has been allocated to any corporate officer during this period.

HISTORY OF ALLOCATION OF OPTIONS AND SUBSCRIPTION OR PURCHASE OF SHARES TO THE CORPORATE OFFICERS

Dates of General Meeting	Plan dated 28/12/2004
<i>Date of meeting of Board of Directors or management board, as applicable</i>	21/12/2005
<i>Total number of shares available for subscription or purchased, including the number of shares able to be subscribed or purchased by:</i>	100,000
Corporate officers	-
Mr Roman Gozalo	100,000
<i>Start of share exercise period</i>	22/12/2005
<i>Expiration date</i>	22/12/2010
<i>Subscription or purchase price</i>	€12.91
<i>Terms for exercise (when the plan has several tranches)</i>	-
<i>Number of shares subscribed on 31/03/2011</i>	-
<i>Total accumulated number of options for subscription or purchase cancelled or expired</i>	-
<i>Options for subscription or purchase remaining at end of financial year</i>	0

Mr Gozalo has not exercised any of these options. The plan expired on 21 December 2010.

Options for subscription or purchase of shares granted to the top ten non-officer employees and options exercised by them	Total number of options allocated/ shares subscribed or purchased	Average weighted price	Plan no. 1	Plan no. 2
<i>Options granted during the period, by the issuer and all companies included in the scope of option allocation, to the issuer's top ten employees and of all companies included in this scope, of which the number of options is highest (overall information)</i>	NONE			
<i>Options held on the issuer and above-referenced companies exercised during the year by issuer's top ten employees, and of the companies with the highest number of options thus purchased or subscribed (overall information)</i>	NONE			

Corporate managing officers	Work contract		Supplementary retirement plan		Indemnities or benefits due or likely to be due because of termination or change of position		Indemnity relating to non-competition clause	
Name : <i>J.F. Hénin</i> Position : <i>Chairman and CEO</i> Start date of Mandate: <i>14 June 2007</i> End date of Mandate: <i>Approval of 2012 statements</i>		No		No		No*		No

* Except for group retirement plan

3.2.3.2.2 / Board of Directors

The members of the Board of Directors of Maurel & Prom received the following amounts (in €) for attendance fees for the years 2010, 2009 and 2008 paid respectively in 2011, 2010 and 2009:

Members of the Board	Fixed attendance fees			Variable attendance fees			Total		
	2010	2009	2008	2010	2009	2008	2010	2009	2008
Mr Hénin	-	-	-	-	-	-	-	-	-
Mr Andreck	25,000	22,500	22,494	14,072	12,655	16,890	39,072	35,155	39,384
Mr Chalandon	-	-	10,078	-	-	18,374	-	-	28,452
Mr de Marion de Glatigny	25,000	22,500	22,494	26,289	15,121	13,604	51,289	37,621	36,098
Mr Bellon de Chassy	25,000	22,500	22,494	31,546	30,241	29,324	56,546	52,741	51,818
Mr Gomez	-	22,500	22,494	-	25,146	24,127	-	47,646	46,621
Mr Orjiako	15,274	-	-	9,278	-	-	24,552	-	-
Mr d'Hauteville	25,000	22,500	22,494	30,928	26,297	27,840	55,928	48,797	50,334
Mr Gozalo	25,000	22,500	12,476	29,691	22,352	14,848	54,691	44,852	27,324
Financière de Rosario	9,726	22,500	22,494	4,639	11,340	9,280	14,365	33,840	31,774
Mme Delapalme	15,274	-	-	13,918	-	-	29,192	-	-
Mr Vilgrain	25,000	22,500	22,494	23,196	25,639	16,704	48,196	48,139	39,198
Mr Brac de la Perrière (observer)	9,726	22,500	22,494	11,134	26,625	31,737	20,860	49,125	54,231
TOTAL	200,000	202,500	202,506	194,691	195,416	202,728	394,691	397,916	405,234

The above breakdown takes into consideration the respective duration of each Director's mandate on the Board of Directors (for the fixed fees) as well as the presence at meeting of the Board of Directors and the committees (for the variable fees).

Mr Jean-François Hénin was appointed to the Board of Directors by the General Meeting of 20 May 2010. The Board of Directors acknowledged his decision not to receive any attendance fees for his participation on the Board of Directors. For the year 2010, the fees of Jean-François Hénin have not been allocated to the other Directors. Mr Hénin is compensated as Chief Executive Officer of the Company as described in paragraph 3.2.3.2.1.

Mr Chalandon has not been a Director since 12 June 2008.

Mr Gomez has not been a Director since 31 December 2009.

Dr. Orjiako was appointed Director at the Board meeting of 30 March 2010. His appointment was ratified by the General Meeting of 20 May 2010.

The company Financière de Rosario ceased to be a Director on 20 May 2010.

Ms Delapalme was coopted as a Director at the Board meeting of 20 May 2010. Her co-optation was submitted for ratification by the General Meeting of 12 May 2011.

Mr Gozalo was Chief Executive Officer and member of the Company's management board until 14 June 2007. From 1 January to 14 June 2007 he earned compensation of €268,850. He then became a salaried employee up to 19 May 2008, when he ceased his activity as a salaried employee. He was appointed Director of the Company on 12 June 2008. Under the non-competition clause in his employment contract, from 19 May to 31 December 2008 he earned the amount of €55,525, €70,357 in 2009 and €34,475 in 2010.

The corporate officers, however, have no particular in-kind benefit. There is no additional retirement plan in place for the corporate officers.

The allocations of options for the subscription and/or purchase of shares and the bonus shares are described in detail in paragraph 3.2.3.2.3 below.

3.2.3.2.3 / Stock-options and bonus shares

The information below is updated on the issue date of the Annual Report.

The table below shows the options granted to corporate officers in the last three years.

Plan	Allocation date	Exercise price	Start of exercise period	Expiration date	Number of options		
					Allocated	Exercised	Remaining
Mr Roman Gozalo (member of the Management Board until 14 June 2007 and Director since 12 June 2008)							
Plan no. 3	21/12/2005	12.91	22/12/2005	21/12/2010	100,000	-	-

Mr Gozalo has not exercised any of these options. The plan expired on 22 December 2010.

No option for subscription or purchase of shares has been granted to the Company's corporate officers by the Company or by the companies in the Maurel & Prom Group during the year 2010. In addition, no corporate officer has exercised any option for subscription or purchase of shares during 2010.

A bonus share allocation plan for Company employees was set by the management board at its meeting of 21 December 2005, on the basis of the authorisation granted by the General Meeting of 29 June 2005 (18th resolution).

At this time Mr Roman Gozalo, former Chief Executive Officer, and Mr Daniel Pélerin, Director of Exploration up to 31 December 2010, both members of the management board up to 14 June 2007, received bonus shares allocated to them according to the schedule below:

	Plan 1	Plan 1 ter	Plan	Plan	Plan	Plan	Plan
Allocation date	21/12/05	03/10/06	21/12/07	25/04/08	15/10/08	16/12/08	19/06/09
Acquisition period	21/12/07	03/10/08	21/12/09	25/04/10	15/10/10	16/12/10	19/06/11
Waiting period	21/12/09	03/10/10	21/12/11	25/04/12	15/10/12	16/12/12	19/06/13
Number of bonus shares	15,000	50,000					
Roman Gozalo	15,000		4,344	1,250	6,330		
Daniel Pélerin		50,000		1,250		10,200	1,275

Mr Gozalo received 4,344 bonus shares on 21 December 2007 and 6,206 bonus shares on 15 October 2008 under a compensation commitment dated 7 July 2006.

No other bonus shares have been granted to the Company's corporate officers by the Company or by the companies in the Maurel & Prom group.

3.2.3.3 / Capital ownership of corporate officers

As of 31 March 2011 and to the Company's best knowledge, the Company's corporate officers together held 29,044,985 Company shares, representing 23.94% of its capital and 28.02% of the theoretical voting rights (vs. 29.44% of exercisable voting rights).

To the Company's best knowledge, the details on ownership of the Company as well as the transferrable securities issued by Maurel & Prom held by corporate officers on the same date are shown in the table in paragraph 3.2.2.2.1.

The members of the Board of Directors are subject to the legal and regulatory provisions governing transactions on company shares on which they possess information that is not yet public.

3.3 INTERNAL CONTROL AND RISK MANAGEMENT

3.3.1 / Internal control and risk management procedures

At the request of the Chairman and Chief Executive Officer, administrative and financial management has combined the items that constitute this report on the basis of various work conducted by the Company's internal departments. The resulting report was presented to the Audit Committee.

3.3.1.1 / Definition and objectives

Internal control at Maurel & Prom may be defined as all policies and procedures for control implemented by Company's management and personnel and that of the Group, whose aim is to provide the following:

- reliability and truthfulness of the accounting and financial data;
- accuracy and completeness of the accounting records;
- execution and optimisation in the conduct of the Group's transactions;
- that the actions of management and execution of the transactions as well as the behaviour of personnel are consistent with the initiatives given to the Group's activities by the company bodies, and consistent with the values, standards and internal rules of the Group;
- adherence to applicable local laws and regulations; and
- safekeeping of the Group's assets by providing, among other things, for prevention and control of risks resulting from the Group's activity, in particular the risks detailed in Chapter 7 of this Annual Report.

The objective of internal control is to provide reasonable assurance of the adherence to the rules and regulations, the securitisation of assets and the effectiveness of operations. It cannot provide an absolute guarantee that these risks are totally eliminated.

3.3.1.2 / Organisation of internal control

Maurel & Prom's objective is to make its workers responsible for internal control procedures, knowing that these procedures rest on culture, behaviour and the competency of each individual.

To do this, and as personnel dedicated to internal control, Maurel & Prom's Executive Managers and administrative and financial management, together

with the Board of Directors and more particularly its Audit Committee define the priorities of internal control. On the basis of these priorities, the Group's workers share in the implementation of procedures that aim to reach those objectives. Operational coordination for the internal audit method is provided by Maurel & Prom's general secretary.

Maurel & Prom's management implements the organisation, the methods and the procedures to ensure control and supervision of activities. It meets regularly to discuss management issues within and outside of the normal course of business. The members of the Management Committee (the chairman and chief executive officer, the director of production, the director of exploration, the director of drilling and the administrative and financial director) meet every two weeks to handle questions relating to Company management and analyse performance of Company actions. Between these meetings, each member of the Management Committee may, if necessary, call for an exceptional meeting.

An extended management committee including, in addition to the members of the Management Committee, the Director of Hygiene Safety and Environment as well as the main operational and functional managers, meets quarterly. This committee's primary goal is to analyse anomalies and dysfunctions, as well as risk factors, and prevent any possible consequences resulting from them. In this regard, it issues recommendations and suggestions to the various people in charge and monitors their proper application.

3.3.1.3 / Risk management

The Group has set up an approach to identify and manage risks conducted by management and that includes the process of review and approval of transactions by operating subsidiaries. The Board of Directors shall, throughout the year, ensure the apprehension of risks involved in the Group's activities and also ensure implementation of risk-tracking measures. A biannual review of all risks has been created under its authority, with the help of the audit committee, at closing of accounting periods. In addition, the identification and management of risks is founded on an organisation structure based on the allocation of competencies that are clearly defined and formalised through the distribution of organisational charts and charts of positions, by the establishment of delegated powers, by a regular process of operational and financial reporting and by the creation of interdisciplinary teams dedicated to each project or plan of action presenting specific risks that are deemed significant.

The main outside risks are the price of oil and legal and political risks linked to the Group's exploration and production regions, as described in Chapter 2 "Risk Factors" in this Annual Report.

Maurel & Prom's management, in coordination with the subsidiary managers, the Board of Directors and the audit committee identify and analyse the risks that are likely to have a significant impact on the activity or assets of the Group.

The Group subscribes to insurance policies that cover several kinds of risks, including specific policies for its oil business and the type and location of its assets. These policies are described in paragraph 2.4.

3.3.1.4 / Implementation

The Maurel & Prom group is composed of a headquarters establishment, subsidiaries and operating establishments, and each of these is placed under the responsibility of a local manager who reports to the Group's executive management. The local managers coordinate the Group's activities by country or by geographic zone of activity.

In the countries in which the Group's operations are the most developed, the operating subsidiaries are endowed, in addition to their technical functions, with their own financial, accounting, and legal departments. For the subsidiaries that do not have their own administrative departments, Maurel & Prom's functioning departments provide support services for such operations. Prevention and control of industrial and environmental risks are under the competency of the operating units.

The operating and financial managers of the establishments and subsidiaries benefit, on a case by case basis, from suitable delegation of power.

The specific "business" responsibilities are provided by the managers of various positions in charge, at the Group level, of the exploration, development and production, drilling, HSE, and finance/administration/human resources activities. Consequently, the important decisions are prepared in coordination with and validated by the concerned functional managers before being sent to the Group's executive management for approval.

Legally, the preparation and validation of key documents in the life of the Group's subsidiaries are centralised by the Group's legal services.

To limit the legal risks linked to lawsuits, the Group has set up a centralised legal department, assisted by attorneys specialised in the areas of law concerned, to formalise its contractual commitments, and comply with its obligations of all types and defend its interests, when these are deemed to present a significant risk factor.

Administrative and financial risk management was reorganised in 2009 by combining the accounting and management control departments under the accounting and risk control department.

Maurel & Prom's accounting manager prepares the Group's consolidated income statements. This department continuously monitors changes in accounting regulations, in particular concerning international standards, in close coordination with the Statutory Auditors. The consolidated financial statements are prepared biannually. The accounting data from the operating subsidiaries are reviewed by the headquarters in Paris before being added to the final statements. The financial statements are prepared by the Company's accounting department prior to being evaluated and controlled by management, the audit committee and the Board of Directors.

Maurel & Prom's management control department coordinates the financial preparation of the Group's budget and the consolidated monthly reporting. It conducts analyses of the variations between the budget and the expenses as well as a general analysis of costs.

In the main operating entities, the management controller, with a dual operational and functional attachment, strengthens the internal control process.

Management of cash flows, positions and liquidities as well as the financial instruments are centralised (cash pooling agreement) under the cash and financing manager. This department is also in charge of managing risks associated with financial instruments and cash and foreign exchange activities as part of the policy promulgated by the Group's executive management.

With respect to the information system, the Group uses standard tools for processing general and analytic accounting, consolidation, cash and personnel management (consolidation software used in all subsidiaries, use of consultants at closings, subcontracting of information systems with outside service providers).

The entire financial communication process is placed under the responsibility of the Chief Executive Officer and the Administrative and Financial Manager.

Each quarter Maurel & Prom sends its sales data to the financial market, and in the months following the half-year closing, an income statement, a balance sheet and a consolidated financing summary for the half-year.

The communication calendar is distributed in the beginning of the period in compliance with the requirements of Euronext. The financial documents provided to the market are prepared by the accounting and management control departments and validated by the Board of Directors.

The administrative and financial management then ensures that the information sent to markets is consistent with the Group's results, with the suggestions of the Board of Directors and with legal and regulatory requirements. The Statutory Auditors validate the annual and half-year financial documents prior to their distribution.

The Group draws the attention of its employees that have access to inside information to the necessity of not conducting market transactions on Company securities during certain periods and not disclosing information likely to have an impact on the price of the share.

Oil operations are carried out in a framework that involves host governments which must intervene in the application of specific legal limits and frequently as partners.

The usual practice of partnerships involves the partners' participation, with the understanding that all investments or commitments of oil cost must be within a budget that is approved and/or validated by all stakeholders to the various partnership contracts in place.

This stems from internal operational control procedures that involve the systematic commitment of expenses by the people in charge of the cost centres at each of the operational stages (prospecting, drilling, operation).

3.3.1.5 / Supervision of the internal control procedures

3.3.1.5.1 / The Board of Directors

The Board of Directors has always affirmed the importance that it gives, together with executive management, to internal control and to its main areas of application.

3.3.1.5.2 / The Audit Committee

The Audit Committee is in charge of tracking internal control measures, and the priority is focused on the accounting and financial areas, without ignoring the other functions. This committee reports to the Board of Directors.

The Audit Committee has the following primary missions, among others:

- monitoring the process of preparing the financial information;
- examining the corporate financial statements, the Company's consolidated financial statements, and the financial statements of its main subsidiaries;
- controlling the relevancy and permanency of the accounting methods adopted (i) to establish the corporate and consolidated financial statements and (ii) for the consolidation scope;
- examining major transactions involving a risk of conflict of interest between the Company and the members of the Board of Directors;
- monitoring legal compliance of the semi-annual, annual, consolidated and corporate financial statements by the statutory auditors;

- monitoring the independence of the statutory auditors;
- examining the main risks to which the Company is exposed and the solutions used by the Company to address these risks;
- monitoring the effectiveness of the internal control and risk management systems, and examining the report on these same subjects by the Chairman of the Board of Directors to the General Meeting; and
- examining any subject likely to have a significant impact on the substance and presentation of the financial statements.

3.3.1.5.3 / Executive management

The mission of executive management is specifically to define the general principles governing internal control and to ensure their proper application.

3.3.1.5.4 / Internal controllers

Since 2009, the Maurel & Prom General Secretary coordinates the Group's method for audit and internal control. He reports directly to the Management Committee and reports to the audit committee.

To perform audit due diligence, he relies on the internal auditing in place at the Group's main operating subsidiary (Gabon) and on external consultants who are duly authorised for this purpose.

The choice of missions takes into consideration the evaluation of the most significant risks. The weight and the contribution of prior activities and their rhythm of development are taken into consideration in risk assessment. The action plans chosen following audits are tracked regularly by the General Secretary.

3.3.1.5.5 / Statutory Auditors

The Statutory Auditors, through their various controls, perform their professional due diligence to validate the preparation, treatment and the consistency of the accounting and financial information at the level of Maurel & Prom and its subsidiaries.

They are informed in advance of the process of preparing the financial statements, and they present the summary of their work to financial management and executive management, to the audit committee as well as to the Board of Directors.

The Statutory Auditors conduct the internal control audits that they deem necessary as part of their mission to certify the financial statements and provide their observations to the audit committee.

3.3.1.5.6 / 2010 accomplishments and 2011 prospects

The Group continued to strengthen its internal control procedures in 2010 by:

- adopting the internal control standard framework recommended by the AMF;
- formalising and adopting an ethics charter for the Group;
- extending the powers granted to the Audit Committee in compliance with the ordinance no. 2008-1278 of 8 December 2008;
- reviewing and updating internal procedures;
- deploying a software tool for distributing the internal procedures within the Group holding company.

Adopting these different measures has led the Group to implement an action plan seeking to reinforce its internal control. This plan rests primarily on the following elements:

- formalisation of a systematic approach for identifying and managing risks, submitted to the Audit Committee;
- formalisation or updating of the main procedures in place that govern the Group's and its Financial Management's operation;
- formalisation of the Group's responses to possible internal control weaknesses revealed by outside auditors and deemed to be significant, thus facilitating the implementation and monitoring of any corrective actions that may be required;
- continuation in 2010 of the assistance missions in the operating entities, conducted by workers in Maurel & Prom's administrative and financial management aiming to harmonise the management and reporting processes and the information systems at the Group level.

The Group seeks to continue in 2011 with the deployment and implementation of the AMF standard framework and to develop the formalisation and dissemination of internal procedures.

The procedure management tool will also be deployed in the Group's main subsidiaries (Caroil, Gabon).

The goal of these two consolidated entities in 2011 will be to achieve compliance with the AMF standard framework for their main internal control processes, in particular by updating or formalising existing procedures. These two entities will be assisted in this task by the Group's internal control department.

In addition, during the course of 2011, the Group will assure the proper implementation and application of these procedures.

3.4 RULES FOR ADMISSION AND FOR CONVENING ANNUAL AND EXTRAORDINARY GENERAL MEETINGS OF SHAREHOLDERS

3.4.1 / Invitations to General Meetings

Shareholders' Meetings are convened under conditions stipulated by law, by the Board of Directors or, otherwise, by the Auditors or by any other legally authorised persons.

The Meetings are held at the registered office or at any other place specified in the notice of meeting.

Notice of General Meeting

Shareholders' Meetings are convened under conditions stipulated by law, by the Board of Directors or, otherwise, by the Auditors or by any other legally authorised persons.

The Meetings are held at the registered office or at any other place specified in the notice of meeting.

The conditions for admission to the shareholders' meetings are as follows:

Pursuant to Article R. 225-85 of the French Commercial Code, one is entitled to participate in a general meeting on the basis of registration of shares on the books in the name of the shareholder or authorised agent registered on his behalf, by application of the paragraph 7 of Article L. 228-1 of the Commercial Code, by midnight, Paris time, of the third business day before the meeting, either in the books of registered shares kept by the Company or in the books of bearer shares kept by the authorised agent.

The registration of shares or their recording on the books, in the books of bearer shares kept by the authorised agent, is verified by a participation certificate issued by the latter, either electronically under the conditions provided for by Article R. 225-61 of the Commercial Code, as attached to the remote voting or proxy form or to the application for an admission ticket made out in the name of the shareholder or on behalf of the shareholder represented by the registered agent. A certificate is also issued to a shareholder who desires to physically participate in the meeting and who has not received his admission ticket by midnight, Paris time, on the third business day before the meeting.

3.4.2 / Access and participation of shareholders in General Meetings

A duly convened General Meeting represents all shareholders. Its decisions are compulsory for all, even those absent, dissident or unable to attend.

All shareholders have the right to attend the General Meetings and to participate in the deliberations, in person or by proxy, regardless of the number of shares they hold, on simple proof of identity.

However, proof of the right to participate in the Company's General Meetings, in whatever form, can be shown by accounting records or by registration of shares in the conditions and terms stipulated by the applicable regulations.

The Board of Directors can reduce or eliminate the time for justification of the right to participate in the Company's General Meetings through a general measure that applies to all shareholders.

All shareholders may choose to be represented by their spouse or by another shareholder. To this end, the person to whom such powers are conferred must show proof thereof.

All shareholders may also send a power of attorney to the Company without indicating the name of their representative. All such powers of attorney without indication of the name of the proxy shall be considered as a vote in favour of the resolutions submitted or approved by the Board of Directors to the meeting.

All shareholders can vote by correspondence using a form created and addressed to the company in the conditions allowed by applicable laws and regulations. This form must be received by the Company three days before the date of the meeting, without which it will not be acknowledged.

4

GROUP EMPLOYEES

4.1	Employees	87
4.1.1	Company employees (excluding operational entities) as of 31 December 2010	87
4.1.2	Recruitment in 2010	87
4.1.3	Dismissals and departures in fiscal year 2010	87
4.1.4	Other	88
4.2	Employee shareholding	88
4.2.1	Profit-sharing plan and save-as-you-earn scheme	88
4.2.1.1	Profit-sharing plan	88
4.2.1.2	Save-as-you-earn scheme	89
4.2.2	Stock options allocated to employees and options exercised by them	89
4.2.3	Bonus shares granted to employees	89

GROUP EMPLOYEES

4.1 EMPLOYEES

The year 2010 was characterised by an increase in the workforce linked to Caroil's integration of part of the workforce that until then had been subcontracted, and to the development of the structure in Gabon, in step with increased production.

Distribution by activity	2010	2009	2008
Oil and gas exploration/production	222	143	258
Oil drilling	182	133	162
HEADQUARTERS SUPPORT	21	21	21
TOTAL	425	297	441

Geographic breakdown	2010	2009	2008
Africa	230	138	82
Latin America	124	122	266
Middle East	25	-	-
Europe	46	37	93
TOTAL	425	297	441

4.1.1 / Company employees (excluding operational entities) as of 31 December 2010

The Company had a total 38 employees as of 31 December 2010.

It had 44 employees on 31 December 2009 and 49 employees on 31 December 2008.

The total payroll for 2010 was €6,513,451 (compared to €6,798,064 in 2009). Benefits for the fiscal year amounted to €3,037,351 (versus €3,053,503 in 2009). Employer contributions were 46.63% in 2010 versus 44.90% in 2009.

Interim and outsourced services in 2010 (excluding the service provision agreement with Pacifico S.A. cited in sections 3.2.1.3 and 3.2.2.1.2) represented an expense for the Company of €171,674 (versus €229,257 in 2009).

4.1.2 / Recruitment in 2010

In the Company, no employees have been hired since 1 January 2010.

Moreover, no internship agreements were signed during this period.

4.1.3 / Dismissals and departures in fiscal year 2010

In the Company:

- one employee was laid off in 2010 for personal reasons;
- two employees were transferred to another division of the Maurel & Prom Group;
- two employees signed conventional severance agreements;
- and one employee exercised his right to retirement.

4.1.4 / Other

The Company has been governed by the oil industry collective agreement since 1 March 2004.

A protocol to control and reduce working hours has been in place since 19 May 2003. Under this protocol, the work week in the Company is 35 hours.

The Company belongs to a supplemental pension benefits plan, which is a group insurance policy with Generali. This agreement covers all employees, and employer's contributions are 8% for tranches A, B and C.

Under this plan the Company paid €416,320 in 2009 and €399,113 in 2010.

4.2 EMPLOYEE SHAREHOLDING

At 31 December 2010, 49 Group employees (excluding the Chairman) held 783,981 shares in the Company. Some employees also have shares in Maurel & Prom through the save-as-you-earn scheme.

4.2.1 / Profit-sharing plan and save-as-you-earn scheme

The Company operates a scheme to link employees with the Company's performance and its share capital through a save-as-you-earn scheme.

4.2.1.1 / Profit-sharing plan

A profit-sharing plan was put in place on 1 January 2005, following the expiry of the first profit-sharing plan set up in 2002. This agreement was concluded

SUMMARY TABLE OF MAUREL & PROM STOCK OPTIONS AND SUBSCRIPTION OF SHARES INFORMATION AT 1 MARCH 2011

Plan	GM authorisation date	Allocation date	Beneficiaries	Number of options allocated	Initial exercise price	FY start date
3 quinquies	28/12/2004	10/04/2006	1 employee, not a corporate officer	80,000	€14.72	11/04/2006

NOTES :

- each existing option confers the right to subscribe one Maurel & Prom share with a par value of €0.77;
- no allocated options have been cancelled;
- with respect to all options, there is no provision to prohibit the immediate resale of all or part of the

shares resulting from exercising an option, nor is a minimum holding period specified;

- plans 3 bis, 3ter, and 3 quater expired on 06/04/2010, 21/12/2010 and 03/01/2011, respectively, without being exercised.

for a three year period and remained in effect until 31 December 2007. A new profit-sharing plan was set up during 2009. It will run until 31 December 2011.

4.2.1.2 / Save-as-you-earn scheme

On 1 March 2002 the Company put in place a save-as-you-earn scheme that offers employees a Company Savings Plan (CSP). This plan has a one-year term, tacitly renewable yearly.

Under the terms of this plan, as at 31 December 2010, 57 participating employees (including 14 former employees) held 145,000 Maurel & Prom shares representing 0.12 % of its share capital.

All Company employees with at least three months' service can join the plan if they wish.

Contributions to the Company Savings Plan can be made from all or part of any employee profit-sharing, voluntary additional payments by the beneficiary (to the extent permitted by law), Company contributions, and transfer of savings to the plan by the beneficiary. The Company encourages employees to save through a flexible contribution schedule that is applied across the board and available to all beneficiaries.

Contributions to the Company Savings Plan in 2010 (amounts paid to the CSP for present employees) amounted to €167,585.

4.2.2 / Stock options allocated to employees and options exercised by them

Certain employees of the Company benefit from Maurel & Prom stock options. The main characteristics of these options are indicated in the table below:

Expiry date	Number of options after readjustment in May 2010	Exercise price	Number of options exercised	Number of residual options
10/04/2011	81,600	N/A	-	81,600

4.2.3 / Bonus shares granted to employees

	Plan no. 1 ter	Plan No.1 quater	Plan 2007	Plan 2008 No.1	Plan 2008 No.2	Plan 2008 No.3	Plan 2009 No.1	Plan 2009 No.2	Plan 2010
Allocation date	03/10/06	14/12/06	21/12/07	25/04/08	15/10/08	16/12/08	19/06/09	15/12/09	20/12/10
Acquisition period	03/10/08	14/12/08	21/12/09	25/04/10	15/10/10	16/12/10	19/06/11	15/12/11	20/12/12
Waiting period	03/10/10	14/12/10	21/12/11	25/04/12	15/10/12	16/12/12	19/06/13	15/12/13	20/12/14
Number of employees concerned	4	23	40	40	16	31	46	32	47
Number of bonus shares	70,000	65,300	108,786	45,550	93,237	103,785	58,650	122,910	224,256

5

MAUREL & PROM AND ITS SHAREHOLDERS

5.1	Current shareholding structure	91
5.1.1	Composition	91
5.1.2	Shareholders with more than 5% of capital	92
5.1.3	Principal shareholders with voting rights exceeding their share of capital	92
5.2	Dividends	93
5.3	Control of the issuer exercised by one or more shareholders	93
5.3.1	Control of the issuer exercised by one or more shareholders	93
5.3.2	Agreements known to the issuer, the implementation of which could result in a change in control	93

MAUREL & PROM AND ITS SHAREHOLDERS

5.1 CURRENT SHAREHOLDING STRUCTURE

5.1.1 / Composition

At 31 March 2011, the share capital of the Company was distributed as follows:

31/03/2011	Number of shares	% of capital	Number of exercisable voting rights	% of exercisable voting rights	% of theoretical voting rights
• Institutional shareholders	53,923,630	44.45%	53,923,630	43.13%	41.07%
Pacifico S.A. *	10,644,326	8.77%	10,644,326	8.51%	8.11%
Macif	8,324,204	6.86%	8,324,204	6.66%	6.34%
Other	34,955,100	28.81%	34,955,100	27.96%	26.62%
• Registered shareholders	20,086,377	16.44%	29,734,277	23.78%	22.65%
Pacifico S.A. *	18,105,290	14.92%	27,355,290	21.88%	20.83%
Minority – TOTAL double votes	-	-	9,987,266	-	-
• Maurel & Prom (treasury shares)	6,270,118	5.17%	-	-	(4.77)
• Employees	922,160	0.76%	1,261,526	1.01%	0.96%
• Public	40,102,716	33.18%	40,102,716	32.08%	30.55%
TOTAL	121,305,001	100 %	125,022,149	100%	100%

Theoretical voting rights = total number of voting rights associated with the total number of shares, including treasury shares and shares without voting rights.

* At 31 March 2011, Pacifico S.A. held a total of 28,749,616 shares, representing 23.69% of the share capital and 30.39% of exercisable voting rights (and 28.94% of theoretical voting rights).

The composition of the Company's share capital at the close of financial years 2009 and 2010 is summarised in the following table. On 31 December 2010, share capital and voting rights were distributed as follows:

31/12/2010	Number of shares	% of capital	Number of exercisable voting rights	% of exercisable voting rights	% of theoretical voting rights
• Institutional shareholders	53,923,630	44.46%	53,923,630	46.57%	41.78%
Pacifico S.A. *	10,644,326	8.78%	10,644,326	9.19%	8.25%
Macif	8,324,204	6.86%	8,324,204	7.19%	6.45%
Other	34,955,100	28.82%	34,955,100	30.19%	27.09%
• Registered shareholders	20,128,966	16.59%	20,638,616	17.83%	21.34%
Pacifico S.A. *	18,105,290	14.93%	18,205,290	15.72%	19.45%
Minority – TOTAL double votes			852,016		
• Maurel & Prom (treasury shares)	6,363,052	5.25%	-	-	(4.93)
• Employees	928,981	0.76%	1,271,347	1.10%	0.99%
• Public	39,952,270	32.94%	39,952,270	34.50%	30.96%
TOTAL	121,296,899	100%	115,785,863	100%	100%

Theoretical voting rights = total number of voting rights associated with the total number of shares, including treasury shares and shares without voting rights.

* At 31 December 2010, Pacifico S.A. held a total of 28,749,616 shares, representing 23.71% of the share capital and 24.91% of exercisable voting rights (and 27.70% of theoretical voting rights).

On 31 December 2009, share capital and voting rights were distributed as follows:

31/12/2009	Number of shares	% of capital	Number of exercisable voting rights	% of exercisable voting rights	% of theoretical voting rights
• Institutional shareholders	54,798,020	45.19%	54,798,020	47.07%	42.48%
<i>Pacifico S.A. *</i>	10,644,326	8.78%	10,644,326	9.14%	8.25%
<i>Macif</i>	8,324,204	6.86%	8,324,204	7.15%	6.45%
<i>Financière de Rosario</i>	1,499,990	1.24%	1,499,990	1.29%	1.16%
<i>Other</i>	34,329,500	28.31%	34,329,500	29.49%	26.62%
• Registered shareholders	20,094,053	16.56%	20,817,467	17.88%	21.30%
<i>Pacifico S.A. *</i>	18,105,290	14.93%	18,457,361	15.85%	19.46%
<i>Minority – TOTAL double votes</i>			1,078,204		
• <i>Maurel & Prom (treasury shares)</i>	5,918,332	4.88%	-	-	(4.59)
• <i>Employees</i>	783,253	0.65%	1,138,043	0.98%	0.88%
• Public	39,658,613	32.72%	39,658,613	34.07%	30.75%
TOTAL	121,252,271	100%	116,412,143	100%	100%

Theoretical voting rights = total number of voting rights associated with the total number of shares, including treasury shares and shares without voting rights.

** At 31 December 2009, Pacifico S.A. held a total of 28,749,616 shares, representing 23.71% of the share capital and 25% of exercisable voting rights (and 27.71% of theoretical voting rights).*

5.1.2 / Shareholders with more than 5% of capital

To the best knowledge of the Company, only Macif and, Pacifico S.A. and Maurel & Prom each hold, directly or indirectly, by themselves or jointly, more than 5% of the share capital and/or voting rights of the Company.

Pacifico S.A. is a company controlled by Mr Jean-François Hénin, Chairman and CEO of Maurel & Prom, and his family (with more than 99% of the share capital and voting rights).

Maurel & Prom exceeded the threshold of 5.25% of the share capital as part of the share repurchase operation on 7 April 2008. This excess was rectified on 23 December 2009 (to 4.97%). The number of treasury shares on 1 March 2010 represented 4.94% of the capital. It again exceeded this threshold in July 2010. These fluctuations were related principally to the share repurchase operation and to the evolution of liquidity agreement described in 7.2.2 of this Annual Report.

5.1.3 / Principal shareholders with voting rights exceeding their share of capital

In accordance with Article 11, section 7 of the Articles of Association on "Rights and obligations attached to shares", "A double voting right is granted to fully paid up shares for which registration in the name of the same shareholder in the Company's registers can be proven for at least four uninterrupted years from the date they were fully paid up".

Between 30 December 2008 and 30 December 2010, in accordance with the provisions of Article L. 233-14 of the French Commercial Code, out of the 28,749,616 shares held by Pacifico, 7,000,000 were deprived of their double voting right. As at 1 January 2011, Pacifico again benefited from the 7,000,000 double voting rights attached to these registered shares, i.e. 35,749,616 voting rights representing 27.70% of the theoretical voting rights.

5.2 DIVIDENDS

The combined Ordinary and Extraordinary General Shareholders' Meeting of 18 June 2009 decided to pay a dividend of €0.35 per share for the fiscal year ended 31 December 2008 with the option of taking 100% of the dividend in shares at 5% below the issue price (calculated as the average opening price of the 20 trading days preceding this Meeting) after deducting the net amount of the dividend. The dividend was paid out on 20 July 2009 in the total amount of €40,044,275.60, of which €7,834,686.72 was subject to a payment in shares.

The combined Ordinary and Extraordinary General Shareholders' Meeting of 20 May 2010 decided to pay a dividend of €0.10 per share as well as bonus share warrants (described in 7.2.3) for the fiscal year ended 31 December 2009. The dividend was paid out on 2 June 2010 in the total amount of €12,125,227.10.

The Board of Directors of the Group will propose a dividend of €0.25 per share at the General Shareholders' Meeting of 12 May 2011.

5.3 CONTROL OF THE ISSUER EXERCISED BY ONE OR MORE SHAREHOLDERS

5.3.1 / Control of the issuer exercised by one or more shareholders

To the best knowledge of the Company, no shareholder, acting alone or jointly, controls the Company in the sense of Article L. 233-3 of the French Commercial Code.

5.3.2 / Agreements known to the issuer, the implementation of which could result in a change in control

To the best knowledge of the Company, no agreements between its shareholders or clauses in any agreement exist providing preferential terms for the sale or purchase of Maurel & Prom shares affecting 0.5% or more of the share capital or voting rights of the Company, the implementation of which could result in a change in control of the Company.



SUSTAINABLE DEVELOPMENT

6.1	The basis of Maurel & Prom's sustainable development policy: code of conduct	95
6.1.1	Safety and Prevention: Two major Issues	95
6.1.2	Environmental protection: more than just a task, an essential component of our quality initiative	96
6.1.3	Particular awareness of our responsibilities in managing our exploration/production activities	96

SUSTAINABLE DEVELOPMENT

The initiative launched by the Maurel & Prom Group over the preceding years is part of a pursuit for progress, improvement in working methods and know-how with a recurrent focus: controlling risks and impacts on the environment and people, since the latter are considered full stakeholders in their own right in the success and quality of our operations.

In 2010, the Maurel & Prom Group continued and confirmed its commitment to implementing a dynamic sustainable development policy, guided by ongoing professional diligence.

To do this, Maurel & Prom and all its subsidiaries are committed to complying with local regulations and adopting behaviours focused on prevention, and the health and safety of human beings.

By combining its exploration and production activities with a dynamic sustainable development policy, the Maurel & Prom Group pursues its operational objectives while continuing to control the risks inherent in its activities. Managing the daily risks related to its choice to locate its facilities abroad, the Maurel & Prom Group advocates continuous diligence and ethics. Action plans for prevention, protection and social goals are carried out in all Group subsidiaries. Responsibility and action on the part of every player remain essential components in the Maurel & Prom Group's success in sustainable development.

The continual striving for better control of its expertise, and the constant awareness of the environmental risks associated with the Group's activities, are the major lines of thinking we are constantly developing. Continuously testing our practices in order to improve them is an ongoing theme in how we drive our sustainable development policy.

Organising our exploration/production activities around the three basic pillars of sustainable development – “economy, ecology, society” – remains at the centre of our daily concerns.

A Code of Conduct reconciling the imperatives of safety, prevention, environmental protection and individual responsibility constitutes the basis of the sustainable development policy put in place at the Maurel & Prom Group (6.1). This dynamic commitment is reflected in the practical and concrete actions we have taken in all areas where Maurel & Prom is developing and intends to develop its activities (6.2).

6.1 THE BASIS OF MAUREL & PROM'S SUSTAINABLE DEVELOPMENT POLICY: CODE OF CONDUCT

The rules in the Code of Conduct in force at Maurel & Prom since 2006, in the form of its “Safety, Environment and Quality Charter”, call for preserving a fair balance between operations, which are risky by nature, and the environmental and human responsibilities flowing from them.

This Charter makes safety and prevention major issues (6.1.1) and elevates environmental protection beyond just another task to a fully integrated component of the quality initiative that the Group has chosen and pursues (6.1.2). Lastly, this Charter raises awareness among all players to take responsibility for the management of exploration and production activities (6.1.3).

6.1.1 / Safety and Prevention: Two major Issues

Safety, as a corollary of the risks involved in oil activities, is a major concern at the Maurel & Prom Group. It is based not only on ensuring that information and procedures are put in place, but also on the skill, experience and specialisations of our teams.

Prevention, by putting in place training procedures, comprehensive internal information as well as impact audits and studies, plays an essential role. Model procedures are adapted to the specifics of each subsidiary, based on the particular regulations and constraints in each location where our activities are based.

Maurel & Prom is especially committed to raising awareness among its partners and subcontractors to continuously improve the quality of their activities, and to raise awareness among local populations of the fundamental principles advanced for over ten years, namely: responsibility, preservation of health and safety, protection, prevention, sharing, durability and solidarity. Our attention to the Charter at every stage of our activities bears witness to the reality of our commitment.

6.1.2 / Environmental protection: more than just a task, an essential component of our quality initiative

We have multiple environmental protection objectives: Managing risks in areas that may be impacted by our activities, managing our energy consumption, curbing greenhouse gas emissions and managing our waste emissions as effectively as possible. To prevent contaminating the environment in any way, our sites are systematically returned to their former condition once our operations have ended to re-establish the initial flora and fauna balance and give back an “identical” milieu to the local populations. The Group insists that all drilling sites be cleaned and the soil rehabilitated. This stage involves civil engineering works, often carried out by a landscaping company along with the use of natural fill materials. The Group is working to include site remediation in its agreements with subcontractors.

Our environmental protection policy also pays special attention to water, a particularly precious and rare resource in most parts of the countries where we operate our activities. Our Group recommends effective measures to consolidate road earthworks and platforms to combat degradation of groundwater (and more generally soil erosion) and to prevent all forms of pollution of agriculture and rivers. After the rainy season, Maurel & Prom, through its actions to clean up and clear rivers, guarantees drinkable water for local populations.

The Maurel & Prom Group incorporates its various environmental protection action plans within the framework of the laws and regulations in force in the countries where their activities are based. A systematic approach based on studies and evaluations demonstrates our desire to anticipate the effects of our projects: upstream “Impact Studies”, and “Impact Assessments” of projects underway (also covered by ad hoc insurance policies), are rigorously conducted.

Safety, prevention and environmental protection demonstrate the Maurel & Prom Group’s firm commitment to a dynamic and sustainable development policy, representing the varied illustrations of our responsible approach to managing our activities.

6.1.3 / Particular awareness of our responsibilities in managing our exploration/production activities

“Inform, explain, listen” illustrates the approach taken by the Maurel & Prom Group in raising awareness of its responsibilities in managing its activities.

This proactive approach operates on two levels. Firstly, an “internal dimension” which involves continually raising employee awareness of the challenges of our exploration/production activities, and secondly, an “external dimension” in our choice of partners, from whom we require equally strong guarantees of how they conduct their own activities.

Team responsibility is possible only if it is preceded by rigorous training. To do this, the Group focuses on health and safety at work. Every person is an integral part of their team when it comes to complying with the Health, Safety and Environment (HSE) standards defined by the Group in accordance with recognised international practices and/or guidelines of major bodies in the oil and gas industry, such as the Accident Prevention Reference Guide of the International Association of Drilling Contractors (IADC), or of the American Petroleum Institute (API).

For example, preventive programs to improve safety involve training in firefighting and diligent monitoring to update and renew safety certificates and procedures for certain operating equipment, which relies on taking and passing controlled inspections.

We continue to reinforce safety measures, and a special permit must be obtained for any specific work that presents a risk, such as contact with a heat source, working at a height or while suspended, or handling explosives. The Group thus seeks to highlight any inadequacy vis-à-vis the safety rules and to emphasise best practices to replicate them across all its operational sites. Tracking records implemented by Maurel & Prom allow procedures to be assessed and improved if necessary.

With respect to health and safety at work, Maurel & Prom has elected to adopt an equally rigorous policy that constantly reinforces its recommendations on the ground. Repeated programmes to raise awareness of infectious tropical diseases, such as malaria in Africa, are conducted in collaboration with agencies for occupational medicine.

With its experience in implementing a dynamic policy to improve prevention, health and safety, Maurel & Prom is committed to promoting a similar approach among its partners and local populations.

The Maurel & Prom Group has selected its partners on the basis of their know-how as well as their commitment to the principles of health and safety in the workplace. This enables us to harmonise the Health & Safety approach of our partners with our Code of Conduct and our HSE policy.

The Group is also pursuing its commitments to local communities, by contributing substantially to developing and improving the economic and social fabric. For a number of years, the Group has been promoting R&D related jobs in the Group by developing effective training programmes. In this way, the Group is fulfilling its commitment to stay closely linked to local populations and to R&D and exploration projects so as to maintain privileged and absolutely essential links while respecting local characteristics.



COMPANY INFORMATION

7.1	Information about the company	99
7.2	Share capital	99
7.2.1	Share capital and authorisations to increase capital	99
7.2.1.1	Subscribed capital	99
7.2.1.2	Authorised capital	100
7.2.2	Treasury shares held by the issuer or on the issuer's behalf or by the issuer's subsidiaries – Treasury share repurchase plan	101
7.2.2.1	Authorisation granted by the combined Ordinary and Extraordinary General Shareholders' Meeting of 20 May 2010	101
7.2.2.2	Description of the share repurchase plan pursuant to Article 241-1 et seq. of the General Regulations of the French Financial Markets Authority (AMF)	101
7.2.3	Convertible or exchangeable securities and warrants	107
7.2.4	Share capital history	107
7.2.5	Capital dilution potential	107
7.3	Charter and articles of association	107
7.3.1	Corporate purpose	107
7.3.2	Provisions relating to administrative and executive bodies	107
7.3.3	Rights, privileges and restrictions attached to each class of existing shares	107
7.3.4	Necessary procedures for modifying shareholders' rights	111
7.3.5	Provisions to delay, defer or prevent a change of control	111
7.3.6	Declarations of thresholds exceeded	111
7.3.7	Change in capital	111
7.3.8	Disposal and transfer of shares	111
7.3.9	Necessary procedures for modifying shareholders' rights	111
7.3.10	Provisions to delay, defer or prevent a change of control	111
7.3.11	Articles of Incorporation reinforcing laws governing changes to share capital	111

COMPANY INFORMATION

7.1 INFORMATION ABOUT THE COMPANY

Corporate name: "Etablissements Maurel & Prom".

The Company is a public limited company (société anonyme) with a Board of Directors.

The Company is listed in the Paris Commercial and Companies Register (Registre du Commerce et des Sociétés de Paris) under number 457 202 331.

The NAF code of the Company (French business code, formerly "APE" code) is 7010Z (hydrocarbon extraction).

Company incorporation date: 10 December 1919.

Company duration: 99 years, which is until 1 November 2018, unless dissolved earlier or extended.

The Company is incorporated under French law.

Maurel & Prom is a public limited company (société anonyme) with a Board of Directors, governed by the French commercial code (in particular Articles L. 225-17 et seq. of the code), as well as by all other French laws and regulations applicable to it.

Until 14 June 2007, Maurel & Prom was incorporated as a public limited company with a management board and a supervisory board. The combined ordinary and extraordinary general shareholders' meeting of 14 June 2007 decided to change the management form of the Company and replace the management board and supervisory board with a Board of Directors.

Until 28 December 2004, Maurel & Prom was incorporated as a partnership limited by shares (société en commandite). The combined ordinary and extraordinary general shareholders' meeting of 28 December 2004 decided to merge Maurel & Prom with its general partner Aréopage by absorbing the latter and to subsequently transform Maurel & Prom into a public limited company.

Registered Office:

12, rue Volney – 75002 Paris

Tel: 01 53 83 16 00 – Fax : 01 53 83 16 04

7.2 SHARE CAPITAL

7.2.1 / Share capital and authorisations to increase capital

7.2.1.1 / Subscribed capital

On 1 January 2010, the company's share capital was €93,364,248.67, divided into 121,252,271 shares with a par value of seventy-seven euro cents (€0.77) per share.

On 31 December 2010, Maurel & Prom's share capital was ninety-three million three hundred ninety-eight thousand six hundred and twelve euros and twenty-three euro cents (€93,398,612.23), divided into 121,296,899 fully paid-up shares with a par value of €0.77 per share. From 4 January 2011, it increased to €93,404,850.77, divided into 121,305,001 fully paid-up shares with a par value of €0.77 per share, following the conversion of share subscription warrants.

Each share confers a right to the Company's profits and capital in proportion to the fraction of capital that it represents. Maurel & Prom's share capital may be increased, reduced or amortised under the terms and conditions governed by law, the Articles of Association specifying no specific provisions for this.

To the best knowledge of the Company, none of its shareholders has offered any of its shares as pledges.

7.2.1.2 / Authorised capital

Authorisations and delegations granted by the combined Ordinary and Extraordinary General Shareholders' Meeting of 18 June 2009 to the Board of Directors with respect to issues of shares and securities conferring access to capital were as follows:

Resolution No.	Type of delegation or authorisation	Ceiling (€)	Duration of authorisation from 18/06/2009
Twelve	<i>Authorisation to the Board of Directors, in the event of issue of stocks or securities conferring access to capital, with removal of shareholders' preferential subscription rights for the offers described in Article L. 411-2 section II of the French Monetary and Financial Code, to set the issue price according to the terms set by the General Meeting.</i>	<i>Authorisation limited to 10% of Company capital as at the date of this General Meeting, in any 12-month period. The par value of Company debt securities resulting from issues under this delegation will be applied against the ceiling for debt securities in the preceding Resolution Eleven and Resolution Nine relating to debt securities.</i>	<i>26 months, until 17 August 2011</i>

Authorisations and delegations granted by the combined Ordinary and Extraordinary General Shareholders' Meeting of 20 May 2010 to the Board of Directors with respect to issues of shares and securities conferring access to capital were as follows:

Resolution No.	Type of delegation or authorisation	Ceiling (€)	Duration of authorisation from 20/05/10
Eleven	<i>Delegation of authority to the Board of Directors to issue Company shares and securities conferring access to the capital of the Company or of one of its subsidiaries, maintaining shareholders' preferential subscription rights.</i>	<i>Total par value of capital increases: €50 million. Total par value of any debt instruments that may be issued: €600 million.</i>	<i>26 months, until 20 July 2012 Ends the delegation given by the AGM of 24 February 2009</i>
Twelve	<i>Delegation of authority to the Board of Directors to issue Company shares and securities conferring access to the capital of the Company or of one of its subsidiaries, with removal of shareholders' preferential subscription rights in the event of a public exchange offering.</i>	<i>Total par value of capital increases: €25 million. Total par value of any debt instruments that may be issued: €350 million.</i>	<i>26 months, until 20 July 2012 Ends the delegation given by the AGM of 18 June 2009</i>

Resolution No.	Type of delegation or authorisation	Ceiling (€)	Duration of authorisation from 20/05/10
Thirteen	Delegation of authority to the Board of Directors to issue Company shares and securities conferring access to the capital of the Company or of one of its subsidiaries, with removal of shareholders' preferential subscription rights in the event of a public exchange offering as described in Article L. 411-2 section II of the French Monetary and Financial Code.	<p>Total par value of capital increases:</p> <p>€25 million, without exceeding 20% of the capital per annum.</p> <p>The par value of capital increases made under this authorisation will be applied to the ceiling in Resolution Twelve adopted by the General Shareholders' Meeting of 20 May 2010.</p> <p>Total par value of any debt instruments that may be issued: €350 million.</p>	<p>26 months, until 20 July 2012</p> <p>Ends the delegation given by the AGM of 18 June 2009</p>
Fourteen	Authorisation to the Board of Directors, in the event of the issue of shares and securities conferring access to capital, with removal of shareholders' preferential subscription rights, to set the issue price in accordance with the conditions set down by the General Meeting.	<p>Total par value of capital increases: 10% of the Company's share capital (existing at the date of the General Meeting) per 12-month period.</p> <p>The total par value of issues made under this authorisation will be applied to the ceilings in Resolutions Twelve and Thirteen above.</p>	<p>26 months, until 20 July 2012</p> <p>Ends the authorisation given by the AGM of 18 June 2009</p>
Fifteen	Authorisation to the Board of Directors to increase the number of instruments to be issued, in the event of capital increase with or without removal of shareholders' preferential subscription rights.	<p>Increase must be within 30 days after closing the initial issue, may not exceed 15% of the initial issue, and must be at the same price as the initial issue.</p> <p>Concerns each issue decided in application of Resolutions Eleven, Twelve, Thirteen and Fourteen above, subject to complying with the ceiling in the Resolution in application of which the issue is decided.</p>	<p>26 months, until 20 July 2012</p> <p>Ends the authorisation given by the AGM of 18 June 2009</p>
Sixteen	Delegation of authority to the Board of Directors to issue shares and securities conferring access to capital in the event of a public exchange offering initiated by the Company.	Total par value of capital increases: €25 million.	<p>26 months, until 20 July 2012</p> <p>Ends the delegation given by the AGM of 24 February 2009</p>

Resolution No.	Type of delegation or authorisation	Ceiling (€)	Duration of authorisation from 20/05/10
Seventeen	<i>Authorisation to the Board of Directors to issue shares and securities conferring access to capital with a view to compensating contributions in kind granted to the Company in the form of shares or securities conferring access to capital.</i>	<i>Maximum par value of capital increases: 10% of the Company's share capital (existing on the date of the General Meeting).</i>	<i>26 months, until 20 July 2012 Ends the authorisation given by the AGM of 24 February 2009</i>
Eighteen	<i>Delegation of authority to the Board of Directors to increase the Company's share capital by incorporating reserves, profits or premiums.</i>	<i>Maximum par value: €100 million.</i>	<i>26 months, until 20 July 2012 Ends the delegation given by the AGM of 24 February 2009</i>
Nineteen	<i>Delegation to the Board of Directors for the purpose of issuing transferable securities that give the right to allocate debt securities.</i>	<i>Maximum par value: €250 million.</i>	<i>26 months, until 20 July 2012 Ends the delegation given by the AGM of 24 February 2009</i>
Twenty	<i>Authorisation to the Board of Directors to allocate Company shares to employees and/or corporate officers, free of charge.</i>	<i>The total number of shares allocated free of charge may not exceed 1% of the Company's share capital (existing on the date of the General Meeting). Acquisition and waiting period: 2 years.</i>	<i>38 months, until 20 July 2013 Ends the authorisation given by the AGM of 24 February 2009</i>
Twenty one	<i>Delegation of authority to the Board of Directors to increase the capital reserved for employee members of the Company Savings Plan.</i>	<i>Maximum par value of capital increases: €1 million (excluding capital increases by incorporating reserves, profits or premiums) and €1 million by incorporating reserves, profits or premiums.</i>	<i>26 months, until 20 July 2012 Ends the delegation given by the AGM of 18 June 2009</i>
Twenty two	<i>Delegation of authority to the Board of Directors to reduce capital by cancelling shares.</i>	<i>Cancellation, on one or more occasions, up to a maximum of 10% of the Company's share capital in 24-month periods, of all or some of the Company's shares acquired in the context of the share repurchase plan authorised by Resolution Ten of the AGM of 20 May 2010 or share repurchase plans authorised prior to or after the date of this Meeting.</i>	<i>18 months, until 20 November 2011 Ends the authorisation given by the AGM of 24 February 2009</i>

At the combined Ordinary and Extraordinary General Shareholders' Meeting of the Company on 12 May 2011, shareholders will be asked to renew these delegations in compliance with the proposed resolutions mentioned in paragraph 9.7 of this Annual Report.

7.2.2 / Treasury shares held by the issuer or on the issuer's behalf or by the issuer's subsidiaries – Treasury share repurchase plan

7.2.2.1 / Authorisation granted by the combined Ordinary and Extraordinary General Shareholders' Meeting of 20 May 2010

The General Shareholders' Meeting of 20 May 2010 adopted Resolution Ten to authorise the renewal of the current share repurchase plan that had been authorised by the combined Ordinary and Extraordinary General Shareholders' Meeting of 24 February 2009.

The General Meeting of 20 May 2010 authorised the Board of Directors to purchase, hold or transfer shares of the Company, within the limit of the number of shares representing 10% of the share capital existing at the date of this General Meeting, (provided that when the shares are redeemed to promote liquidity based on the conditions mentioned below, the number of shares used for the calculation of this 10% limit corresponds to the number of shares purchased, less the number of shares re-sold over of the term of this authorisation). The conditions are as follows:

- the maximum purchase price may not exceed €18 per share, although this price may be adjusted in the event of capital operations such as, in particular, the incorporation of reserves followed by the creation and allocation of bonus shares and/or the splitting or grouping of shares;
- the maximum value of funds designated for the repurchase plan is €168,000,000 based on the amount of share capital at 31 December 2009;
- this authorisation is valid for 18 months from 20 May 2010.

The purchases made by the Company under this authorisation may under no circumstance cause the Company to hold directly or indirectly, at any time, more than 10% of the share capital at the date under consideration.

These shares may be purchased, sold or transferred – including when purchased, sold or transferred as part of a public offering of Company shares provided such offer is settled fully in cash – by any means; specifically, on regulated markets, multinational trading platforms or over-the-counter systems, including when purchased or sold in blocks, or through derivative

financial instruments traded on regulated markets, multilateral trading platforms or over-the-counter systems, provided such transactions comply with the law and regulations in force on the date of the trade concerned and fall within the time periods confirmed by the Board of Directors or by the person authorised to act on the board's behalf.

These share purchases may be carried out within the allocation terms specified by the law or regulations, the aims of this repurchase plan being:

- (i) To honour obligations under stock option plans or other share allocations to employees and/or corporate officers, specifically as part of (a) company profit-sharing, (b) any share purchase plan or bonus share plan for employees under terms governed by law, in particular Article L. 3331-1 et seq. of the French Labour Code (including any sale of shares governed by Article L. 3332-24 of the French Labour Code), or (c) any stock option plan or bonus share allocation plan for employees and corporate officers or for a subset of them,
- (ii) To honour obligations relating to negotiable securities conferring access to Company shares, by any means, immediately or as futures, (including any hedging of Company bonds through such negotiable securities),
- (iii) To ensure the liquidity of Company shares through an investment services provider under a liquidity agreement in accordance with an ethics charter recognised by the French Financial Markets Authority,
- (iv) To hold shares for subsequent use as exchange or payment in a potential external growth transaction,
- (v) To reduce the Company's capital.

7.2.2.2 / Description of the share repurchase plan pursuant to Article 241-1 et seq. of the General Regulations of the French Financial Markets Authority (AMF)

LEGAL FRAMEWORK

This plan is implemented pursuant to the provisions of Article L. 225-209 et seq. of the French Commercial Code, EU Regulation 2273/2003 of 22 December 2003 and the AMF General Regulations. It was detailed in Resolution Ten approved by the Company's General Shareholders' Meeting on 20 May 2010, which specified:

“The General Meeting, acting with the quorum and majority required for Ordinary General Shareholders' Meetings, having considered the report of the Board of Directors,

1°) hereby ends, with immediate effect, the authority granted by the combined Ordinary and Extraordinary General Meeting of 24 February 2009 in its First Resolution, to purchase Company shares, for the unused portion thereof,

2°) pursuant to Article L. 225-209 et seq. of the French Commercial Code, authorises the Board of Directors to purchase shares of the Company, within the limit of the number of shares representing 10% of share capital existing on the date of this Meeting (provided that when the shares are redeemed to promote liquidity based on the conditions mentioned below, the number of shares used for the calculation of this 10% limit corresponds to the number of shares purchased, less the number of shares re-sold over the term of this authorisation), under the following conditions:

- The maximum purchase price may not exceed €18 per share, although this price may be adjusted in the event of capital operations such as, in particular, incorporation of reserves followed by the creation and allocation of bonus shares and/or the splitting or grouping of shares;
- the maximum funds designated for the repurchase plan is €168 million;
- This authorisation is valid for 18 months;
- The purchases made by the Company under this authorisation may under no circumstances cause the Company to hold directly or indirectly, at any time, more than 10% of share capital at the date under consideration.
- Shares may be purchased, sold or transferred – including when purchased, sold or transferred as part of a public offering of Company shares provided such offer is settled fully in cash - by any means, specifically, on regulated markets, multinational trading platforms or over-the-counter systems, including when purchased or sold in blocks, or through derivative financial instruments traded on regulated markets, multilateral trading platforms or over-the-counter systems, provided such transactions comply with the law and regulations in force on the date of the trade concerned and fall within the time periods confirmed by the Board of Directors or by the person authorised to act on the Board's behalf.

These share purchases may be carried out within the allocation terms specified by the law or regulations, the aims of this repurchase plan being:

(i) To honour obligations under stock option plans or other share allocations to employees and/or corporate officers, specifically as part of (a) company profit-sharing, (b) any share purchase plan or bonus share plan for employees under terms governed by law, in particular Article L. 3331-1 et seq. of the French Labour Code (including any sale of shares governed by Article L. 3332-24 of the French Labour Code), or (c) any stock option plan or bonus share allocation plan for employees and corporate officers or for a subset of them,

(ii) To honour obligations relating to negotiable securities conferring access to Company shares, by any means, immediately or as futures, (including any hedging of Company bonds through such negotiable securities),

(iii) To ensure the liquidity of Company shares through an investment services provider under a liquidity agreement in accordance with an ethics charter recognised by the French Financial Markets Authority,

(iv) To hold shares for subsequent use as exchange or payment in a potential external growth transaction,

(v) To reduce Company capital pursuant to Resolution twelve proposed at this General Meeting, subject to the Resolution being adopted.

The General Meeting confers all powers to the Board of Directors to decide and implement this authorisation, to specify the terms and procedures for this implementation, to place any stock market deals, conclude any agreements, prepare information documents, carry out any formalities, including allocating or reallocating any shares purchased for any purpose, and file any declarations with any agency, and generally to do everything necessary.

The Board of Directors may delegate to the Chief Executive Officer the necessary authority to execute the operations in this Resolution".

In addition, the General Shareholders' Meeting of 20 May 2010, in Resolution Twenty two, authorised the Board of Directors to reduce Company share capital by cancelling up to 10% of Treasury shares in any 24-month period, under the following terms:

"The General Meeting, acting with the quorum and majority required for Extraordinary General Meetings, after having considered the report of the Board of Directors and the special report of the statutory auditor, and acting in accordance with Article L. 225-209 of the French Commercial Code,

1°) hereby ends, with immediate effect, the delegation conferred in Resolution Twelve of the combined Ordinary and Extraordinary General Shareholders' Meeting of 24 February 2009, for the unused portion thereof,

2°) delegates to the Board of Directors all authority to cancel, on one or more occasions, within the limit of 10% of the capital of the Company in 24-month periods, all or some of the shares of the Company acquired in the context of the share repurchase plan authorised by Resolution Ten submitted to this Meeting, or share repurchase plans authorised prior to or after the date of this Meeting,

3°) allocates any positive difference between the purchase price and par value of the shares, to the "Issue premiums" line in the accounts or to any other available reserves, including legal reserves, within the limit of 10% of the capital reduction realised,

4°) delegates to the Board of Directors all authority, which may be delegated to a legally authorised agent, to reduce capital by cancelling the shares and allocations cited above, as well as to consequently amend Article 6 of the Articles of Association, and

5°) sets the term of this authority at 18 months from the date of this Meeting”.

NUMBER OF SHARES AND PROPORTION OF CAPITAL THAT THE ISSUER MAY HOLD DIRECTLY OR INDIRECTLY

- On 31 December 2010 the Company held 6,363,052 shares, or 5.25% of share capital:
- 128,041 shares under a liquidity agreement; and
- 6,235,011 treasury shares.

BREAKDOWN OF TREASURY SHARES BY OBJECTIVE

On 31 December 2010, 2.01% of Treasury shares (128,041 shares representing 0.11% of share capital) were under a liquidity agreement.

6,235,011 shares or 97.99% of Treasury shares (5.14% of share capital) were held for subsequent exchange or settlement in potential external growth operations.

450,000 shares (7.08% of treasury shares and 0.37% of share capital) were allocated for cancellation.

Over the 2010 fiscal year, 242,522 shares were cancelled as part of bonus share allocation plans for employees of the Company.

OBJECTIVES OF THE NEW REPURCHASE PLAN SUBMITTED TO THE GENERAL MEETING OF 12 MAY 2011

The objectives of the plan are:

- to honour obligations under stock option plans or other share allocations to employees and/or corporate officers, specifically as part of (a) company profit-sharing, (b) any share purchase plan or bonus share plan for employees under the terms governed by law, in particular Article L. 3331-1 et seq. of the French Labour Code (including any sale of shares governed by Article L. 3332-24 of the French Labour Code), or (c) any stock option plan or bonus share allocation plan for employees and corporate officers or for a subset of them;
- to honour obligations relating to negotiable securities conferring access to Company shares, by any means, immediately or as futures, (including any hedging of Company bonds through such negotiable securities);
- to ensure the liquidity of Company shares through an investment services provider under a liquidity agreement in accordance with an ethics charter recognised by the French Financial Markets Authority.

- to hold shares for subsequent use as exchange or payment in potential external growth operations;
- to reduce the Company's capital.

MAXIMUM SHARE OF CAPITAL, MAXIMUM NUMBER OF SHARES, CHARACTERISTICS OF SHARES, MAXIMUM PURCHASE PRICE

Securities affected

The repurchase plan concerns Company shares (ISIN code FR0000051070) traded on Euronext Paris (compartment A).

Maximum share of capital

No more than 10% of total Company share capital may be purchased, according to the following terms:

- the number of shares purchased by the Company to hold for use as payment or exchange in a merger, demerger, or capital contribution may not exceed 5% of its share capital, in accordance with Article L. 225-209, section 6 of the French Commercial Code, this being 6,065,250 shares as at the date of this publication;
- this limit refers to the Company's existing share capital, adjusted if necessary to take into account any operations affecting Company share capital after the General Meeting of 12 May 2011, the purchased amount not to exceed directly or indirectly 10% of the Company's existing share capital.

Purchase price

The Company may not pay more than €18 per share for its own shares.

Repurchase procedures

Such shares may be purchased, sold or transferred by any means, including over-the-counter operations, block trades, financial instruments, derivatives traded on regulated or over-the-counter markets, buy or sell options or any combination thereof, excluding call options or warrants to do so, under the terms authorised by the competent market authorities and within the time periods confirmed by the Company's Board of Directors. Any capital purchased or transferred as blocks must be less than the total authorised amount for the plan.

Such transactions may be executed at any time in accordance with applicable regulations including during any public offer period, subject to the laws and regulations governing such operations.

DURATION OF REPURCHASE PLAN

The duration of the repurchase plan is 18 months from the date of the General Meeting of 12 May 2011, i.e., until 11 November 2012 (inclusive).

REPORT OF PRECEDING PLANS

During the past year, the Company made use of its share repurchase plan (share repurchase agreement and liquidity agreement):

Situation as at 31/12/10	
Percentage of capital held as Treasury shares	5.25%
Number of shares cancelled during the last 24 months (351,308), i.e.	0.29%
Number of shares held in portfolio	6,363,052
Book value of the portfolio in €	€81,500,892.50
VMarket value of the portfolio in €	€67,212,918
<i>(Based on the average share price in December 2010 of: €10,563)</i>	

From 1 January to 31 December 2010, the repurchased shares were subject to the following movements:

- 242,522 shares (of the 351,308 cancelled during the previous 24 months) cancelled;

- 270 shares issued as part of the 265 OCEANE conversion.

The execution report of the preceding plans undertaken between 1 January and 31 December 2010 under the liquidity agreement is as follows:

	Total gross flows *		Open positions on the date that the programme was published			
	Purchases	Sales/ Transfers	Open buy positions		Open sell positions	
Number of shares	2,527,468	2,512,701				
Average maximum term						
Average transaction price	10,64641	10,72982				
Average strike price						
AMOUNTS	26,908,467	26,960,842				

* Total gross flows include cash purchases and sales as well as options and futures exercised or matured

- total gross flows include cash purchases and sales;
- as well as options and futures exercised or matured.

At the combined Ordinary and Extraordinary General Shareholders' Meeting of the Company on 12 May 2011 shareholders will be asked to renew the authorisation to allow the Board of Directors to purchase, hold, or sell Company shares in compliance with the proposed resolutions shown in paragraph 9.7 of this Annual Report.

7.2.3 / Convertible or exchangeable securities and warrants

On 7 July 2009 the Company issued, with removal of preferential subscription rights, bonds with an option to convert to and/or exchange for new or existing shares, maturing 31 July 2014, with a total par value of €297,562,496.40, representing 19,074,519 bonds with a par value of €15.60 each (OCEANE 2014, ISIN code FR0010775098).

Between their issue date and 31 December 2009, 1266 OCEANE 2014s were converted to 1266 existing Treasury shares (with a conversion ratio of one share per bond).

During the 2010 fiscal year, 265 OCEANE were converted to 270 existing shares, taken from the Company's Treasury shares, with a conversion ratio of 1.02 shares per bond.

7.2.4 / Share capital history

The table below shows the change in the share capital of Maurel & Prom during the 2008 fiscal year.

Transaction date	Change in capital		Total share capital after transaction	Total number of shares outstanding
	Total share capital	Number of shares		
12/06/08 <i>Exercise of options</i>	€27,635.30	35,890	€92,838,751.39	120,569,807
25/09/08 <i>Capital increase</i>	€53,900	70,000	€92,892,651.39	120,639,807
25/09/08 <i>Cancellation of Treasury shares</i>	(€ 53,900)	(70,000)	€92,838,751.39	120,569,807
16/12/08 <i>Capital increase</i>	€50,281	65,300	€92,889,032.39	120,635,107
16/12/08 <i>Cancellation of Treasury shares</i>	(€ 50,281)	(65,300)	€92,838,751.39	120,569,807

On 8 July 2010, the Company launched an issue, reserved for qualified investors, of bonds with an option to convert and/or exchange for new or existing shares, maturing 31 July 2015, with a par value of approximately €65 million, increased to approximately €70 million after the full exercise of the over-allocation option. This issue is represented by 5,511,812 bonds issued at a price per bond of €12.70 (OCEANE 2015).

Between their issue date and 31 December 2010, no OCEANE have been converted.

Furthermore, at the decision of the Board of Directors dated 7 April 2010, the Company decided on the free allocation of share subscription warrants. Each shareholder was therefore allocated one share subscription warrant for one share (as registered at the end of 18 May 2010), totalling 121,252,271 share subscription warrants, with 10 share subscription warrants carrying the right to subscribe to one new Company share at a strike price of €14.20. The share subscription warrants, which were issued to shareholders on 19 May 2010, can be exercised at any time between 19 May 2010 and 30 June 2014 inclusive. If all share subscription warrants are exercised, the Company would bolster its capital resources up to a maximum amount of €172,178,223.40.

At 31 December 2010, 527,300 share subscription warrants were exercised, resulting in the creation of 52,730 new shares.

The table below shows the change in the share capital of Maurel & Prom during the 2009 fiscal year.

Transaction date	Change in capital		Total share capital after transaction	Total number of shares outstanding
	Total share capital	Number of shares		
23/07/09 <i>Shares created to pay out the 2008 dividend</i>	€525,497.28	682,464	€93,364,248.67	121,252,271
21/12/09 <i>Capital increase</i>	€83,765.22	108,786	€93,448,013.89	121,361,057
21/12/09 <i>Cancellation of Treasury shares</i>	(€ 83,765.22)	(108,786)	€93,364,248.67	121,252,271

The table below shows the change in the share capital of Maurel & Prom during the 2010 fiscal year.

Transaction date	Change in capital		Total share capital after transaction	Total number of shares outstanding
	Total share capital	Number of shares		
25/04/10 <i>Capital increase</i>	€35,035	45,500	€93,399,283.67	121,297,771
25/04/10 <i>Cancellation of Treasury shares</i>	(€ 35,035)	(45,500)	€93,364,248.67	121,252,271
27/08/10 <i>Capital increase for conversion of share subscription warrants</i>	€34,363.56	44,628	€93,398,612.23	121,296,899
15/10/10 <i>capital increase</i>	€71,792.49	93,237	€93,470,404.72	121,390,136
15/10/10 <i>Cancellation of Treasury shares</i>	(€ 71,792.49)	(93,237)	€93,398,612.23	121,296,899
16/12/10 <i>Capital increase</i>	€79,914.45	103,785	€93,478,526.68	121,400,684
16/12/10 <i>Cancellation of Treasury shares</i>	(€ 79,914.45)	(103,785)	€93,398,612.23	121,296,899

On 4 January 2011 the Company's share capital increased from €93,398,612.23 to €93,404,850.77

reflecting the creation on 31 December 2010 of 8,102 new shares issued in redemption of 81,020 Warrants.

7.2.5 / Capital dilution potential

The table below shows the maximum dilution potential of Company share capital resulting from the conversion or exercise of all securities conferring access to the

Company's share capital existing at 1 January 2011 (subscription options, bonus shares, share subscription warrants, OCEANE 2014s, OCEANE 2015s):

	Issue / allocation date	Conversion expiration		Number of shares		Potential dilution
		Start	End	Current	Potential	
Capital on 01/01/2011			€93,404,850.77	121,305,001		
Subscription options	10/04/06	11/04/06	10/04/11		81,600	0.07%
TOTAL SUBSCRIPTION OPTIONS					81,600	0.07%

	Allocation date	Acquisition date	Number of shares issued	Potential dilution
Bonus shares	19/06/09	19/06/11	58,650	0.05%
Bonus shares	15/12/09	15/12/11	122,910	0.100%
Bonus shares	20/12/10	20/12/12	224,256	0.18%
TOTAL bonus shares			405,816	0.331%

	Allocation date	Conversion expiration	Number of potential shares	Potential dilution
Share subscription warrants	19/05/2010	30/06/2014	11,480,439	9.47%
TOTAL share subscription warrants			11,480,439	9.47%
OCEANE 2014 BALANCE AS AT 31/12/10: 19,072,988	07/07/09	31/07/14	19,454,448	16.06%
OCEANE 2015 5,118,111 ISSUED	08/07/10	31/07/15	5,118,111	4.22%
			24,572,559	20.28%
TOTAL			36,458,814	30.15%

7.3 CHARTER AND ARTICLES OF ASSOCIATION

The following information

- corporate purpose;
- administration and management provisions;
- conditions for exercising voting rights – double voting rights;
- disposal and transfer of shares;
- procedure for modifying shareholders' rights;
- shareholders' Meeting notices and conditions of admission;
- statutory thresholds;
- rights and obligations attached to each share class;

is included in the Company's Articles of Association on the website www.maureletprom.fr

7.3.1 / Corporate purpose

The corporate purpose is set out in Article 3 of its Articles of Association. The Company has the following purpose, both in France and abroad:

- The management of all shares and membership rights and, to this end, the acquisition of interests in any company, group and association, particularly by way of purchase, subscription and contribution, as well as the sale in any form of said shares or membership rights;
- The prospecting and exploitation of all mineral deposits, particularly liquid or gaseous hydrocarbon deposits and related products;
- The leasing, acquisition, transfer and sale of all wells, land, deposits, concessions, operating permits and prospecting permits, either for its own personal account or for the account of third parties, whether by participation or otherwise, and the transport, storage, processing, transformation and trading of all natural or synthetic hydrocarbons, all liquid or gaseous products or by-products of the sub-soil, and all minerals or metals;
- The acquisition of any buildings and their management or sale;
- Trading in all products and commodities; and
- Generally speaking, the Company's direct or indirect participation in all commercial, industrial, real estate, agricultural and financial transactions, in France or other countries, either by the setting up of new companies or by the contribution, subscription or purchase of shares or membership rights, merger, joint venture or otherwise, and generally all transactions of any kind whatsoever directly or indirectly related to these activities and likely to facilitate development or management.

7.3.2 / Provisions relating to administrative and executive bodies

The Company's Board of Directors, in its meeting of 31 March 2010, formulated and unanimously approved its Bylaws.

These Bylaws reprise and set out certain articles in the Articles of Association including membership of the Board and the concept of Independent Director, the operating rules, missions, rights and obligations incumbent on Directors laid down in a "charter", the appointment and role of observers and the membership and remits of the Audit, Appointments and Compensation committees.

Since the Company has not adopted any specific rules limiting or preventing members of the Board of Directors from trading in the company's shares, the relevant statutory provisions and regulations apply.

7.3.3 / Rights, privileges and restrictions attached to each class of existing shares

At all General Meetings, every shareholder who is a member of such meetings has as many votes as shares that he owns or represents, without any limitations other than those arising from statutory provisions.

Each share is entitled to one vote. The right to exercise a double vote is conferred upon the owners of fully paid-up registered shares who are able to prove that they have been shareholders for at least four years without interruption. Furthermore, in the event of a capital increase through capitalisation of reserves, profits or issue premiums, the right to a double vote is conferred – immediately upon the issue of any registered shares allocated free of charge – to a shareholder who had old shares benefiting from this same entitlement.

This double voting right shall lapse automatically in respect of any shares that were able to be converted into bearer shares or transferred, but this right can be reinstated if the new holder of the shares can prove that he has been their registered holder for at least four years.

Nevertheless, any transfer from registered share to registered share following an "ab intestato" succession or testamentary succession or division of jointly owned assets or joint property as between spouses shall not interrupt the above four-year period or retain the acquired right. The same applies in the case of inter-vivos gifts between living persons in favour of a spouse or of a relative entitled to inherit.

The details of double voting rights are shown in the share ownership tables in paragraph 5.1.

7.3.4 / Necessary procedures for modifying shareholders' rights

Any change to the articles of association must be decided or authorised by a General Shareholders' Meeting acting with the quorum and majority required by law or the regulations in force for Extraordinary General Meetings.

7.3.5 / Provisions to delay, defer or prevent a change of control

Any change to share capital, or to the voting rights attached to the securities that comprise it, is governed by law, and the Articles of Association contain no specific provisions for this.

7.3.6 / Declarations of thresholds exceeded

In addition to the thresholds provided by the applicable legal and regulatory provisions, any individual or legal entity which, acting alone or with another, comes to hold directly or indirectly a number of shares representing a percentage of the capital or voting rights equal to or greater than 2%, or a multiple of 2%, as long as it does not hold, alone or with another, a total number of shares representing more than two-thirds of the capital and voting rights of the Company, must inform the Company of the total number of shares conferring entitlement to the capital of the Company which it owns, by registered mail with return receipt sent to the registered office within a period of five trading days from the date on which said ownership threshold(s) are exceeded.

At the request, recorded in the minutes of the General Shareholders' Meeting, of one or more shareholders holding at least two percent of the capital or voting rights of the Company, failure to meet this obligation shall be penalised, with respect to the shares exceeding the percentage which should have been declared, by withdrawal of the right to vote at any General Meeting that may be held until the end of a two-year period after the date on which the notice was regularised.

The identical disclosure requirement, within the same period and in accordance with the same procedure, is imposed every time the fraction of the capital or voting rights held by a shareholder drops below one of the above thresholds.

In order to identify the owners of bearer shares, the Company is at all times entitled, in accordance with the conditions and the methods set down by the legal and regulatory provisions, to request that the central depository keeping its share issue account disclose the identity of the owners of shares conferring immediate or subsequent voting rights at General Meetings, as well as the number of shares held by each of them and, if applicable, any restrictions relating to the shares.

7.3.7 / Change in capital

The Company's share capital may be changed only in accordance with the law and regulations in force. The law takes precedence over any provision in the Articles of Association, charter or Bylaws concerning changes to the Company's share capital.

7.3.8 / Disposal and transfer of shares

The shares are freely transferable, subject to the applicable laws and regulations. They are registered in an account and can be switched from account to account.

7.3.9 / Necessary procedures for modifying shareholders' rights

Any change to the Articles of Association must be decided or authorised by the General Shareholders' Meeting acting with the quorum and majority required by the law or the regulations in force for Extraordinary General Meetings.

7.3.10 / Provisions to delay, defer or prevent a change of control

Any change to share capital, or to the voting rights attached to the securities that comprise it, is governed by law, and the Articles of Incorporation contain no specific provisions for this.

7.3.11 / Articles of Incorporation reinforcing laws governing changes to share capital

The Company's share capital may be changed only in accordance with the law and regulations in force. The law takes precedence over any provision in the Articles of Association, charter or Bylaws concerning changes to the Company's share capital.

8

OTHER INFORMATION ABOUT THE GROUP

8.1	Transactions with related parties	113
8.2	Litigation and arbitration	113
8.2.1	Messier Partners dispute	113
8.2.2	Update on other disputes	113
8.3	Property, plant and equipment	114
8.4	Research and development, patents and licences	114
8.5	Information from third-parties, declarations of experts and declarations of interest	114
8.6	Publicly available documents	114
8.7	Organisation chart	115
8.8	Other group activities	116
8.8.1	Gold	116
8.8.2	Head office	116
8.8.3	Maurel & Prom International	116

OTHER INFORMATION ABOUT THE GROUP

8.1 TRANSACTIONS WITH RELATED PARTIES

In addition to its traditional holding business, conducted through general assistance contracts, cash centralisation and current account advances, Maurel & Prom has not delivered any specific services to its subsidiaries, either in the year 2010 or during the past two fiscal years, except for providing employees to its subsidiaries (M&P Congo S.A. in the Congo, Maurel & Prom Colombia BV in Colombia and Venezuela, M&P Gabon S.A., Caroil SAS and SEPLAT). This provision was re-invoiced at cost plus a margin.

The special report of the statutory auditors on Maurel & Prom's regulated agreements for the 2010 fiscal year is presented in paragraph 9.3.

In addition to the transactions indicated in the two paragraphs above, no other transaction has been signed with the related parties since the beginning of the year 2010.

8.2 LITIGATION AND ARBITRATION

The main disputes in which the Company or its subsidiaries are involved are described below. The Company is not aware, for the period of the last twelve months, of any contentious governmental, legal, or arbitration dispute, whether pending or threatening, that could have or that recently had significant effects on the financial position or profitability of the Company and/or the Group.

8.2.1 / Messier Partners dispute

Messier Partners, a financial advisory company, to which the Company had entrusted a mission for financial assistance, filed a lawsuit in 2007 against the Company in order to obtain payment of a success commission following the conclusion of the sales agreement with Eni. All of the claims made by Messier Partners as part of this procedure amounted to €14.7 million. Partial justification was awarded to Messier Partners in the first instance and the Company was ordered to pay Messier Partners the amount of €5.6 million. The Company appealed this ruling. The Paris Court of Appeals, in a ruling dated 5 March 2009, overturned all provisions of the ruling issued on 18 December 2007 by the Paris Commercial Court, on the one hand by dismissing all of the claims brought by Messier Partners and on the other hand by ordering Messier Partners to pay the first instance and the appeal procedural costs, and to pay €50,000 for unrecoverable costs. Messier Partners lodged an appeal with the Court of Cassation on 6 May 2009. Under the terms of a ruling dated 4 May 2010, the Court of Cassation quashed the ruling of the Paris Court of Appeals and referred the case to the same court.

8.2.2 / Update on other disputes

Bank dispute

On 26 November 2008, a bank initiated legal action against the Company in the Paris Commercial Court to obtain a judgment recognising the validity of a framework agreement signed by the Company. This complaint sought a ruling that the complex financial instruments executed under this framework agreement in the summer of 2008 were validly issued in order to obtain payment from the Company of the sums due in settlement of these instruments, that is, the sum of US\$51 million (i.e., €36.8 million).

The Company had provided information on this transaction when it published its 2009 half-year and 2008 annual financial statements, and it disputed these transactions, believing that the bank acted in violation of the rules and procedures applicable in the case. Negotiations between the parties enabled an amicable resolution to be reached for this dispute, entered into on 31 December 2009. It is noted that the banking institution agreed to an €11 million reduction in its claim and payment of the balance of its claim, the amount of US\$33 million without interest, which was paid on 1 April 2011.

Alphin Capital dispute

Alphin Capital, a company specialised in placing African petroleum assets on the market and in assisting negotiations on contracts concerning the exploitation of hydrocarbon deposits and the financing arrangements relating thereto, brought a lawsuit in April 2010 against the Company to obtain the payment of a finder's fee of US\$2.6 million resulting from the signing by SEPLAT (a company incorporated under the laws of Nigeria in which Maurel & Prom has a 45% stake) of interests in the OML 4, 38 and 41 permits in Nigeria. This proceeding is currently being heard in the Paris commercial court.

No other governmental proceeding exists, whether judicial or arbitral, including any proceeding of which the Company is aware, that is in abeyance or that threatens the Company, likely to have or having had, during the course of the last twelve months, significant effects on the financial position or profitability of the Company and/or the Group.

8.3 PROPERTY, PLANT AND EQUIPMENT

Except for one building located in Gabon, no company in the Group owns any buildings.

The registered office is under commercial lease.

The Maurel & Prom Group is co-owner, with its associated companies, of equipment and facilities necessary for producing hydrocarbons at the fields it operates for the duration of their exploitation as well as certain petroleum pipelines used to deliver the crude oil to the point of extraction. The Group also owns, via its wholly-owned subsidiary Caroil, most of the equipment necessary for its exploration and drilling operations.

8.4 RESEARCH AND DEVELOPMENT, PATENTS AND LICENCES

The Maurel & Prom Group does not engage in any research and development and does not own any patents or significant licence.

8.5 INFORMATION FROM THIRD-PARTIES, DECLARATIONS OF EXPERTS AND DECLARATIONS OF INTEREST

Any information relating to the hydrocarbon reserves and resources of the Maurel & Prom Group provided in this Annual Report is founded on the certification or evaluation of independent experts, whose names are shown in 1.2 of this Annual Report.

8.6 PUBLICLY AVAILABLE DOCUMENTS

Generally speaking, the Articles of Association, the minutes of the General Shareholders' Meetings, the reports of the statutory auditors and other company documents related to Maurel & Prom may be consulted at the Company's registered office: 12, rue Volney – 75002 Paris.

The nature of these documents and the conditions for delivering them or making them available are decided by the applicable laws and regulations.

Financial notices are published regularly in the economic and financial press for communications of sales data, results and other important events in the life of the Company or the Group.

Information on the Company is available on the website www.maureletprom.fr, which allows shareholders, employees and the public at large to access a general presentation of the Group and its essential financial information, such as its performances, press releases, Annual Reports, presentations to analysts, prices per share, financial highlights, information on the shareholders and corporate governance and all other significant events concerning the Company and the Maurel & Prom Group.

Financial communications agency:

INFLUENCES

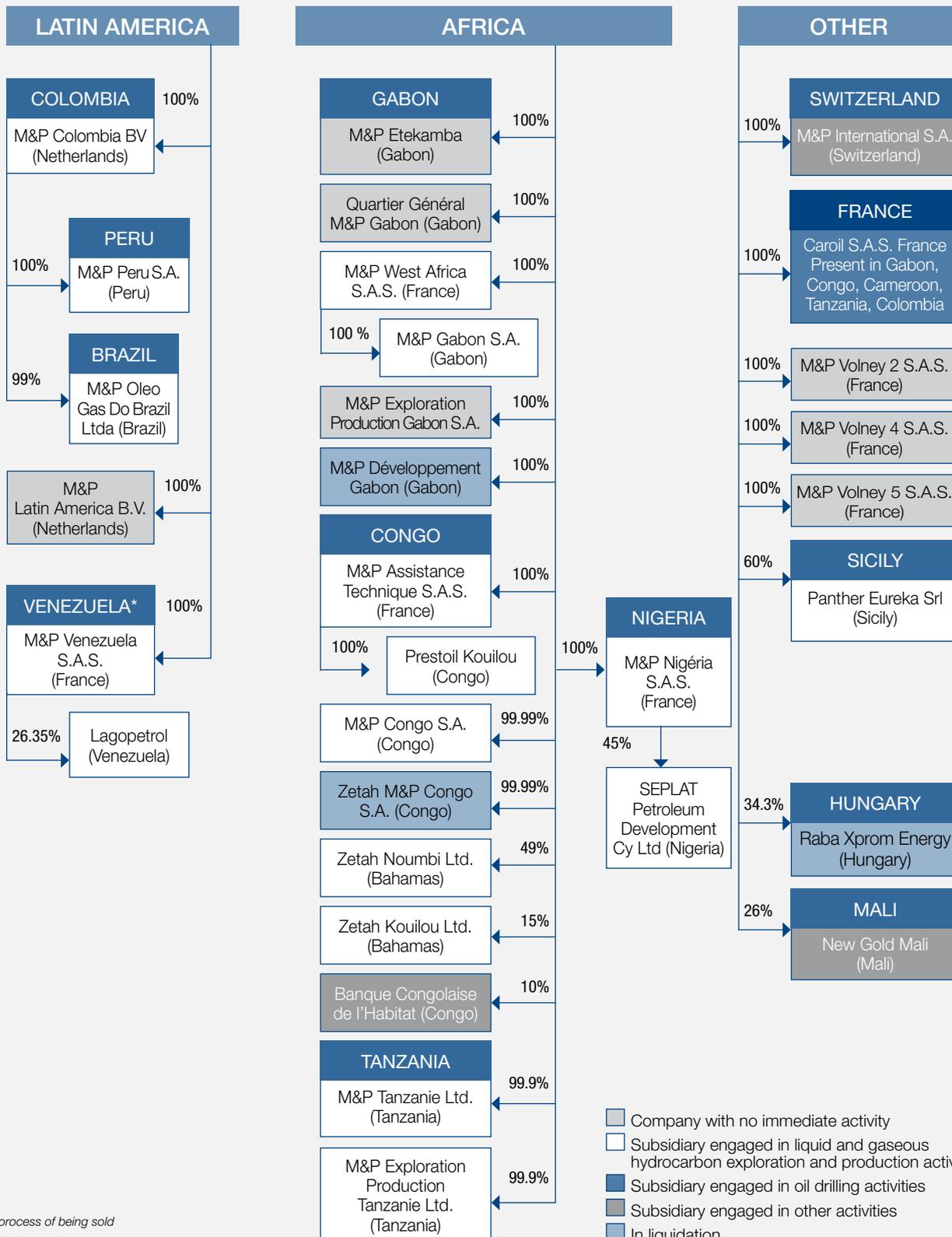
Tel: 01 42 72 46 76

Email: communication@agence-influences.fr

The 2010 annual disclosure document, prepared in compliance with the provisions of Article 222-7 of the General Regulations of the French Financial Markets Authority is found in section 9.8.

8.7 ORGANISATION CHART AT 31/03/2011

MAUREL & PROM ENTITIES



8.8 OTHER GROUP ACTIVITIES

8.8.1 / Gold

Under a Joint Venture Agreement (JVA) dated 5 September 2002 entered into with the company New Gold Mali (hereinafter NGM), the company Afriore was committed to invest the amount of US\$2.5 million in an exploration project with a gold permit in Mali and to produce a study on the feasibility of the project. In exchange for this investment, the company Afriore would have obtained the chance to own 60% of the project.

In a contract dated 4 September 2005, the company Afriore, having decided to withdraw from the project, transferred its rights and obligations under the JVA to the company Pacifico S.A.

In 2007, the company Pacifico S.A., having fulfilled its contractual obligations, became 60% owner of the shares composing the capital of NGM through the acquisition from NGM shareholders including CEAB, a subsidiary of the Company.

The feasibility study seems to conclude that a small mine could be created (legal qualification in Mali) to operate the upper portion of the resource.

8.8.2 / Head office

Teams at the head office have been fully mobilised:

- the technical teams for the Onal and Nigeria production operations as well as for the exploration programme; and
- the administrative and financial management teams for the Group's debt restructuring operations and equity arbitrage (acquisition of Seplat).

8.8.3 / Maurel & Prom International

The company Maurel & Prom International is entirely devoted to managing the majority of the personnel dedicated to international activities.

9 NOTES

9.1	Glossary	119
9.2	Consolidated financial statements at 31 December 2010	121
9.2.1	Consolidated financial statements	121
9.2.2	Statutory Auditors' Report on the consolidated financial statements Year ended December 31, 2010	121
9.3	Statutory Auditor's Report on related party agreements and commitments	189
9.4	Statutory Auditors' Report, prepared in accordance with article L. 225-235 of the French Commercial Code, on the report prepared by the Chairman of the Board of Directors	192
9.5	Audit Fees	193
9.6	Five-year financial summary for Maurel & Prom	194
9.7	Text of proposed resolution	195
9.8	Information	211
9.8.1	Financial information	211
9.8.2	Additional information on Company activities	212
9.8.3	Corporate information	214
9.8.4	Availability of the information	214
9.9	Tables of concordance	216
9.9.1	EU Regulations	216

NOTES

9.1 GLOSSARY

The table below contains a list of the main terms, initials or abbreviations used in the Annual Report:

bbl (barrel)	<i>Volumetric measurement unit of crude oil, i.e. 159 litres or 42 American gallons. One ton of oil contains approximately 7.5 barrels.</i>
bbl/d	<i>Barrels per day.</i>
boepd	<i>Barrel of oil equivalent per day.</i>
Kboe	<i>Thousands of barrels of oil equivalent.</i>
Brent	<i>Quality of North Sea Oil.</i>
Mboe	<i>Millions of barrels of oil equivalent.</i>
CPP Production sharing contract (Contrat de partage de production)	<i>Contract signed by the government and the company operating under the licence. This contract determines all the rights and obligations of the operator, in particular the percentage of cost oil (so that the operator can be reimbursed for the exploration and development costs borne by the operating company) and the share in the profit oil (remuneration).</i>
Drilling	<i>Creation of a passage through the earth's crust in order to remove samples from the sub-soil or extract liquid substances. Originally, drilling was always performed vertically. Today, however, when drilling cannot be done vertically, it is done at an angle, whether directed or not towards specific objectives, as in downhill deviated drilling.</i>
HSE	<i>Hygiene, Safety and Environment.</i>
Pipeline	<i>Pipeline for fluids.</i>
OML	<i>Oil Mining Licence.</i>
Operator	<i>The company in charge of operations on the oil field.</i>
Annual production	<i>The production available for sale (after oil taxes).</i>
Production realised	<i>The total production of a field, before production sharing.</i>
Maurel & Prom production share/own share	<i>The production realised minus the share of partners.</i>
Maurel & Prom production share net of royalties	<i>Maurel and Prom production share after deducting royalties.</i>
Production available for sale after oil taxes/entitlements	<i>Maurel & Prom net share of production after royalties and oil taxes. This is production sold, excluding the effect of inventories.</i>
Royalties	<i>Oil taxes paid in kind corresponding to a percentage of a field's production.</i>
Certified reserves	<i>Maurel & Prom's share of reserves, as assessed by an independent expert, after deducting royalties in kind, and before the taxes applicable to the separate contracts (production-sharing, concession contracts).</i>

Net reserves	<i>The proportion of total reserves from fields reverting to the Company (according to its interest share), taking into consideration the provisions of the production sharing contract for the cost oil and profit oil.</i>
Reserves net of royalties	<i>The total reserves of a field, after deducting royalties.</i>
P1 reserves	<i>Gas and oil reserves that are “reasonably certain” to be productive by using existing techniques, at the current price and under the terms of current commercial and governmental agreements. In the industry, such reserves are known as P1 (or P90 as they have at least 90% chance of being brought into production).</i>
P2 reserves	<i>Gas and oil reserves that are “reasonably probable” to be productive by using existing techniques, at the current price and under the terms of current commercial and governmental agreements. In the industry, such reserves are known as P2 (or P50 as they have at least 50% chance of being brought into production).</i>
P3 reserves	<i>Gas and oil reserves that “have a chance of being developed in favourable circumstances”. In the industry, such reserves are known as P3 (or P10 as they have less than 10% chance of being brought into production).</i>
Resources	<i>Resources that are not yet under commercial contract.</i>
C1+C2 Resources	<i>Volumes of recoverable hydrocarbons, from fields that have been discovered but have not yet been developed and/or connected to a production centre or for which no budget has been approved.</i>
Rig	<i>Drilling apparatus.</i>
2D/3D seismics	<i>Geophysical method that consists in emitting waves in the sub-soil and recording their propagation, thereby making it possible to obtain recordings on the structure of the sub-soil. They may be in 2 or 3 dimensions.</i>
WTI	<i>West Texas Intermediate, reference price with respect to a quality of oil in the United States.</i>

9.2 CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2010

9.2.1 / Consolidated financial statements

CONTENTS	
I – Statement of financial position	122
II – Consolidated comprehensive income statement	125
III - Cash flow statement	127
NOTE 1: General	128
NOTE 2: Accounting methods	129
NOTE 3: Changes in the composition of the group	136
NOTE 4: Intangible assets	138
NOTE 5: Property, plant and equipment	142
NOTE 6: Other non-current financial assets	144
NOTE 7: Investments accounted under the equity method	145
NOTE 8: Inventories	146
NOTE 9: Trade receivables and other current assets	146
NOTE 10: Derivative instruments and other financial instruments	149
NOTE 11: Fair value	153
NOTE 12: Cash and cash equivalents	155
NOTE 13: Shareholders' equity	155
NOTE 14: Provisions	158
NOTE 15: Bonds, other borrowings and financial debt	159
NOTE 16: Supplier debts - other creditors and miscellaneous financial liabilities	161
NOTE 17: Personnel expenses	162
NOTE 18: Income from discontinued activities	162
NOTE 19: Operating income	163
NOTE 20: Financial income	166
NOTE 21: Income tax	167
NOTE 22: Income per share	170
NOTE 23: Restatements carried out on the 2009 financial statements	171
NOTE 24: Related parties	172
NOTE 25: Off-balance sheet commitments	174
NOTE 26: Operating sectors	176
NOTE 27: Risks	180
NOTE 28: Events occurring after the closing date	185
NOTE 29: Audit fees	186

I STATEMENT OF FINANCIAL POSITION

ASSETS

In thousands of euros	Notes	31/12/2010	31/12/2009
<i>Intangible assets</i>	4	520,625	457,731
<i>Property, plant and equipment</i>	5	722,845	547,432
<i>Non-current financial assets</i>	6	62,226	21,030
<i>Investments accounted under the equity method</i>	7	39,991	32,508
<i>Non-current derivative instruments</i>	10	-	37,912
<i>Deferred tax assets</i>	21	12,505	10,647
NON-CURRENT ASSETS		1,358,192	1,107,260
<i>Inventories</i>	8	14,948	4,095
<i>Trade receivables and related accounts</i>	9	71,084	33,434
<i>Other current financial assets</i>	9	260,422	31,671
<i>Other current assets</i>	9	44,169	39,432
<i>Income tax receivable</i>	21	350	1,518
<i>Current derivative instruments</i>	10	3,931	162
<i>Cash and cash equivalents</i>	12	95,423	427,576
CURRENT ASSETS		490,327	537,888
TOTAL ASSETS		1,848,519	1,645,148

LIABILITIES

In thousands of euros	Notes	31/12/2010	31/12/2009
<i>Share capital</i>		93,405	93,364
<i>Additional paid-in capital</i>		221,483	221,607
<i>Consolidated reserves</i>		740,179	753,972
<i>Treasury shares</i>		(81,501)	(78,664)
<i>Net income, Group share</i>		(138,776)	(50,650)
EQUITY, GROUP SHARE		834,790	939,629
<i>Non-controlling interests</i>		1	1
TOTAL NET EQUITY		834,791	939,630
<i>Non-current provisions</i>	14	5,687	15,346
<i>Non-current bonds</i>	15	329,586	260,770
<i>Other non-current borrowing and financial debt</i>	15	210,574	-
<i>Other creditors and sundry non-current liabilities</i>	16	271	
<i>Non-current derivative instruments</i>	10	14,395	14,976
<i>Deferred tax liabilities</i>	21	58,986	27,339
NON-CURRENT LIABILITIES		619,499	318,431
<i>Current bond borrowing</i>	15	13,346	195,682
<i>Other current borrowing and financial debt</i>	15	125,307	53
<i>Trade payables and related accounts</i>	16	70,842	89,165
<i>Income tax payable</i>	21	16,128	3,849
<i>Other creditors and sundry liabilities</i>	16	120,988	45,277
<i>Current derivative instruments</i>	10	30,031	40,395
<i>Current provisions</i>	14	17,587	12,666
CURRENT LIABILITIES		394,229	387,087
TOTAL LIABILITIES		1,848,519	1,645,148

Change in net equity

In thousands of euros	Capital	Treasury shares	Premiums	Derivative instruments	Other reserves	Currency Translation adjustment	Income for the year	Net equity, Group share	Non-controlling interests	Total net equity
1 January 2009	92,839	(86,016)	199,113	10,474	801,329	(43,798)	62,505	1,036,446	1	1,036,447
<i>Net income</i>							(50,650)	(50,650)		50,650
<i>Other elements of total income</i>				(61,314)		24,613		(36,701)		(36,701)
TOTAL INCOME				(61,314)	24,613		(50,650)	(87,351)		(87,351)
<i>Allocation of net income - Dividends</i>					22,460		(62,505)	(40,045)		(40,045)
<i>Increase/decrease in capital</i>	525		5,780		(84)			6,221		6,221
<i>Fair value of OCEANE</i>			16,714					16,714		16,714
<i>Stock options - bonus shares</i>					2,060			2,060		2,060
<i>Movements on treasury shares</i>		7,352			(1,767)			5,585		5,585
TOTAL TRANSACTIONS WITH SHAREHOLDERS	525	7,352	22,494		22,669		(62,505)	(9,466)		(9,466)
31 December 2009	93,364	(78,664)	221,607	(50,840)	823,998	(19,185)	(50,650)	939,629	1	939,630
1 January 2010	93,364	(78,664)	221,607	(50,840)	823,998	(19,185)	(50,650)	939,629	1	939,630
<i>Net income</i>							(138,776)	(138,776)		(138,776)
<i>Other elements of total income</i>				22,741	401	23,344		46,486		46,486
TOTAL INCOME				22,741	401	23,344	(138,776)	(92,290)		(92,290)
<i>Allocation of net income - Dividends</i>					(62,182)		50,650	(11,532)		(11,532)
<i>INCREASE/DECREASE IN CAPITAL</i>	41		(2,763)		(187)			(2,909)		(2,909)
<i>Fair value of OCEANE</i>			2,639					2,639		2,639
<i>Stock options - bonus shares</i>					2,017			2,017		2,017
<i>Movements on treasury shares</i>		(2,837)			73			2,764		2,764
TOTAL TRANSACTIONS WITH SHAREHOLDERS	41	(2,837)	(124)		(60,279)		50,650	(12,549)		(12,549)
31 December 2010	93,405	(81,501)	221,483	(28,099)	764,120	4,159	(138,776)	834,790	1	834,791

II CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

Net income for the period

In thousands of euros	Notes	31/12/2010	31/12/2009*
Sales		345,805	191,851
Other income		293	848
Purchases and change in inventories		(33,147)	(26,439)
Other operating purchases and expenses		(82,975)	(56,801)
Tax expense		(24,147)	(6,620)
Personnel expense		(26,870)	(20,297)
Amortisation charges		(67,870)	(35,258)
Depreciation of exploration and production assets		(211,478)	(56,472)
Provisions and impairment of current assets		(6,432)	(7,738)
Reversals of operating provisions		2,933	3,913
Gain (loss) on asset disposals		1	3,068
Other expenses		(5,422)	(9,708)
OPERATING INCOME	19	(109,309)	(19,653)
Gross cost of debt		(35,838)	(35,669)
Income from cash		4,048	1,922
Net gain (loss) on derivative instruments		(5,997)	36,200
Net cost of debt		(37,787)	2,453
Other financial income and financial expenses		53,749	(27,419)
FINANCIAL INCOME	20	15,962	(24,966)
Income before tax		(93,347)	(44,619)
Income tax	21	(56,569)	(11,508)
NET INCOME FROM CONSOLIDATED COMPANIES		(149,916)	(56,127)
Net income from equity associates	7	4,487	10,121
NET INCOME FROM CONTINUING OPERATIONS		(145,429)	(46,006)
Net income from discontinued operations	18	6,653	(4,644)
NET CONSOLIDATED INCOME		(138,776)	(50,650)
Net income, Group share		(138,776)	(50,650)
Non-controlling interests		-	-
EARNINGS PER SHARE	22		
Basic		-1.21	-0.44
Diluted		-1.21	-0.44
EARNINGS PER SHARE FROM DISCONTINUED OPERATIONS			
Basic		0.06	-0.04
Diluted		0.06	0.40
EARNINGS PER SHARE FROM CONTINUING OPERATIONS			
Basic		-1.27	-0.40
Diluted		-1.27	-0.40

* restated for discontinued operations and change in accounting methods

Total income for the period

In thousands of euros	31/12/2010	31/12/2009
NET INCOME FOR THE PERIOD	(138,776)	(50,650)
OTHER ELEMENTS OF TOTAL INCOME		
<i>Currency translation adjustment</i>	23,344	24,613
<i>OCEANE</i>		
<i>Derivative instruments</i>	22,741	(61,314)
- <i>Change in fair value of unexpired hedges (in existence the previous year)</i>	17,927	
- <i>Fair value of new hedges for the period recognised as equity</i>	5,842	(50,817)
- <i>Fair value of the portion of hedges recycled through income</i>	(1,028)	(15,943)
- <i>Taxes on derivative instruments</i>		5,446
<i>Change in AFS – Pebercan securities</i>	401	
TOTAL INCOME FOR THE PERIOD	(92,290)	(87,351)
- <i>Group share</i>	(92,290)	(87,351)
- <i>Non-controlling interests</i>	0	0

III CASH FLOW STATEMENT

In thousands of euros	Notes	31/12/2010	31/12/2009*
<i>Consolidated net income from continuing operations</i>		(145,429)	(46,006)
<i>Tax expense for continuing operations</i>		56,569	11,508
<i>Consolidated income from continuing operations before tax</i>		(88,860)	(34,498)
<i>Net increase (reversals) of amortisation, depreciation and provisions</i>		72,093	10,450
<i>Unrealised gains (losses) due to changes in fair value</i>		41,242	(471)
<i>Past exploration charge</i>		135,126	53,823
<i>Calculated expenses and income related to stock options and similar benefits</i>		2,017	2,060
<i>Other calculated income and expenses</i>		17,151	(547)
<i>Gains (losses) on asset disposals</i>		(1)	167
<i>Income (loss) from equity associates</i>	7	(4,487)	(10,121)
<i>Other financial items</i>		7,124	778
CASH FLOW BEFORE TAXES		181,405	21,641
<i>Payment of tax due</i>		(15,866)	(13,264)
<i>Change in working capital requirements for operations</i>		(88,122)	44,965
- Customers		(33,754)	(19,318)
- Suppliers		(24,251)	39,553
- Inventories		(8,950)	(988)
- Other		(21,167)	25,718
NET CASH FLOW FROM OPERATING ACTIVITIES		77,417	53,343
<i>Disbursements for acquisitions of tangible and intangible assets</i>		(473,147)	(384,556)
<i>Proceeds from disposals of intangible and tangible assets</i>		4,887	77,739
<i>Disbursements for acquisitions of financial assets (unconsolidated securities)</i>		(4,440)	(15,135)
<i>Proceeds from disposal of financial assets (unconsolidated securities)</i>		10,321	(399)
<i>Acquisition of subsidiaries</i>		0	(13,933)
<i>Increased interest in equity associates</i>		0	6,861
<i>Change in loans and advances granted</i>		(137,269)	840
<i>Other cash flows from investing activities</i>		0	573
<i>Net proceeds from operations sold</i>	18	44,565	457,240
NET CASH FLOW FROM INVESTING ACTIVITIES		(555,083)	129,230
<i>Amounts received from shareholders as part of capital increases</i>		(2,910)	6,222
<i>Dividends paid</i>		(11,532)	(40,045)
<i>Proceeds from new loans</i>		416,766	285,829
<i>Interest paid</i>		(7,124)	(778)
<i>Borrowing repayments</i>		(205,711)	(211,176)
<i>Treasury share acquisitions</i>		(2,836)	7,352
NET CASH FLOW FROM FINANCING ACTIVITIES		186,653	47,404
<i>Impact of exchange rate movements</i>		(41,158)	8,872
CHANGE IN NET CASH		(332,171)	238,849
<i>Cash and cash equivalents at start of period</i>		427,544	188,695
NET CASH AND CASH EQUIVALENTS AT END OF PERIOD	12	95,375	427,544

(*) Restated for discontinued operations and change in accounting methods

Note 1 GENERAL

Over the course of 2010 the Group developed and consolidated actions begun in 2009 (restructuring assets and debt) aimed at improving the risk balance of its asset portfolio, and focusing on three major growth vectors: Gabon and Nigeria, while maintaining significant activity in Colombia.

Capital investment in Gabon and the acquisition of production assets in Nigeria illustrate the Group's strategic aim to offer its shareholders a more measured risk profile.

Renewed exploration in Colombia focuses on areas that the Group knows well and excludes drilling in too-risky prospects. The Group is actively looking for partners who would want to participate in financing future work.

The Group's technical and operating results validate its continuing development strategy:

- ramping up production in Gabon and searching out satellite wells;
- reinforcing production in Nigeria, preparing for production start-up in fields already discovered and examining complementary evacuation solutions;
- confirming the potential of the exploration permit in Colombia, evidenced by the discovery at Sabanero and recently CPO 17;
- east Africa is proving to be a promising new region in terms of natural gas. This interest has been stimulated by a series of recent discoveries which are now galvanising major players in the sector. The new gas production in this region will be able to find a natural outlet in Asia and particularly in Japan which, in light of recent events, is substantially revising its future gas needs.

Book income for 2010 incorporates substantial exploration-related expenses that produced no discovery. Increased reserves will be reflected in future cash flow.

In Gabon, the Group has been able to develop the OMBG and OMGW fields virtually immediately and at low cost, thanks to the size of the Onal production centre which was designed from the beginning to accept production from potential nearby fields. Accordingly, the OMGW-102, OMGW-201 and OMGW-103 have been drilled and connected to the production centre. In addition, on 17 December 2010 the Group obtained Exclusive Exploitation Authorisation for the Gwedidi (OMGW) and M'Bigou (OMBG) fields.

The Group undertook development work at the OMOC-North field, discovered in February 2010. Assessment drilling began in late July 2010. The development investment for this field relates to the drilling of wells and setting up collection facilities to link them to

the Onal field. The predominantly Base Sandstone wells (OMOC-N-301 and OMOC-N-302) were connected to the evacuation pipeline from the Onal platforms on 15 December 2010. The predominantly Kissenda wells will be connected to the production centre via a new pipeline.

At the same time, the Group is using the OMOC-101 well in southern Onal to assess the OMOC field discovered in March 2009.

Once these works are completed, the wells will be connected to the OMOC-North evacuation facilities from the second quarter of 2011.

In Nigeria, the Group took a 45% stake in the Nigerian registered company Seplat. On 30 July 2010 this company acquired 45% of the mining rights in OML 4, 38 and 41, 55% of which is owned by the Nigerian National Petroleum Corporation (NNPC). Seplat's other shareholders are the Nigerian operators Platform Petroleum Limited (22%) and Shebah Petroleum Development Company Ltd (33%). Tangible assets were €76 million and intangible assets €64 million for Maurel & Prom.

Production was integrated progressively during the second half of 2010. Based on the 128 production days in 2010, the fields produced 17,632 b/d of which Maurel & Prom's share was 3,570 b/d.

In Tanzania, the Kianika-1 exploration well, drilled under the Mandawa exploration permit (Maurel & Prom operator, 90%), was abandoned. The objectives of this well have been achieved, showing good reservoir characteristics and confirming the potential for this theme in this region, but no hydrocarbon indices were detected.

East Africa is proving to be a promising new region in terms of natural gas. This interest has been stimulated by a series of recent discoveries which are now galvanising major players in the sector. The new gas production in this region will be able to find a natural outlet in Asia and particularly in Japan which, in light of recent events, is substantially revising its future gas needs.

In such a profoundly changing context, Maurel & Prom is continuing to capitalise on the significant investments it has already made. These include the Bigwa-Rufiji and Mafia (BRM) permit where the exploration phase is contractually due to end in 2015. An as-yet unamortised €144 million representing the exploration investments undertaken in this BRM region has been recognised in our accounts. Studies in the amount of €19 million, as well as €22 million of work that led to the M'Kuranga discovery will be recognised at their full value for the duration of the exploration phase. An amount in the region of €104 million corresponds essentially to work carried out on Mafia. The local volume of gas related to this well was evaluated by Schlumberger to be between 1.97 and 4.15 Tcf (1.0 and 2.2 Tcf as Group share net of royalties). Additional studies will need to be carried

out to determine what proportion of these resources are commercially viable. Maurel & Prom has no plans to fund such studies and is looking for a partner to do so. The assessment costs will be lower if they can be carried out at the initially drilled well. The Group estimates that the value of re-using the Mafia-Deep drilling works is €26 million, which suggests a required provision of €76 million.

In Colombia, the Cascabel-1 and Bachue-1 exploration wells have been abandoned. Three exploration wells had been drilled under the Sabanero exploration permit, showing evidence of oil. After analysing the results, in early 2011 the Group launched a stratigraphic drilling programme.

In the Congo, the NGoumba-1D and M'Bafou exploration wells drilled under the Marine III permit were plugged and abandoned.

The Tié-Tié-NE-1 well drilled under the La Noumbi permit (M&P operator, 49%) encountered a silty sandstone zone that showed hydrocarbon indices. Measurements at the end of the drilling, however, indicated that production (mainly natural gas) would not be commercially viable because of the distance to any potential market. The well was therefore plugged and abandoned.

In Syria, the Al Asi permit area extends along the Mediterranean coast north of the Lebanon-Syria border and covers 8,427km². Based on 890km of 2D seismic data acquired by the Group in 2007 and 2008, two zones of interest had been identified. The Draco prospect was identified in the eastern part. The Draco-1 well reached a final depth of 3,919m in the Lower Carboniferous layer. Two (Triassic) Kurrachine formations that had shown hydrocarbon indices during drilling were each tested in turn. The Kurrachine reservoir characteristics proved to be too degraded to allow hydrocarbon production. Based on the results from this well, the Group intends to focus its efforts on the second zone of interest in the western part of the permit area.

In France, the Group took a 25% stake in the Mios exploration permit. Note that the Group has a 25% stake in the adjacent Lavignolle exploration permit.

During the period, Caroil extended its activity in Cameroon and the Democratic Republic of Congo. By redeploying part of its fleet to these new countries, the company has succeeded in keeping the usage rate of its commercial fleet high (88% in 2010 versus 85% in 2009). Its stock of rigs remained steady in 2010 with 15 rigs.

Note 2 ACCOUNTING METHODS

The consolidated financial statements are prepared on a historical cost basis, except for some categories of assets and liabilities, in accordance with IFRS standards.

Pursuant to European Regulation 1606/2002 of 19 July 2002 on international standards, the consolidated financial statements of the Maurel & Prom Group for the financial year ended 31 December 2010 have been prepared in accordance with IAS/IFRS international accounting standards applicable on 31 December 2010 as approved by the European Union and available at http://ec.europa.eu/internal_market/accounting/iasfr.htm#adopted-commission. International accounting standards include IFRS (International Financial Reporting Standards), IAS (International Accounting Standards) and their interpretations (Standing Interpretations Committee and International Financial Reporting Interpretations Committee).

New mandatory laws or amendments adopted by the European Union effective 1 January 2010 have been taken into account. These new standards have no impact the Group's financial statements: IFRS 3 Revised, IAS 27 Amendments, IFRS 2010 Annual Improvements, and in particular IAS 39 "Eligible hedged items".

IFRS 8 Annual Improvements specify that total assets and total debt no longer need to be presented by segment, as well as total debt, unless that information is regularly supplied to the principal decision-maker. Effective 1 January 2010, the Group will discontinue presenting this information in accordance with IFRS 8.

The main new texts and amendments adopted by the European Union that must be applied from 1 January 2010 but have no significant impact on the 31 December 2010 consolidated financial statements are as follows:

- IFRIC 9 Amendments;
- IFRIC 12 "Concessions";
- IFRIC 16 "Hedge of a net investment in a foreign operation";
- IFRIC 17 "Distributions of non-cash assets to owners";
- IFRIC 18 "Transfers of assets from customers";
- IFRIC 15 "Agreements for the construction of real estate";
- Amendment to IFRS 2 "Group cash-settled share-based payment transactions".

The Group has not chosen to apply before the effective date, the standards and interpretations that are not mandatory on 1 January 2010, including:

- IFRIC 19 "Extinguishing financial liabilities with equity instruments" applicable to periods beginning on or after 1 July 2010;
- Amendment to IAS 32 "Classification of rights issues" applicable to periods beginning on or after 1 February 2010;
- Amendment to IAS 24 "Related party disclosures" applicable to periods beginning on or after 1 January 2011;
- Amendment to IFRIC 14 "Prepayments of minimum funding requirements" applicable to periods beginning on or after 1 January 2011;

- Amendment to IFRS 7 “Disclosures - Transfers of financial assets”.

Moreover, these principles do not differ from the IFRS as published by the IASB insofar as the application of the following standards or interpretations, mandatory for periods starting on or after 1 January 2009 and not yet ratified by the European Union, has no impact on the Group's financial statements:

- IFRS 9 “Financial instruments” mandatory for periods starting on or after 1 January 2013.

IFRS standards have been applied by the Group consistently for all periods presented.

In order to prepare the consolidated financial statements in accordance with IFRS, the Group had to make accounting choices, undertake a certain number of estimates and select assumptions which affect the amount of assets and liabilities, the notes on the potential assets and liabilities at the end of the year, and the income and expenses recorded for the period. Changes in facts and circumstances may lead the Group to review these estimates. The results obtained may significantly differ from these estimates when different circumstances or assumptions are applied. In addition, when a specific transaction is not governed by a standard or interpretation, the Group's Management uses its own discretion to define and apply the accounting policies that will provide relevant and reliable information. The financial statements present a fair view of the Group's financial position, performance and cash flow. They reflect the substance of transactions, are prepared in a prudential manner, and are complete in all material respects. Management estimates when preparing financial statements relate primarily to:

- oil asset impairment tests;
- site restoration provisions;
- recognition of oil carry transactions;
- accounting treatment of derivative instruments subscribed by the group;
- the recognition of deferred tax assets;
- measurement of the necessary investment to develop proven undeveloped reserves, included in the measurement of asset depletion.

2.1 Consolidation Methods

The companies controlled by Maurel & Prom are fully consolidated. Control is assumed when the percentage of voting rights is greater than 50% or established when the Company has actual control through agreements with partners.

Intra-group balances, transactions, income and expenses are eliminated in consolidation.

Companies in which Maurel & Prom have considerable influence are consolidated by the equity method.

Considerable influence is assumed when the percentage of voting rights is greater than or equal to 20%, unless a lack of participation in the Company's management reveals a lack of considerable influence. When the percentage is lower, consolidation by the equity method applies in cases where considerable influence can be demonstrated. Joint ventures are proportionately consolidated.

2.2 Business combinations and goodwill

Business combinations are posted according to the acquisition method. Thus when control of a company is acquired, the assets, liabilities and contingent liabilities of the acquired company are valued at fair value in accordance with IFRS requirements.

The equity method valuation differences made at this time are posted under the assets and liabilities concerned, including those for non-controlling interests.

The residual difference representing the difference between the purchase price and the buyer's share in the net assets valued at fair value is entered as goodwill.

If the cost of an acquisition is lower than the fair value of the net assets of the subsidiary acquired, the identification and valuation of the identifiable asset and liability elements are analysed further.

The residual negative goodwill must be posted directly under net operating income.

The analysis of goodwill must be finalised within a period of one year as of the date of acquisition. Such goodwill is not amortised but subjected to systematic impairment tests at each close: any losses in value ascertained on goodwill are irreversible. Goodwill relative to companies consolidated by the equity method is posted as equity investments.

When the criteria for impairment as defined by IAS 39 “Financial instruments - recognition and measurement” indicate that equity investments may have lost value, the amount of this loss is measured according to the rules defined by IAS 36 “Impairment of assets”. Acquisition of non-controlling interests will also be recognised in accordance with IFRS 3 R and IAS 27 R.

2.3 Oil activity assets

Maurel & Prom conducts its exploration and production activities partly under Production Sharing Contracts (PSCs). This type of contract, entered into with the Host Country, sets the rules for cooperation (in association with any partners) and for production sharing with the Government or the local company that represents it, and it defines the terms for taxation of the business.

By virtue of these agreements, the Company agrees to finance its percentage of interest in exploration and production operations, and in exchange it receives a

share of the production known as cost oil; the sale of this share of production should make it possible for it to recover its investments, as well as the operating costs incurred; the balance of the production (profit oil) is then shared in variable proportions with the Government; the Company thus settles its share of tax on the revenue from its activities.

In the case of Production Sharing Contracts (PSCs), the Company recognises its share of assets, revenues and income by applying the percentage it holds in the licence in question.

The main methods of posting oil activity costs are the following:

OIL SEARCH AND EXPLORATION RIGHTS

■ Mining permits

Expenditures for the acquisition and allocation of mining permits are recorded as intangible assets and, during the exploration phase, amortised on a straight-line basis over the estimated duration of the permit or at the amortisation rate for the oil production installations. If the permit is withdrawn or the exploration fails, the remaining amortisation is posted in full at once.

■ Acquisitions of reserves

Acquisitions of oil reserves are recorded as intangible assets and amortised according to the unit of production method based on proven and probable reserves. The amortisation rate equals the ratio of the field's hydrocarbon production during the year to the proven and probable hydrocarbon reserves at the beginning of the same year, re-estimated based on an independent appraisal.

EXPLORATION COSTS

The group applies the IFRS 6 standard for entering exploration costs. Hydrocarbon production fees and assets are posted in accordance with the "full costs" method.

Exploration studies and work, including geology and geophysics costs, are entered under assets on the balance sheet as intangible assets.

Expenses incurred prior to the issuance of the exploration permit are recognised as expenses.

Expenditure incurred after such date is capitalised and amortised as from the beginning of operations.

Drilling expenditure that does not result in a commercial discovery is posted under expenses for the total amount incurred, at the time that it is decided to totally abandon work in the zone concerned or in the connected zone.

At the time of discovery, these costs then become operating costs, a portion of which is transferred to property, plant and equipment, depending on their nature.

Once an indicator of impairment arises (expiration of a permit, additional unbudgeted expenses, etc.), an impairment test is done to verify that the carrying amount of the expenses borne does not exceed the recoverable amount; this test is performed at least once a year.

Besides indicators of impairment concerning operating expenses, impairment tests are done once the Maurel & Prom Group has enough data (data based on the outcome of evaluation wells or seismic study work, etc.) to determine technical feasibility and commercial viability; these tests are done at the field level.

OIL PRODUCTION ASSETS

Oil production assets include all the exploration-related costs transferred to operation costs following discovery, as well as those relating to field development (production drilling, surface facilities, oil evacuation systems, etc.).

These assets appear under the technical facilities heading (see Note 5). Property, plant and equipment not determined at the end of the financial year are entered as current year property, plant and equipment.

Terminated assets are amortised according to the unit of production method. General facilities that support all aspects of a field (pipelines, surface units, etc) are weighted by the ratio (proven)/(proven+probable) reserves for that field, in order to take into account their relative role in the exploitation of all proven and probable reserves of the field concerned. The amortisation rate equals the ratio of the field's hydrocarbon production during the year to the proven reserves at the beginning of the same year, re-estimated based on an independent appraisal.

For specific facilities, i.e., facilities for specific parts of a field, the estimated reserves correspond to the area's developed proven reserves.

The depreciation base consists of the investments made, plus the future investments necessary for developing proven undeveloped reserves.

The reserves taken into account are the reserves determined on the basis of analyses conducted by independent organisations, to the extent that they are available on the date of the close of the financial statements.

In accordance with IAS 23 R, the application of which is mandatory from 1 January 2009, borrowing costs directly chargeable to the acquisition of an eligible asset are capitalised when the conditions set by the standard are met. Otherwise, borrowing costs are not included in the cost price of a fixed asset under construction.

COST OF SITE RESTORATION

Provisions for site restoration are made when the Group has an obligation to dismantle and restore sites (see Note 2.18).

The adjusted site restoration expense is capitalised and added to the value of the underlying asset and amortised at the same rate.

FINANCING OIL COSTS FOR THIRD PARTIES

Financing oil costs for third parties is a transaction within an oil partnership that consists of being subrogated to another member of the partnership for the financing of its share in the cost of the work.

When contractual conditions grant it characteristics similar to those of other oil assets, the financing of oil costs for third parties is treated as an oil asset.

Consequently and in accordance with paragraph 47 (d) of FAS 19 usually applied in the oil sector, the accounting rules are those applicable to expenses of the same nature as the Group's own share (property, plant and equipment; amortisation, impairment, operating costs as expenses):

- posting of exploration costs financed as intangible assets (partners' share entered as the Maurel & Prom share);
- in the case of exploration that did not lead to production: entry of all the costs as expenses;
- in the case of start of production: transfer of costs entered as intangible assets to property, plant and equipment (technical facilities);
- the portion of hydrocarbons due to partners booked and serving as reimbursement for carriage is considered as revenues for the carrying partner;
- reserves corresponding to costs carried are added to the reserves of the partner bearing the costs;
- amortisation of technical facilities (including the share of partners carried) according to the units-of-production method by including in the numerator the production for the period allocated to recovery of the costs carried and in the denominator the share of reserves used to recover all the costs carried.

2.4 Other intangible assets

Other intangible assets are posted at their acquisition cost and appear on the balance sheet at this amount, after deducting accrued depreciation and any impairment.

Depreciation is calculated by the straight-line method, and the depreciation term is based on the estimated useful life of different categories of intangible assets depreciated over a term ranging from one to three years.

2.5 Other tangible assets

The gross amount of other tangible assets corresponds to their acquisition or production cost. It is not revalued. Borrowing costs are capitalised when the asset in question meets the eligibility conditions as defined by IAS 23 R.

Depreciation is calculated by a straight-line method, and the depreciation term is based on the estimated useful life of the different categories of tangible assets, the main ones of which are the following:

- buildings: 10 years;
- infrastructure works: 8 to 10 years;
- drilling equipment: 3 to 20 years;
- technical facilities: 3 to 10 years;
- fixtures and fittings: 4 to 10 years;
- transportation equipment: 3 to 8 years;
- office and IT equipment: 2 to 5 years;
- office furniture: 3 to 10 years.

Finance leasing contracts are those intended to transfer nearly all the risks and advantages inherent to the ownership of the asset from the lessor to the lessee. These contracts are entered on the balance sheet at fair value or, if lower, at the adjusted amount of the minimum rent under the contract. The corresponding debt is entered in liabilities on the balance sheet under financial debts. These assets are amortised according to the useful life periods applied by the Group.

Rental contracts that are not finance leasing contracts as defined above are entered as operating leases.

2.6 Depreciation of assets

When events indicate a risk of impairment of intangible and tangible assets, and automatically at least once a year, these are subject to a detailed analysis in order to determine if their net book value is lower than their recoverable amount, with the latter defined as fair value (minus transfer costs) or value in use, whichever is higher. Value in use is determined by discounting expected future cash flows from the use of the asset and from its disposal.

Cash flows are determined in keeping with the reserves identified, the related production profile and the discounted sale prices after taking into account the applicable tax according to the Production Sharing Contracts.

The discount rate used takes into account the risk associated with the activity and its geographical location.

A field is generally taken as being the cash-generating unit (CGU). A CGU is a homogeneous set of assets whose ongoing utilisation generates cash inflow largely independent of cash inflows generated by other groups of assets.

In the event the recoverable amount is lower than the net book value, an impairment is entered for the difference between these two amounts.

This impairment may eventually be reversed for up to the net book value that the asset would have had on the same date, if it had not been impaired. Impairments ascertained on goodwill are irreversible.

2.7 Other non-current financial assets

Financial loans and debts are initially booked as fair value and appear on the balance sheet at their amortised cost. They are subject to impairment if there is an objective indicator of impairment. This impairment, posted under income, may later be reversed under income if the conditions that led to this impairment have ceased to exist.

Non-consolidated equity securities are classified in the category of Financial Assets Held for Sale (see Note 6) and valued initially and on the date of close at their fair value. For listed securities, this fair value corresponds to the market price representative of a liquid and open market; for unlisted securities, valuation models are used; if the fair value cannot be reliably determined, the securities are recognised at cost.

Changes in fair value are recognised directly under shareholders' equity. In the event of an objective indicator of lasting impairment, a write-down is entered under income. This write-down is not reversed under income until the date of disposal of the securities in question.

2.8 Inventories

Inventories are valued at acquisition or production cost. The production cost includes consumables and direct and indirect production costs.

Inventories are valued according to the FIFO ("First In First Out") method.

Hydrocarbon inventories are valued at production costs, including field and transportation costs, as well as the amortisation of assets contributing to production.

A provision is created when the net realisable value is lower than the gross amount of the inventories.

2.9 Due from customers

Trade receivables are recognised initially at their fair value.

At the close, write-downs are created in the event of proven risk of non-recoverability.

2.10 Transactions in foreign currencies

Expenses and income in foreign currencies are posted at their equivalent in the operating currency for the entity concerned on the date of the transaction. Debts, external financing, receivables and liquid assets in

foreign currency appear on the balance sheet at their equivalent in the operating currency for the entity concerned at the closing price. Differences resulting from conversion into foreign currencies at this last price are carried on the income statement as other financial income or other financial expenses.

However, when cash in foreign currency is allocated only to the financing of a foreign investment in the same currency, the impact of the revaluation of the investment concerned is entered under net equity.

2.11 Currency translation of annual financial statements of foreign subsidiaries

The financial statements of foreign subsidiaries for which the operating currency is not the euro are translated into euros using the closing price method.

Asset and liability elements, including goodwill on foreign subsidiaries, are translated at the exchange rate in effect on the closing date for the year. Income and expenses are translated at the average rate for the period.

The currency translation adjustments ascertained, both on the initial balance sheet as well as on the income statement are entered, for the share due to the consolidating company, in its net equity under "currency translation adjustments" and, for the share due to minority interests, under "non controlling interests".

Currency translation adjustments related to a net investment in a foreign activity are posted directly under net equity.

2.12 Derivative instruments

In order to hedge the oil sale price or exchange risk, Maurel & Prom uses future cash flow hedging instruments comprised essentially of options and swaps. These transactions are posted as follows:

- initially, the financial instrument is posted at its fair value;
- on the closing date, the change in fair value corresponding to the effective portion (intrinsic value of the option) is posted under recyclable shareholders' equity; the change in fair value corresponding to the ineffective portion (time value of the option) is posted under financial expenses and income; and
- the change in fair value posted under equity is recycled under income (other operating expenses and income) either when the hedged element impacts income or when the contract matures.

The fair value of the instruments taken out by the Group is determined by the appraisals of external independent appraisers.

FAIR VALUE HIERARCHY

IFRS 7 “Financial instruments - Disclosure” amended in 2009 establishes a hierarchy for measuring fair value based on three levels:

- **level 1:** inputs are the quoted prices for assets or liabilities identical to those being measured, available on the valuation date in an active market to which the entity has access;
- **level 2:** inputs, other than the prices in Level 1, that are observable market data for the asset or liability;
- **level 3:** inputs not based on observable market data (for example, extrapolations). This level applies when no market or observable data exists and the company is required to rely on its own hypotheses to estimate the data that other market actors would have used in evaluating the fair value of the asset. All fair-value valuations are disclosed, by level, in Note 10 to the consolidated financial statements.

2.13 Cash and cash equivalents

Cash equivalents correspond to short-term investments of excess cash.

Purchases and sales of these assets are recognised on their settlement date.

Undertakings for Collective Investment in Transferrable Securities (UCITS) in cash managed at their net asset value are valued at fair value by the income in accordance with standards for monitoring these assets under management.

Short-term bank certificates of deposit are classified as loans and debts and recognised at amortised cost.

2.14 Convertible bonds

Some financial instruments contain both a financial debt component and a net equity component at the same time. This is the case with the OCEANE bonds issued by the Group in July 2009 and July 2010. In accordance with IAS 32 “Financial instruments - Disclosure and presentation”, these two components are recognised separately and measured as follows:

- the debt component corresponds to the amount of the contractual future cash flows (including coupons and redemption) adjusted at market rate (taking into account credit risk at the time of issuance) of a similar instrument offering the same conditions (maturity, cash flow) but with no conversion option, plus the impact of issuance fees (actual interest rate);
- the shareholders’ equity component represents the value of the option for conversion of the bonds into shares. It is determined by the difference between the proceeds of the bond issue and the debt component calculated according to the methods described below; and

- a deferred tax liability is ascertained as the difference between the book value and the value of the debt for tax purposes; this deferred tax is constituted by draw-down from the net equity component.

The conversion of the OCEANE bonds is entered on the financial statements at the time of conversion of the bonds and their exchange into shares.

2.15 Other borrowing

Other bonds are posted initially at their fair value. They are entered on the balance sheet at their amortised cost. The effect of this is to post the issuance expenses as a deduction against the initial fair value of the bond issue. Furthermore, financial expenses are calculated on the basis of a bond’s effective interest rate (i.e., the actuarial rate taking issuance expenses into account).

2.16 Fair value

For purposes of presentation in accordance with IFRS 7 (see Note 11: Fair value):

- the fair value of loans and debts is determined by discounting expected cash flows at the market rate at the end of the year; for debts with a term of less than six months, the balance sheet amount represents a good approximation of their fair value.
- the fair value of financial liabilities is determined by discounting cash flows yet to be collected at market rate, at the end of the year, for a debt with the same residual maturity. For trade payables, the balance sheet amount is a good approximation of their fair value.

2.17 Treasury shares

Treasury shares are posted as a deduction against net equity based on their acquisition cost.

Further changes in fair value are not taken into account. Likewise, income from the disposal of treasury shares does not affect income for the period.

2.18 Provisions for risks and contingencies

In accordance with IAS 37 “Provisions, contingent liabilities and contingent assets”, provisions are recognised when the Group has an obligation at the end of the year to a third party deriving from a past event, the settlement of which should result in an outflow of resources constituting economic advantages.

Provisions are adjusted when the effect of the adjustment is significant.

The obligation of site restoration is recognised at the adjusted amount of the estimated cost or of the contractual obligation for dismantlement; the impact of the passage of time is measured by applying a risk-free interest rate to the amount of the provision.

The effect of the readjustment is posted under “Other financial expenses”.

2.19 Retirement and other post-employment benefits

The Group's obligations in terms of retirement pensions and similar benefits are limited to the payment of contributions to mandatory general plans and to the payment of retirement indemnities; these are defined by collective bargaining agreements.

Retirement indemnities correspond to defined-benefit plans. Provisions are made for them as follows:

- the actuarial method used is the so-called projected unit credit method which stipulates that each period of service entitles the employee to one unit of benefit entitlement. These calculations include mortality, personnel turnover and future salary projection assumptions; and
- the so-called corridor method is applied. Thus, only actuarial differences representing more than 10% of the amount of the commitments or the market value of the investments are posted and amortised over the employee's average residual working life.

For basic plans and other defined-contribution plans, the Group recognises the contributions payable under expenses when they are due and no provision has been recognised, since the Group is not committed beyond the contributions paid.

2.20 Oil revenue

HYDROCARBON SALES

Revenues corresponding to sales of production from oil fields that the Company operates under production-sharing contracts include deliveries of crude oil, understood as production royalties and taxes on the effective payment date.

Income is recognised as revenue when the company has transferred to the buyer the risks and advantages inherent to the ownership of assets, i.e., at the time when oil is collected from oil terminals.

DRILLING SERVICES

Revenue is posted depending on the progress of the drilling service, which is measured according to drilling depth and past mobilisation time.

2.21 Share-based payments

Share subscription options, as well as bonus shares allocated by Maurel & Prom to its employees, are recognised as personnel expenses at the time they are awarded and staggered over the rights acquisition period; the method of staggering depends on the respective acquisition conditions of each plan.

The estimated amount of the fair value of the subscription options is determined according to the Black and Scholes method.

The fair value of bonus shares is based on the market price on the date of allocation, to which any relevant discount is applied, according to the terms of the plan, in order to take into account the bar on disposal associated with the mandatory period for keeping these securities.

2.22 Income tax

The tax expense presented on the income statement includes the regular tax expense (or income) and the deferred tax expense (or income).

Deferred taxes are ascertained on the temporary differences between the book value of assets and liabilities and their tax basis. Deferred taxes are not adjusted. Deferred tax income and liabilities are valued based on the tax rates approved on the closing date.

Deferred tax income, resulting primarily from losses carried forward or deferred amortisation, are not taken into account unless their recovery is probable.

To evaluate the Group's ability to recover these assets, the following elements in particular have been taken into account:

- existence of sufficient temporary differences taxable by the same tax authority for the same taxable entity, which will create taxable amounts on which unutilised losses for tax purposes and tax credits may be charged before they expire; and
- forecasts of future taxable income allowing for charging previous losses for tax purposes.

As a result of the change in the accounting method cited in Note 20, tax expense now includes the tax for which the company is liable and liquidated in the Profit Oil part of the Statement as specified in CEPP agreements.

2.23 Earnings per share

Two earnings per share are presented: basic earnings per share and diluted earnings per share. The number of shares used for calculating the diluted earnings per share takes into account the conversion into shares of instruments providing deferred access to the capital and having a dilutive effect. The diluted earnings per share are calculated based on net earnings, Group share, adjusted by the financial cost and net of taxes, of dilutive instruments providing deferred access to the capital.

Treasury shares are not taken into account in the calculation.

Note 3 CHANGES IN THE COMPOSITION OF THE GROUP

Company	Registered Office	Consolidation Method	% control	
			31/12/2010	31/12/2009
<i>Etablissements Maurel & Prom</i>	<i>France</i>	<i>Holding company</i>	<i>Holding company</i>	
OIL AND GAS ACTIVITIES				
<i>Caroil</i>	<i>France</i>	<i>Fully consolidated</i>	<i>100.00%</i>	<i>100.00%</i>
<i>Panther Eureka Srl</i>	<i>Italy</i>	<i>Fully consolidated</i>	<i>60.00%</i>	<i>60.00%</i>
<i>Maurel & Prom West Africa SAS</i>	<i>France</i>	<i>Fully consolidated</i>	<i>100.00%</i>	<i>100.00%</i>
<i>M&P Gabon (formerly Nyanga Mayombe)</i>	<i>Gabon</i>	<i>Fully consolidated</i>	<i>100.00%</i>	<i>100.00%</i>
<i>M&P Etekamba Gabon</i>	<i>Gabon</i>	<i>Fully consolidated</i>	<i>100.00%</i>	<i>100.00%</i>
<i>Quarter General M&P Gabon</i>	<i>Gabon</i>	<i>Fully consolidated</i>	<i>100.00%</i>	<i>100.00%</i>
<i>M&P Peru</i>	<i>Peru</i>	<i>Fully consolidated</i>	<i>100.00%</i>	<i>100.00%</i>
<i>M&P Venezuela SAS</i>	<i>France</i>	<i>Fully consolidated</i>	<i>100.00%</i>	<i>100.00%</i>
<i>Hocol (UK) Petroleum Holdings Ltd</i>	<i>United Kingdom</i>	<i>Non-consolidated</i>	<i>-</i>	<i>100.00%</i>
<i>Maurel & Prom Colombia BV</i>	<i>Netherlands</i>	<i>Fully consolidated</i>	<i>100.00%</i>	<i>100.00%</i>
<i>Maurel & Prom Latin America BV</i>	<i>Netherlands</i>	<i>Fully consolidated</i>	<i>100.00%</i>	<i>100.00%</i>
<i>Lagopetrol</i>	<i>Venezuela</i>	<i>Equity associate</i>	<i>26.35%</i>	<i>26.35%</i>
<i>Zetah M&P Congo</i>	<i>Congo</i>	<i>Fully consolidated</i>	<i>100.00%</i>	<i>100.00%</i>
<i>Zetah Kouilou Ltd</i>	<i>Bahamas</i>	<i>Proportionately consolidated</i>	<i>15.00%</i>	<i>15.00%</i>
<i>Zetah Noumbie Ltd</i>	<i>Bahamas</i>	<i>Proportionately consolidated</i>	<i>49.00%</i>	<i>49.00%</i>
<i>Maurel & Prom Congo S.A.</i>	<i>Congo</i>	<i>Fully consolidated</i>	<i>100.00%</i>	<i>100.00%</i>
<i>Maurel & Prom Tanzania Ltd</i>	<i>Tanzania</i>	<i>Fully consolidated</i>	<i>100.00%</i>	<i>100.00%</i>
<i>Raba Xprom Energia Kft</i>	<i>Hungary</i>	<i>Equity associate</i>	<i>34.30%</i>	<i>34.30%</i>
<i>Renaissance Energy</i>	<i>Switzerland</i>	<i>Non-consolidated</i>	<i>35.00%</i>	<i>35.00%</i>
<i>Prestoil Kouilou</i>	<i>Congo</i>	<i>Fully consolidated</i>	<i>100.00%</i>	<i>100.00%</i>
<i>Maurel & Prom Assistance Technique (formerly Prestoil S.A.S.)</i>	<i>France</i>	<i>Fully consolidated</i>	<i>100.00%</i>	<i>100.00%</i>
<i>Maurel & Prom Exploration Production Tanzania Ltd</i>	<i>Tanzania</i>	<i>Fully consolidated</i>	<i>100.00%</i>	<i>100.00%</i>
<i>M&P Developpement Gabon</i>	<i>Gabon</i>	<i>Fully consolidated</i>	<i>100.00%</i>	<i>100.00%</i>
<i>Maurel & Prom Nigeria</i>	<i>France</i>	<i>Fully consolidated</i>	<i>100.00%</i>	<i>-</i>
<i>Seplat</i>	<i>Nigeria</i>	<i>Proportionately consolidated</i>	<i>45.00%</i>	<i>-</i>
OTHER ACTIVITIES				
<i>New Gold Mali (NGM)</i>	<i>Mali</i>	<i>Equity associate</i>	<i>26.00%</i>	<i>26.00%</i>
<i>Maurel & Prom International S.A.</i>	<i>Switzerland</i>	<i>Fully consolidated</i>	<i>99.99%</i>	<i>99.99%</i>

The main changes in the scope of consolidation of the Group over 2010 are a result of the following:

- the company Maurel & Prom Nigeria was formed to carry the 45% stake acquired in Seplat;
- a 45% stake was acquired in the Nigerian company Seplat. During 2010, Seplat acquired 45% of the mining rights in OML 4, 38 and 41 in Nigeria, the remaining 55% being owned by the Nigerian National Petroleum Corporation (NNPC). Seplat's other shareholders are the Nigerian operators Platform Petroleum Limited (22%) and Shebah Petroleum Development Company Ltd (33%).

Seplat is consolidated proportionately. The Group's control arises mainly from the agreement governing the relations between Seplat shareholders which requires formal prior consent by Maurel & Prom for all decisions made in the normal course of business (such as bond issues, dividend distribution, purchase or sale of assets, capital increases, issuances of guarantees or sureties, etc.) or, also in the normal course of business, other major decisions (such as approval of programmes of work, budgets and plans, selection of drilling and oil services providers, appointment of holders to key positions, definition of insurance policies, litigation management, designation of members to represent the Company in a joint venture, etc.).

Such formal prior consent by Maurel & Prom is necessary as any advances made by the Group would not be fully repaid by the subsidiary.

Furthermore, in order to develop its business, the company Caroil opened new facilities in Cameroon, in addition to those already existing in the Congo, Gabon, Tanzania and Colombia.

In Gabon, since 2009 all Gabon permits are grouped in the entity Maurel & Prom Gabon, formerly named Nyanga Mayombé. Maurel & Prom Gabon Etekamba was deactivated and Maurel & Prom Gabon Développement is being liquidated.

Lastly, the company Hocol UK Petroleum Holding Ltd was liquidated following the sale of the Hocol division in 2009.

Note 4 INTANGIBLE ASSETS

Changes in intangible assets In thousands of euros	Goodwill	Oil search and exploration rights	Exploration costs	Other	Total
GROSS VALUE AS AT 1 JANUARY 2009	-	524,801	269,235	23,216	817,253
<i>Exploration investments</i>	-	1,685	248,554	433	250,672
<i>Sales/Decreases</i>	-	-	(5,927)	(3,281)	(9,208)
<i>Exploration written off</i>	-	-	(53,657)	(438)	(54,095)
<i>Acquisitions of subsidiaries</i>	6,403	5,325	948	44	12,720
<i>Sales of subsidiaries</i>	-	(408,527)	(88,322)	(7,221)	(504,070)
<i>Currency translation adjustments</i>	-	(2,125)	(6,763)	(12)	(8,900)
<i>Transfers</i>	-	1,058	(2,180)	(10,817)	(11,939)
GROSS VALUE AS AT 31 DECEMBER 2009	6,403	122,217	361,888	1,925	492,433
<i>Exploration investments</i>	-	64,884	244,631	669	310,184
<i>Sales/Decreases</i>	-	-	(4,884)	-	(4,884)
<i>Exploration written off</i>	-	-	(135,126)	-	(135,126)
<i>Acquisitions of subsidiaries</i>	-	-	-	-	-
<i>Sales of subsidiaries</i>	-	-	-	-	-
<i>Currency translation adjustments</i>	-	8,483	15,663	32	24,178
<i>Transfers</i>	-	36	(63,571)	0	(63,535)
GROSS VALUE AS AT 31 DECEMBER 2010	6,403	195,620	418,600	2,626	623,248
CUMULATIVE AMORTISATION AND IMPAIRMENT AS AT 1 JANUARY 2009	-	97,707	27,833	9,947	135,487
<i>Amortisation allowances</i>	-	3,828	-	386	4,214
<i>Disposals/Reversals</i>	-	-	-	(3,281)	(3,281)
<i>Exploration written off</i>	-	-	-	(438)	(438)
<i>Currency translation adjustments</i>	-	309	(894)	(1)	(586)
<i>Changes in consolidation scope</i>	-	-	-	2	2
<i>Sales of subsidiaries</i>	-	(95,529)	-	(5,138)	(100,667)
<i>Transfers</i>	-	-	-	(29)	(29)
CUMULATIVE AMORTISATION AND IMPAIRMENT AS AT 31 DECEMBER 2009	-	6,315	26,939	1,448	34,702
<i>Amortisation allowances</i>	-	8,436	79,680	298	88,414
<i>Disposals/Reversals</i>	-	-	-	-	-
<i>Exploration written off</i>	-	-	-	-	-
<i>Translation adjustments</i>	-	213	2,137	5	2,355
<i>Changes in consolidation scope</i>	-	-	-	-	-
<i>Sales of subsidiaries</i>	-	-	-	-	-
<i>Transfers</i>	-	14	(22,861)	-	(22,847)
CUMULATIVE AMORTISATION AND IMPAIRMENT AS AT 31 DECEMBER 2010	-	14,978	85,895	1,751	102,624
NET BOOK VALUE AS AT 31 DECEMBER 2010	6,403	180,642	332,705	875	520,625
<i>Net book value as at 31 December 2009</i>	6,403	115,902	334,949	478	457,731

EXPLORATION INVESTMENTS

The gross value of intangible asset acquisitions as at 31 December 2010 was €310,184 thousand, the main investments in the period being as follows:

- the acquisition of reserves in Nigeria through the company Seplat (a Nigerian company of which Maurel & Prom owns 45%) for €63,980 thousand;
- investments made in Gabon relating to exploration work under the Omoueyi permit, in the amount of €95,921 thousand (mainly drilling, testing and completion work at Gwedidi, Mbigou and Morocco) as well as drilling expenses at the Banio field in the amount of €12,790 thousand;
- exploration expenses incurred by Maurel & Prom Colombia BV in the amount of €52,569 thousand, corresponding mainly to €13,324 thousand exploration expenses at the Cascabel 1 well (Tangara partnership), drilling under the Muisca (€13,546 thousand) and Sabanero (€11,639 thousand) permits as well as work on the SSJN-9 block in the amount of €9,741 thousand;
- exploration expenses incurred as part of drilling the M'Bafou and N'Goumba wells by Prestoil Kouilou under the Marine III permit in the amount of €19,968 thousand;
- exploration expenses as part of the drilling under the Noumbi permit in the Congo (Tié Tié well) in the amount of €5,302 thousand corresponding mainly to drilling and civil engineering costs;
- drilling expenses in Tanzania mainly under the Bigwa – Rufiji – Mafia permit in the amount of €20,479 thousand, as well as consulting work;
- drilling expenses in Tanzania under the Mandawa permit in the amount of €20,361 thousand;
- work on the Draco well in Syria in the amount of €9,441 thousand.

EXPLORATION WRITTEN OFF

The exploration costs entered as expense break down as follows:

Country	Permit	Well	2010
Syria	Al Asi	Draco	12,162
Congo	Marine III	Ngoumba	16,221
Congo	Marine III	Mbafou	8,267
Congo	La Noumbi	Tié Tié	5,172
Congo	Kouilou	Zingali-Loufika	9,978
Tanzania	Mandawa		2,720
Tanzania	Mandawa	Kianika	19,425
Tanzania	Mandawa	Mihambia	962
Tanzania	Bigwa Rufiji Mafia	Mbezi	13,581
Gabon	Nyanga	Banio 5	14,655
Mozambique	Rovuma	Mecupa	546
Senegal	Sebikhotane	Kokorong - 1	906
Colombia	Tangara	Cascabel	18,865
Colombia	Muisca	Bacchue	11,420
Colombia	Other		248
			135,126

TRANSFERTS

Net transfers in the amount of -€40,688 thousand correspond mainly to:

- the reclassification of exploration costs at the Banio field transferred to property, plant & equipment following the Exploitation Authorisation granted it by the government of Gabon, in the amount of €2,670 thousand (gross value €25,531 thousand and amortisation €22,861 thousand);
- the reclassification to production of the Gwedidi and Mbigou fields in Gabon under the Omoueyi permit, following the Exclusive Exploitation Authorisation obtained on 17 December 2010, in the amount of -€35,685 thousand.

SALES/DECREASES

M&P Colombia swapped with Hocol 50% of its stake in the SSJN-9 block in exchange for a 50% stake in the CPO-17 block. This took the form of a sale of each

other's interests allowing for adjustment to reflect potential additional costs upon the signing of the Joint Operating Agreement (JOA).

AMORTISATION AND DEPRECIATION

Amortisation allowances and provisions for the period relate mainly to the depletion of Onal reserves in the amount of €5,097 thousand, reserves in Nigeria in the amount of €802 thousand, and dry exploration wells at Onal in the amount of €3,329 thousand.

Amortisation of mining permits was €2,537 thousand.

In addition, an impairment was recognised on BRM assets. This item is disclosed in Note 1, "General".

TRANSLATION ADJUSTMENTS

The revaluation of assets held in dollars at the closing exchange rate led to the posting of a negative translation adjustment in the net amount of €21,823 thousand.

INTANGIBLE ASSETS BY PERMIT BY NET BOOK VALUE

in millions of euros Permit	A	B	C=A+B	D	E	F=C+D+E
	Drilling	Study	Total	Oil research and production/ Reserves	Other	Total Intangible assets
<i>Omoueyi</i>	139	47	185	104		289
<i>Etekamba</i>	8	9	16	1		18
<i>Nyanga Mayombe</i>	-	-	-	2		2
<i>Bigwa Rufiji Mafia (BRM)</i>	48	20	68	0		68
<i>OMLs 4, 38 and 41</i>			0	64		64
<i>Colombia</i>	18	18	36			36
<i>Al Asi</i>	0	8	8	2		10
<i>Noumbi</i>		12	12	1		13
<i>Marine III</i>	0	2	2			2
<i>Other permits</i>		7	7	13	-	21
TOTAL	212	121	333	187	-	521
<i>Goodwill and reserves</i>			165			
<i>Mining rights</i>			15			
<i>Other intangible - Panther</i>			6			
INTANGIBLE ASSETS			187			

Note 5 PROPERTY, PLANT AND EQUIPMENT

Changes in intangible assets In thousands of euros	Land and buildings	Technical facilities	Down payments and constructions in progress	Other fixed assets	Total
GROSS VALUE AS AT 1 JANUARY 2009	4,107	811,911	4,678	24,769	845,466
<i>Development/prod. investments</i>	991	165,668	20,717	1,098	188,474
<i>Dismantling assets</i>		2,219			2,219
<i>Sales/Decreases</i>	-	(77,831)	-	(541)	(78,372)
<i>Assets decommissioned</i>	-	(1,005)	-	(166)	(1,171)
<i>Changes in consolidation scope</i>	80	-	-	207	287
<i>Sales of subsidiaries</i>	(4,827)	(328,080)	-	(6,717)	(339,624)
<i>Currency translation adjustments</i>	(29)	(20,962)	(600)	(334)	(21,924)
<i>Transfers</i>	3,000	20,751	(6,803)	(3,680)	13,268
GROSS VALUE AS AT 31 DECEMBER 2009	3,322	572,671	17,992	14,638	608,623
<i>Development/ prod. investments</i>	754	132,207	21,677	7,209	161,847
<i>Dismantling assets</i>		(7,944)			(7,944)
<i>Sales/Decreases</i>	-	(17)	-	(64)	(81)
<i>Assets decommissioned</i>	-	(3,494)	-	(4)	(3,498)
<i>Changes in consolidation scope</i>	-	-	-	-	-
<i>Sales of subsidiaries</i>	-	-	-	-	-
<i>Currency translation adjustments</i>	15	44,908	1,469	751	47,143
<i>Transfers</i>	(73)	91,073	(30,001)	(62)	60,937
GROSS VALUE AS AT 31 DECEMBER 2010	4,018	829,404	11,137	22,468	867,027
CUMULATIVE AMORTISATION AND IMPAIRMENT AS AT 1 JANUARY 2009	2,931	109,290	-	4,951	117,172
<i>Amortisation allowances</i>	181	30,911	-	1,181	32,273
<i>Disposals/Reversals</i>	-	(451)	-	(419)	(870)
<i>Assets decommissioned</i>	-	(862)	-	(143)	(1,005)
<i>Currency translation adjustments</i>	12	(1,614)	-	(18)	(1,620)
<i>Changes in consolidation scope</i>	23	-	-	71	94
<i>Sales of subsidiaries</i>	(2,931)	(78,530)	-	(2,702)	(84,163)
<i>Transfers</i>	-	(680)	-	(10)	(690)
CUMULATIVE AMORTISATION AND IMPAIRMENT AS AT 31 DECEMBER 2009	216	58,064	-	2,911	61,191
<i>Amortisation allowances</i>	380	56,889	-	1,312	58,581
<i>Disposals/Reversals</i>	(2)	(2,063)	-	(62)	(2,127)
<i>Assets decommissioned</i>	-	-	-	(5)	(5)
<i>Currency translation adjustments</i>	2	3,820	-	77	3,899
<i>Changes in consolidation scope</i>	-	-	-	0	0
<i>Sales of subsidiaries</i>	-	-	-	0	0
<i>Transfers</i>	(23)	22,729	-	(63)	22,643
CUMULATIVE AMORTISATION AND IMPAIRMENT AS AT 31 DECEMBER 2010	573	139,439	-	4,170	144,182
NET BOOK VALUE AS AT 31 DECEMBER 2010	3,445	689,965	11,137	18,298	722,845
<i>Net book value as at 31 December 2009</i>	3,107	514,606	17,992	11,727	547,432

DEVELOPMENT/PRODUCTION INVESTMENTS

Acquisitions for the period, which amount to €161,847 thousand, mainly concern the development of the Onal fields and investments made in Nigeria.

- the production investments made in Omoueyi totalled €61,134 thousand. They involve mainly development costs incurred by the Onal field. In particular, they involve investments in production infrastructures, platforms, and investments in drilling and completion;
- the property plant and equipment investments made in Nigeria by Maurel & Prom through its subsidiary Seplat, a Nigerian-law company in which it holds a 45% stake, totalled €76,005 thousand. These investments correspond to the share of the acquisition of the 45% interest in OML 4, 38 and 41 that revert to the Maurel & Prom group;
- the investments made by Caroil were €23,391 thousand as at 31 December 2010. They primarily concerned the acquisition of equipment intended to secure, maintain and upgrade rigs operating in the Congo (+€9,564 thousand) and Colombia (+€7,810 thousand).

ASSETS DECOMMISSIONED

The decommissioned assets comprise the ST 106 tank at the Onal production centre; the tank is out of service due to deformation of the tank during a fire protection system test in 2009. The resulting immobilisation was fully written off for €3,494 thousand (write-off also including tank dismantling costs).

DISMANTLING ASSETS

The amount for dismantling assets was revised downward following consideration of a better estimate of the costs for fiscal year 2010. This re-estimation led us to reduce our dismantling assets under the Omoueyi licence for the Onal and Omko fields in production to a total amount of €7,944 thousand, offsetting the provision for site rehabilitation posted in the liability side of the group's balance sheet. Dismantling assets booked under the Omoueyi licence primarily concern the Onal field for €5,709 thousand.

TRANSFERS

Transfers in the net amount of €38,294 thousand (i.e., a gross amount of €60,937 thousand and amortisation of - €22,643 thousand), are related primarily to:

- the reclassification of net exploration costs at the Banio field, transferred into property, plant and equipment for €2,670 thousand (€25,531 thousand gross value and €22,861 thousand amortisation) after the Gabon government authorised the start of operation.
- the reclassification of the exploration costs for the Gwedidi and M'Bigou fields for a gross value of €35,685 thousand, Maurel & Prom having received the exploitation authorisation for exploitation of these fields on 17 December 2010.

AMORTISATION AND IMPAIRMENT

The €56,889 thousand in provisions for amortisation of technical facilities basically involve the amortisation of the Caroil Rigs for €16,477 thousand, depletion of the fixed assets at the Omoueyi permit fields for €35,045 thousand and the Nigerian fields for €3,064 thousand.

TRANSLATION ADJUSTMENTS

The revaluation of assets held in dollars at the closing rate led to the posting of a positive translation adjustment in the net amount of €43,244 thousand.

IMPAIRMENT TESTS

The oil asset valuation monitoring tests performed confirmed the lack of impairment. These tests in particular concerned the Gabon assets (Omoueyi and Banio permits), the book value of which reached €810 million, the Nigerian assets (net value: €135 million) and the Venezuelan assets, consolidated by the equity method.

To perform these tests, the Group applies the following methodology:

The assets are grouped into cash-generating units (CGU). In Gabon, the grouping is done by permits. In Nigeria, the three OMLs form a single CGU. The CGUs include all the assets, tangible and intangible, contributing to the generation of cash flows (reserves, goodwill, exploration expenses, and industrial equipment). As such, the intangible assets tested as part of the evaluations represent €352 million, i.e. 68% of the intangible assets. The other intangible assets are accounted for and evaluated using the full cost method as described in Note 2 Accounting principles and methods.

Future cash flows are determined based on the production profiles of the reserves certified by the firm DeGolyer & MacNaughton in Gabon and the firm Gaffney Cline in Nigeria. The Group uses a probability of producing proven reserves (P1) of 100% and a probability of producing probable reserves (P2) of 50%. The production profiles based on the certified reserves model indicate that the fields will cease to be economically viable in 2030 in Gabon and 2033 in Nigeria. With regard to future oil prices, the Group management has given preference to a price per barrel of US\$90, near the year-end price, and an alternative price of US\$78, reflecting the average for the fiscal year. A per-barrel price 25% lower than the preferred scenario (US\$90) would not entail impairment (except for the Nyanga Mayombé field).

The discount rates are determined based on the weighted average cost of the Group's capital estimated on the basis of market data and specific risks on the assets tested. In Gabon, as in Nigeria, a discount rate of 13% was used. A discount rate 25% higher would not entail impairment (except for the Nyanga Mayombé field).

Note 6 OTHER NON-CURRENT FINANCIAL ASSETS

In thousands of euros	Financial assets held for sale	Loans and credits	Total
VALUE AS AT 1 JANUARY 2009	12,773	8,227	21,000
<i>Changes in consolidation scope</i>	-	-	-
<i>Increase</i>	168	9,499	9,667
<i>Decrease</i>	-	(10,418)	(10,418)
<i>Write-downs</i>	(2,739)	(130)	(2,869)
<i>Fair value</i>	-	-	-
<i>Reversals of impairment</i>	-	3,659	3,659
<i>Currency translation adjustments</i>	-	(9)	(9)
<i>Transfers</i>	-	-	-
VALUE AS AT 31 DECEMBER 2009	10,202	10,828	21,030
<i>Changes in consolidation scope</i>	-	-	-
<i>Increase</i>	-	54,841	54,841
<i>Decrease</i>	(10,354)	(3,521)	(13,875)
<i>Write-downs</i>	-	-	-
<i>Fair value</i>	-	-	-
<i>Reversals of impairment</i>	1,067	-	1,067
<i>Translation adjustments</i>	-	31	31
<i>Transfers</i>	-	(869)	(869)
VALUE AS AT 31 DECEMBER 2010	915	61,311	62,226

FINANCIAL ASSETS HELD FOR SALE

The decline noted in available for sale financial assets is due to the Group's reimbursement linked to its 19.10% stake in Pebercan, the business of which is operating oil fields in Cuba through its Peberco subsidiary. In February 2009 Pebercan announced its intention to end its commercial activities and to distribute its residual assets to its shareholders. The Group's stake in Pebercan was consequently decreased to €9,254 thousand as at 31 December 2009 following Pebercan's announcement concerning the obtainment of an order authorising an initial distribution in the maximum amount of CAD 1.01 per diluted ordinary share. The booked reduction corresponds to the reimbursement obtained in March 2010.

NON-CURRENT LOANS AND DEBTS

This item includes the following:

- deposits paid as security for the performance of work commitments on the permits maintained in Colombia and Peru (€13,254 thousand);
- the unusable portion of the drawn RBL corresponds to 5% of the used amount (\$15,000 thousand, equal to €11,226 thousand);
- the portion maturing in more than one year of the financing provided by the Maurel & Prom Group to its subsidiary Seplat (in which it holds a 45% stake). Financing amounted to US\$154 million as at 31 December 2010; of this, US\$85 million maturing in more than one year, i.e. €34,942 thousand for the non-Group share.

Note 7 INVESTMENTS ACCOUNTED UNDER THE EQUITY METHOD

The following companies are accounted for under the equity method: RabaXProm Energia Kft, New Gold Mali and Lagopetrol.

In thousands of euros At 31/12/2009	Balance sheet value	Of which the share of income for the period
<i>Lagopetrol</i>	34,543	10,422
<i>New Gold Mali</i>	(115)	(188)
<i>Raba Xprom Energia Kft</i>	(1,920)	(113)
TOTAL	32,508	10,121

In thousands of euros At 31/12/2010	Balance sheet value	Of which the share of income for the period
<i>Lagopetrol</i>	41,894	4,689
<i>New Gold Mali</i>	(0)	(166)
<i>Raba Xprom Energia Kft</i>	(1,903)	(36)
TOTAL	39,991	4,487

In thousands of euros Financial information as at 31 December 2010	Lagopetrol	New Gold Mali	Raba Xprom Energia Kft
<i>Assets</i>	414,099	3,582	43
<i>Liabilities*</i>	296,690	12,420	3,033
<i>Sales</i>	46,123	-	-
NET INCOME	17,793	(639)	(56)

* Excluding net equity position

LAGOPETROL

As at 31 December 2010, Lagopetrol's sales include the recognition of an unrealised foreign exchange gain under the reevaluation of debts and receivables on inventory on the balance sheet. The bolivar was devalued at the start of 2010, following which the government implemented a regulated parallel market where bolivars

could be exchanged for dollars at less favourable rates. A deferred tax liability was booked in Lagopetrol's accounts in view of this foreign exchange gain.

Note 8 INVENTORIES

In thousands of euros	31/12/2010	31/12/2009
<i>Hydrocarbon inventories</i>	2,997	751
<i>Current</i>	-	-
<i>Consumables</i>	11,951	3,344
TOTAL	14,948	4,095
<i>Write-down to be deducted</i>	-	-
NET VALUE	14,948	4,095

The net value of inventories as at 31 December 2010 was €10,853 thousand higher than at 31 December 2009, primarily as a result of the growth in inventory

levels of spare parts at Caroil and the booking under inventory of chemicals to meet the needs of the Omoueyi permit fields for €4,750 thousand.

Note 9 TRADE RECEIVABLES AND OTHER CURRENT ASSETS

In thousands of euros	31/12/2010	31/12/2009
<i>Trade receivables - oil and gas business</i>	46,035	17,821
<i>Trade receivables - drilling business</i>	24,203	16,870
<i>Other</i>	846	207
TOTAL	71,084	34,898
<i>Write-down to be deducted</i>	-	(1,464)
NET VALUE	71,084	33,434

The balance of trade receivables for hydrocarbon sales corresponds mainly to receivables from Socap (Total Group), to which the production of the fields on the Omoueyi permit is sold (for €30,300 thousand)

and to receivables from Shell Nigeria, to which the production from the Nigerian fields is sold (€14,403 thousand).

Other current financial and non-financial assets included the following items:

In thousands of euros	31/12/2010	31/12/2009
Other current financial assets		
<i>Credits receivable</i>	351	8
<i>Receivables on investments and associations</i>	77,147	37,887
<i>Loans and other</i>	125,800	4,018
<i>Miscellaneous receivables</i>	101,741	32,048
GROSS VALUE	305,039	73,961
<i>Write-down to be deducted</i>	(44,617)	(42,290)
NET VALUE	260,422	31,671
Other current assets	31/12/2010	31/12/2009
<i>Advances and down payments</i>	2,183	1,512
<i>Prepaid expenses</i>	3,863	2,177
<i>Tax and corporate receivables (excluding income tax)</i>	32,257	29,173
<i>Other assets</i>	5,866	6,570
GROSS VALUE	44,169	39,432
<i>Write-down to be deducted</i>	0	0
NET VALUE	44,169	39,432

RECEIVABLES ON INVESTMENTS AND ASSOCIATIONS

As at 31 December 2010, this item consisted primarily of the following:

- a current account from the company Seplat with Maurel & Prom Nigeria for €28,813 thousand (partners' share);
- a current account on the Tilapia licence becoming non-group after the retrocession of interest on 29 April 2009 in the amount of €16,260 thousand. This current account is fully depreciated;
- current accounts with the equity associates (€10,036 thousand for New Gold Mali, €2,183 thousand for Raba Xprom), fully depreciated;
- a current account from the company Seplat with Nigerian Petroleum Development Company (NPDC) for €9,422 thousand. This primarily involves the re-invoicing of costs relating to exploitation of Nigerian permits;
- the 2008 dividend receivable from Lagopetrol recognised in the amount of €7,554 thousand on the financial statements of Maurel & Prom Venezuela.

LOANS AND OTHER

As at 31 December 2010, the balance of the "Loans and others" line item basically consists of collateral given to finance the acquisition of Nigerian assets by the subsidiary Seplat, for an initial amount of US\$187,000 thousand (equivalent €144,614 thousand), of which US\$20,000 thousand (equivalent €14,968 thousand) was repaid on 31 December 2010. The balance of the deposit therefore stands at US\$167,000 thousand (€124,981 thousand).

MISCELLANEOUS RECEIVABLES

As at 31 December 2010, the balance of this item was made up mainly of the following elements:

- booking of the additional price receivable from Ecopetrol for the amount of €48,645 thousand. This additional price, whose estimation is based on the average oil price for 2010, follows the disposal of Hocol Petroleum Ltd (Hocol Colombia) in 2009 (see note titled "Other creditors and sundry liabilities");
- miscellaneous receivables held by Seplat in the amount of €13,471 thousand;

- the transfer of receivables from the company Panther to the other partners in the amount of €9,024 thousand, following the abandonment of a receivable in the amount of the Maurel & Prom Group's interest in Panther. This receivable, as well as the related interest accrued (€1,351 thousand) are fully depreciated;
- miscellaneous receivables held by Maurel & Prom Gabon Omoueyi in the amount of €7,028 thousand, €4,078 thousand of which are receivable in the form of indemnities after a fault in the ST 106 tank, and €2,632 thousand for re-invoicing costs to Tullow;
- miscellaneous receivables held by Prestoil Kouilou in the amount of €7,209 thousand;
- receivables held by Hocol in the amount of €4,718 thousand as part of the transfer of 50% of the SSJN9 licence.

FISCAL AND CORPORATE PAYABLES

The Group's fiscal and corporate payables increased by €3,084 thousand. This increase results from an increase in VAT receivables. As at 31 December 2010, the balance of tax receivables of €32,257 thousand mainly included the VAT receivables of the Gabon and Tanzania companies (€11,041 thousand and €8,099 thousand, respectively), and of Caroil (€5,336 thousand).

OTHER ASSETS

As at 31 December, the balance in other assets basically comprises expenses to be broken down of costs for the implementation of the RBL (Reserve Based Loan) entered into in 2009. The RBL agreement is described in Note 15 - "Other borrowings and financial debts".

Note 10 DERIVATIVE INSTRUMENTS AND OTHER FINANCIAL

In thousands of euros	31/12/2010			31/12/2009
	Current	Non current	Total	Total
FINANCIAL INSTRUMENTS (ASSETS)	3,931	-	3,931	38,074
<i>Interest rate instruments</i>	-	-	-	-
<i>Exchange rate instruments</i>	-	-	-	-
<i>Hydrocarbon instruments</i>	3,931	-	3,931	38,074
FINANCIAL INSTRUMENTS (LIABILITIES)	30,031	14,395	44,426	55,371
<i>Interest rate instruments</i>	-	-	-	-
<i>Exchange rate instruments</i>	-	-	-	-
<i>Hydrocarbon instruments</i>	30,031	14,395	44,426	55,371
TOTAL	(26,100)	(14,395)	(40,495)	(17,297)
<i>Inc. derivative instruments, assets</i>	3,931	-	3,931	38,074
<i>Inc. other financial instruments, assets</i>	-	-	-	66,218
<i>Inc. derivative instruments, liabilities</i>	30,031	14,395	44,426	55,371
<i>Inc. other financial instruments, liabilities</i>	-	-	-	-
	(26,100)	(14,395)	(40,495)	(17,297)

In its current operations, the Group uses financial instruments to reduce its exposure to the risk of fluctuations in oil prices and, to a lesser degree, foreign exchange rates.

Various instruments are used, including contracts on organised or over-the-counter markets, forward transactions, swaps and options.

Changes in the fair value of derivative instruments are posted in the income statement or shareholders' equity in compliance with IFRS, specifically IAS 32 and 39.

The fair value of financial instruments deriving from energy is included at level 2, corresponding to the use of prices based on observable data. The description of the different fair value levels is presented in note 1 of the notes to the consolidated statements.

HYDROCARBON DERIVATIVE INSTRUMENTS

There are two types of derivatives used to reduce exposure to hydrocarbon price variations:

- crude sale swaps setting the barrel sale price for a given volume and period;

- more sophisticated products combining the sale of swaps and options for setting barrel prices while benefiting to a certain extent from favourable market conditions.

Even though these derivatives are part of an economic hedging logic, as long as they present certain optional characteristics, may not be fully or partially eligible for hedge accounting processing under IFRS. For this reason, trading derivative instruments are found in the hedge portfolio.

The hedges implemented in late 2008 and early 2009 as part of the start of production in Gabon, and whose volume represented 8,750 bbl per day in 2009, 7,500 bbl in the first half of 2010 and 6,750 bbl in the second half of 2010, have largely reached maturity. For 2011, only 2 derivatives exist providing hedges for up to 2,500 bbl per day.

Given the growing strength of production in Gabon and the integration of Nigerian production, new hedges were set up in late 2010. The additional hedged volumes remain marginal: 1,000 bbl per day in 2011, 1,500 in 2012 and 500 in 2013.

The characteristics of the derivative instruments in place are detailed in the table below:

EDGE INSTRUMENTS PORTFOLIO AT 31/12/2010

Nature of agreement	Synthetic product	Counterpart	Accounting	Start date	End date	Sale price
<i>Sale swap</i>		<i>BNP</i>	<i>hedge</i>	<i>12/11/08</i>	<i>30/06/10</i>	<i>71.00</i>
<i>Sale swap</i>		<i>BNP</i>	<i>hedge</i>	<i>15/12/08</i>	<i>31/12/10</i>	<i>63.40</i>
<i>Sale swap</i>		<i>BNP</i>	<i>hedge</i>	<i>19/12/08</i>	<i>31/12/10</i>	<i>57.00</i>
<i>Sale swap</i>		<i>BNP</i>	<i>hedge</i>	<i>20/03/09</i>	<i>31/12/10</i>	<i>58.80</i>
<i>Sale swap</i>		<i>Calyon</i>	<i>hedge</i>	<i>22/12/08</i>	<i>31/12/10</i>	<i>55.00</i>
<i>Sale swap</i>		<i>Calyon</i>	<i>hedge</i>	<i>08/01/09</i>	<i>31/12/11</i>	<i>62.00</i>
<i>Sale swap</i>		<i>Calyon</i>	<i>hedge</i>	<i>13/05/09</i>	<i>31/12/11</i>	<i>62.15</i>
<i>Sale swap</i>	<i>Cancellable swap</i>	<i>Calyon</i>	<i>hedge</i>	<i>22/10/10</i>	<i>31/12/12</i>	<i>85.75</i>
<i>SWAPTION sale</i>		<i>Calyon</i>	<i>trading</i>	<i>22/10/10</i>	<i>31/12/11</i>	<i>91.00</i>
<i>Asian put sale</i>	<i>3 ways</i>	<i>Calyon</i>	<i>trading</i>	<i>22/10/10</i>	<i>31/12/13</i>	<i>59.00</i>
<i>Buy call option</i>		<i>Calyon</i>	<i>trading</i>	<i>22/10/10</i>	<i>31/12/13</i>	<i>80.70</i>
<i>Sell call option</i>		<i>Calyon</i>	<i>trading</i>	<i>22/10/10</i>	<i>31/12/13</i>	<i>100.00</i>
<i>Sale swap</i>		<i>Calyon</i>	<i>hedge</i>	<i>22/10/10</i>	<i>31/12/13</i>	<i>86.68</i>
<i>Sell put option*</i>	<i>4 ways</i>	<i>BNP</i>	<i>trading</i>	<i>09/11/10</i>	<i>31/12/12</i>	<i>59.00</i>
<i>Buy put option*</i>		<i>BNP</i>	<i>trading</i>	<i>09/11/10</i>	<i>31/12/12</i>	<i>80.00</i>
<i>Sell call put option*</i>		<i>BNP</i>	<i>trading</i>	<i>09/11/10</i>	<i>31/12/12</i>	<i>110.00</i>
<i>Buy call put option*</i>		<i>BNP</i>	<i>trading</i>	<i>09/11/10</i>	<i>31/12/12</i>	<i>143.00</i>
<i>Sell put option</i>		<i>BNP</i>	<i>trading</i>	<i>12/11/08</i>	<i>30/06/10</i>	<i>50.00</i>
<i>Sell put option</i>		<i>BNP</i>	<i>trading</i>	<i>19/11/08</i>	<i>31/12/10</i>	<i>50.00</i>
<i>Buy call option</i>		<i>BNP</i>	<i>trading</i>	<i>06/11/09</i>	<i>31/12/10</i>	<i>140.00</i>

Quality	MTM 31/12/2010 * (in M€)	bbl/d			
		2010	2011	2012	2013
<i>Brent</i>	0.0				
<i>Brent</i>	-0.3	500			
<i>Brent</i>	-0.8	1,000			
<i>Brent</i>	-1.7	2,250			
<i>Brent</i>	-0.4	500			
<i>Brent</i>	-4.9	500	500		
<i>Brent</i>	-19.3	2,000	2,000		
<i>Brent</i>	-1.1		500	500	
<i>Brent</i>	-1.1				
<i>Brent</i>					
<i>Brent</i>					
<i>Brent</i>	3.9				
<i>Brent</i>	-5.9		500	500	500
<i>Brent</i>					
<i>Brent</i>	-0.7			500	
<i>Brent</i>					
<i>Brent</i>					
<i>Brent</i>	0.0	750			
<i>Brent</i>	0.0				
<i>Brent</i>	-0.0				
Hedged volumes		7,500	3,500	1,500	500
Average hedge price (in \$)		60	69	84	87
MTM portfolio	-32.3				
<i>Of which asset derivatives</i>	3.9				
<i>Of which liability derivatives</i>	-36.3				

The revaluation of the market price of these different transactions as at 31 December 2010 led to the posting of an asset of €3.9 million and a liability of €36.3 million.

In addition, the Group posted under financial instruments the fair value of the additional price to be paid in the acquisition of Nigerian assets. This additional price in

the amount of US\$33 million will be payable if the Brent price remains above US\$80/bbl for 731 consecutive following the acquisition date. As at 31 December 2010, its fair value was US\$18,565 thousand (100%), of which \$8,354 thousand correspond to Maurel & Prom's share in Seplat.

FAIR VALUE RESERVE IN SHAREHOLDERS' EQUITY

The impact on net equity of hedging derivatives is shown in the table below:

In thousands of euros	31/12/2010	31/12/2009
Impact of financial instruments on net equity		
FAIR VALUE RESERVE AT BEGINNING OF THE YEAR	(50,840)	11,618
<i>Change in the portion of unexpired hedges (in existence at the previous fiscal year-end)</i>	25,659	
<i>Fair value of new hedges for the period recognised as net equity</i>	5,842	(50,840)
<i>Fair value of the portion of hedges recycled in the income statement</i>	(10,712)	(15,943)
<i>Deferred tax</i>		5,446
<i>Foreign exchange effect</i>	1,952	(1,143)
FAIR VALUE RESERVE AT CLOSE OF THE YEAR	(28,099)	(50,840)
CHANGE IN NET EQUITY DURING THE PERIOD (EXCLUDING FOREIGN EXCHANGE EFFECT)	20,789	(50,817)
<i>Closing rate as of 31 December 2009</i>	1.4406	
<i>Average rate as of 31 December 2010</i>	1.3266	
<i>Closing rate as of 31 December 2010</i>	1.3362	

Inc. the impact on the Colombian assets transferred in 2009:

(1) -€17,326 thousand concerning the "Fair value of the portion of hedges recycled under the income statement"

(2) €5,446 thousand for deferred tax

FOREIGN CURRENCY TRANSACTIONS

Agreements held in portfolio at year end were limited to a "vanilla" €/US\$ foreign exchange futures (US\$39 million

vs. €29 million) effected as part of day-to-day cash management.

Note 11 FAIR VALUE**FINANCIAL ASSETS AT FAIR VALUE BY INCOME**

The different categories of financial assets (excluding financial instruments) as at 31 December 2010 and 31 December 2009 are shown in the tables below:

In thousands of euros	31 December 2010				
	Financial assets held for sale	Loans and credits	Financial assets at fair value by income	Total book value	Fair value
<i>Other non-current financial assets</i>	915	61,311	-	62,226	62,226
<i>Trade receivables and related accounts</i>	-	71,084	-	71,084	71,084
<i>Other current financial assets</i>	-	260,422	-	260,422	260,422
<i>Cash and cash equivalents</i>	-	95,423	-	95,423	95,423
TOTAL BOOK VALUE	915	488,240	-	489,155	489,155
TOTAL FAIR VALUE	915	488,240	-	489,155	489,155

In thousands of euros	31 December 2009				
	Financial assets held for sale	Loans and credits	Financial assets at fair value by income	Total book value	Fair value
<i>Other non-current financial assets</i>	10,202	10,828	-	21,030	21,030
<i>Trade receivables and related accounts</i>	-	33,434	-	33,434	33,434
<i>Other current financial assets</i>	-	31,671	-	31,671	31,671
<i>Cash and cash equivalents</i>	-	427,576	-	427,576	427,576
TOTAL BOOK VALUE	10,202	503,509	-	513,711	513,711
TOTAL FAIR VALUE	10,202	503,509	-	513,711	513,711

The following results from the analysis of other assets as at 31 December 2010:

- other non-current financial assets are already valued at their fair value in the Group's accounts;
- trade receivables and related accounts mature in less than one year, and therefore no update is justified;
- other current financial assets, like the trade receivables and related accounts, mature in less than one year and therefore no update is justified;
- the Group's cash is viewed as liquid assets.

FINANCIAL LIABILITIES (EXCLUDING DERIVATIVE INSTRUMENTS AND FINANCE LEASES) AND FAIR VALUE

The different categories of financial liabilities (excluding financial instruments) as at 31 December 2010 and 31 December 2009 are the following:

In thousands of euros	31/12/2010			
	Current	Non current	Total book value	Fair value
<i>Bonds</i>	13,346	329,586	342,932	332,614
<i>Other borrowings and financial debts</i>	125,307	210,574	335,881	335,881
<i>Trade payables</i>	70,842	-	70,842	70,842
<i>Other creditors and misc. financial liabilities</i>	106,034	271	106,305	106,305
TOTAL	315,529	540,431	855,960	845,642

In thousands of euros	31/12/2009			
	Current	Non current	Total book value	Fair value
<i>Bonds</i>	195,682	260,770	456,451	456,451
<i>Other borrowings and financial debts</i>	53	-	53	53
<i>Trade payables</i>	89,165	-	89,165	89,165
<i>Other creditors and misc. financial liabilities</i>	45,277	-	45,277	45,277
TOTAL	330,177	260,770	590,947	590,947

SCENARIOS USED

The two OCEANE issues were subjected to an analysis of their fair value. The scenario at issue of the OCEANE 2015 debt has not undergone any substantial modification of the market, so the value booked in the accounts as at 31 December 2010 is consistent with its fair value.

A fair value estimate was performed for the Océane 2014 issue. The fair value of the debt was recalculated, updating the interest and capital flows over the remaining years of the issue. The rate used for this update was 9.292%, the rate used for the OCEANE 2015 issue. No significant differences were found (<1% of the booked value).

The fair value of the Standard Bank short-term line of credit was considered to be equal to the book value.

The RBL was estimated at fair value, updating future flows at an EIR determined at 4.42%. No significant difference with the book value resulted (<1%).

The following results from the analysis of other liabilities as at 31 December 2010: trade payables and other creditors and miscellaneous financial liabilities have a maturity under one year, and as a result their fair value does not differ from the balance-sheet value. Estimates were updated as needed and already included in the presentation of the financial statements.

Note 12 CASH AND CASH EQUIVALENTS

Cash equivalents include liquid assets and investments for which the term is less than three months.

In thousands of euros	31/12/2010	31/12/2009
<i>Liquid assets, banks and savings banks</i>	95,207	77,342
<i>Short-term bank deposits</i>	216	231,761
<i>Short-term investments</i>	-	118,473
TOTAL	95,423	427,576
<i>Bank loans</i>	48	32
NET CASH AND CASH EQUIVALENTS AT PERIOD-END	95,375	427,544

On 31 December 2010, Maurel & Prom posted net cash of €95.4 million, a decline of €332 million compared to 31 December 2009 resulting from, in particular:

- redemption on 1 January 2010 of OCEANE 2010 in the amount of €183 million of which €6.2 million was interest, and the payment of €22.6 million interest on 31 July 2010;
- a sustained investment effort (€473 million) for all Group operations; exploration (€245.3 million), acquisition of Nigerian reserves (€64 million), development (€137 million) and drilling (€23.4 million);
- cash flow generated by operating activities (+€77.4 million);
- receipts from transferred activities (+€45 million);
- realised financing; RBL for €224 million, issue of new OCEANE debt for €70 million, underwriting of a Standard Bank bridge for €37 million, debt issue in Nigeria for €71 million (Maurel & Prom's share);
- amounts paid as guarantees to BNP as part of the acquisition of assets in Nigeria (€140 million), of which €15 million reimbursed;
- foreign exchange impact (-€41 million).

Note 13 SHAREHOLDERS' EQUITY

INSTRUMENTS CONFERRING ACCESS TO CAPITAL STOCK OPTIONS

The Extraordinary General Meeting of 11 September 2001 authorised Management to grant to its employees and officers Maurel & Prom stock subscription and stock purchase options.

Thus, on 25 October 2001, Management allotted 154,000 stock options at €12.15 each, exercisable from 26 October 2004 with no time limit to 12 people and, on 16 June 2003 to one employee, 26,000 stock options at €19.98 each; these figures became 1,579,030 and 266,540 respectively due to the adjustment subsequent to the issue of the BSARs and the division by ten of the nominal value, the new exercise prices have been changed to €1.185 and €1.949 per share respectively.

By amendment dated 23 May 2005 to the stock options terms and conditions of the plans dated 25 October 2001 and 16 June 2003, the corresponding stock options became exercisable immediately.

On the basis of the authorisation of the General Meeting of 26 June 2003, on 29 July 2003 the Management granted 123,000 stock options to 5 beneficiaries at the exercise price of €17.82; these were exercisable immediately within 5 years; this increased to 1,261,160 stock options exercisable at €1.738 after the adjustment caused by the issue of the BSARs and the 10-for-1 stock split.

Based on the authorisation on the same date, i.e. 26 June 2003, management allotted 13,500 share subscription options to Company employees (3 beneficiaries) on

22 June 2004, immediately exercisable within 5 years at a price of €66.94. The number of options was raised to 138,420 and the exercise price reduced to €6.529 a share following the issue of the BSAR and the 10-for-1 stock split.

On the authority of the General Meeting of 28 December 2004, the Management Board, on 16 March 2005, granted 220,000 stock options to one employee (who subsequently became a corporate officer) at the price of €13.59, such stock options being exercisable immediately and within 5 years; pursuant to the same authorisation and exercisable under the same terms and conditions, on 6 April 2005, 430,000 stock options were granted to 8 employees at an exercise price of €13.44 per option and on 21 December 2005, 170,000 stock options were granted at an exercise price of €12.91 to 2 people, one of whom was a corporate officer.

In 2006, 160,000 stock options were granted to two employees, 80,000 options were granted on 3 January 2006 at an exercise price of €12.86 and 80,000 options granted on 10 April 2006 at an exercise price of €14.72.

Furthermore, 121,790 options were exercised, leading to the issue of 121,790 new shares, representing a capital increase of €94 thousand and a gross share premium of €668 thousand.

In 2007, 344,310 options were exercised, generating the creation of 344,310 shares, representing a capital increase of €265 thousand and a gross share premium of €2,638 thousand.

In 2008, 35,890 options were exercised, generating the creation of 35,890 shares, a capital increase of €28 thousand and a gross share premium of €35 thousand.

No options were exercised in 2009. At 31 December 2009, 620,760 options were still to be exercised, which could result in the creation of 620,760 new shares.

No options were exercised in 2010. However, 453,400 options reached maturity. At 31 December 2010, 174,176 options were still to be exercised, which could result in the creation of 174,176 new shares.

Shares reserved for employees and bonus shares

The General Meeting of 20 June 2006 gave the Management Board power, for a period of 38 months, to carry out, on one or more occasions, the free allotment to employees and/or corporate officers of existing ordinary shares or shares to be issued. The total number of bonus shares allotted may not represent more than 0.5% of the capital on the date of the meeting, or the equivalent value of this amount, as applicable; it is specified that the nominal amount of any capital increase executed under this delegation through the capitalisation of premiums, reserves or profits to issue bonus shares may not exceed €1,000,000.

The Extraordinary and Ordinary General Meeting of 14 June 2007 delegated all necessary powers to the Board of Directors for a period of 26 months to issue new shares (up to a total nominal value of €2,000,000) restricted to employees of the Company, without preferential rights, and to set the terms and conditions for subscription.

The Board of Directors also received, at this same meeting, authority to allot to company employees and/or officers existing bonus shares or new shares up to a maximum of 1% of the capital on the date of the meeting.

The Extraordinary and Ordinary General Meeting of 12 June 2008 delegated authority to the Board of Directors, for a period of 38 months, to decide on one or more occasions a bonus allotment, up to a maximum of 1% of the share capital at 12 June 2008, for employees, or some employees and/or corporate officers or some officers of the Company and/or companies and economic interest groups affiliated with the Company. This delegation of 12 June 2008 terminated, effective immediately for the unused fraction, the delegation granted on 14 June 2007.

The Extraordinary and Ordinary General Meeting of 24 February 2009 delegated authority to the Board of Directors, for a period of 38 months, to decide on one or more occasions a bonus allotment, up to a maximum of 1% of the share capital at 24 February 2009, for employees, or some employees and/or corporate officers or some officers of the Company and/or companies and economic interest groups affiliated with the Company. This delegation of 24 February 2009 terminated, effective immediately for the unused fraction, the delegation granted on 12 June 2008.

The Extraordinary and Ordinary General Meeting of 20 May 2010 delegated authority to the Board of Directors, for a period of 38 months, to decide on one or more occasions a bonus allotment, up to a maximum of 1% of the share capital at 20 May 2010, for employees, or some employees and/or corporate officers or some officers of the Company and/or companies and economic interest groups affiliated with the Company. This delegation of 20 May 2010 terminated, effective immediately for the unused fraction, the delegation granted on 24 February 2009.

The allotment of shares to their beneficiaries shall be final after a minimum vesting period of two years and the minimum share holding period by the beneficiaries is fixed at two years as from the final allotment of the said shares.

Allocation date	Number of shares
03/10/2006	70,000
14/12/2006	66,800
21/12/2007	116,524
25/04/2008	46,750
15/10/2008	93,892
16/12/2008	102,750
19/06/2009	57,500
15/12/2009	120,500
21/12/2010	202,256

SHARE REPURCHASE PLAN

Following the approval by the General Meeting of 20 May 2010 for a period of 18 months, the Board of Directors is authorised to repurchase up to 10% of the Company's existing share capital, under the following terms: Maximum purchase price of €18 per share.

As part of this repurchase plan, 672,746 shares were bought in 2010 and 2,891 were granted through OCEANE conversions.

Over the same period, under the liquidity agreement, 2,527,468 shares were purchased and 2,512,701 were sold.

At 31 December 2010, the Company held 6,363,053 treasury shares (representing 5.25% of the capital for a gross value of €81.5 million at year-end 2010), including 128,041 shares under the liquidity contract.

At 31 December 2010, as shown in the capital movements table below, there were 121,305,001 shares of the Company and the share capital was €93,404,850.77.

SUMMARY OF CAPITAL MOVEMENTS

	Number of shares	Treasury shares
At 31 December 2008	120,569,807	6,436,408
- Issued for payment of dividend	682,464	
- Repurchase of treasury shares		-406,669
At 31 December 2009	121,252,271	6,029,739
- Issued for payment of BSAR	52,730	
- Repurchase of treasury shares		333,314
At 31 December 2010	121,305,001	6,363,053

DISTRIBUTION

At the proposal of the Board of Directors, the General Meeting approved payment of a €0.10 dividend for

fiscal year 2009. This dividend was paid out on 2 June 2010.

Note 14 PROVISIONS

In thousands of euros	Site remediation	Employee benefits	Other	Total
BALANCE AT 1 JANUARY 2009	32,120	10,620	50,275	93,015
<i>Currency translation adjustments</i>	(401)	(59)	(133)	(593)
<i>Changes in consolidation scope</i>	(22,085)	(12,043)	(4,496)	(38,624)
<i>Provisions in the period</i>	(13)	1,865	10,219	12,071
<i>Use</i>	(259)	-	(40,442)	(40,701)
<i>Reversal and reclassification</i>	3,574	-	(2,343)	1,230
<i>Effect of accretions</i>	1,308	305		1,613
BALANCE AT 31 DECEMBER 2009	14,245	688	13,079	28,012
<i>Current portion</i>	1,112	484	11,069	12,666
<i>Non-current portion</i>	13,132	204	2,010	15,346

In thousands of euros	Site remediation	Employee benefits	Other	Total
BALANCE AT 31 DECEMBER 2009	14,245	688	13,079	28,012
<i>Currency translation adjustments</i>	1,079	-	316	1,395
<i>Changes in consolidation scope</i>	-	-	-	-
<i>Provisions in the period</i>	(10)	36	7,051	7,077
<i>Use</i>	(632)	(16)	(2,805)	(3,453)
<i>Reversal and reclassification</i>	(7,944)	-	(2,379)	(10,323)
<i>Effect of accretions</i>	566	-	-	566
BALANCE AT 31 DECEMBER 2010	7,304	708	15,262	23,275
<i>Current portion</i>	1,857	468	15,262	17,588
<i>Non-current portion</i>	5,447	240	-	5,687

SITE REMEDIATION

In addition to the impact of conversion differences relating to provisions shown in dollars, the variation of provisions for site remediation is due to the recalculation of the provision involving the Omoueyi licence, which was corrected in the amount of €8,005 thousand to offset the dismantling assets (see note 5 on Property, plant and equipment). As at 31 December 2010, the provision for site remediation in the Maurel & Prom financial statement primarily concerns Gabon (€6,763 thousand for the Omoueyi permit).

The final amount of the provision for site remediation in Nigeria is in the process of being evaluated.

EMPLOYEE BENEFITS

As at 31 December 2010, the provision for retirement and other post-employment benefits mainly involves Maurel & Prom registered office. The liability data was established by an independent actuary.

OTHER PROVISIONS

Other provisions for risks and contingencies are analysed in the table below:

In thousands of euros	Dec 2009	Chg.	Dec 2010	
Operating risks in the Congo	1,500		1,500	(1)
Risks of equity method	2,002	281	2,283	(2)
Caroil/Panafrican dispute	2,104	-2,104	-	(3)
Repatriation of Caroil rigs	3,910	-583	3,327	(4)
Other	3,563	4,589	8,152	(5)
OTHER PROVISIONS FOR RISKS AND CONTINGENCIES	13,079	2,183	15,262	

- (1) The provision allocated in 2007 to hedge a series of risks linked to the sale of most of the Group's activities in the Congo to Eni still appears in the accounts in the amount of €1,500 thousand awaiting final write-down.
- (2) The Group creates provisions, when necessary, for net negative positions of equity associates in compliance with IAS 28. As at 31 December 2010, an additional provision of €281 thousand went to cover NGM's negative net equity position.
- (3) In 2009, Caroil booked a provision for risks and contingencies in the amount of €2,104 thousand related to a dispute with Panafrican. In 2010, the two parties reached an agreement that has led to the reversal of this provision.
- (4) At Caroil Congo, the provision for risks and contingencies varied -€583 thousand. This is mainly due to the provision adjustment for costs that will be charged to Caroil under the new contract signed with Eni in 2009, mentioning the fact that costs associated with demobilisation of rigs are not reinvoiced at the end of the contract.
- (5) The other provisions are basically linked to miscellaneous risks incurred (see note 25 on Off-balance sheet commitments).

Note 15 BONDS, OTHER BORROWINGS AND FINANCIAL DEBT

Bonds, other borrowings and financial debts are detailed below:

In thousands of euros	Currency	31/12/2010			31/12/2009
		Current	Non current	Total	Total
BONDS		13,346	329,586	342,932	456,451
OTHER BORROWINGS AND DEBTS		125,260	210,574	335,834	2
<i>Banco de Occidente</i>	US\$	2,397	-	2,397	-
<i>BNP - SEPLAT - loan</i>	US\$	56,806		56,806	
<i>BNP - SEPLAT - discount</i>	US\$	14,429		14,429	
<i>BNP - RBL</i>	US\$	14,204	210,574	224,778	
<i>Standard Bank</i>	US\$	37,423		37,423	
DEBTS ON FINANCE LEASING		-	-	-	19
BANK LOANS		48	0	48	32
ALL OTHER BORROWINGS AND FINANCIAL DEBT		125,307	210,574	335,881	53

BONDS

On 1 January 2010 the Group redeemed the residual amount of the Océane issue underwritten in 2005 and partially redeemed in 2009, for €176,844 thousand, in addition to remaining Océane interests in the amount of €6,191 thousand.

OCEANE 2014 issue

On 7 July 2009 the Group issued 19,074,519 OCEANE at €15.60, which mature on 31 July 2014 at a rate of 7.125%, for a total amount of €297,562,496.40, including €11,733 thousand in issue fees.

The bonds pay interest of 7.125 % per year (coupons payable on 31 July each year) and will be amortised in full by redemption at par value on 31 July 2014. The bonds can be converted or exchanged at any time at the rate of 1 share per bond. The bond-based borrowing was initially entered as a financial debt at amortised cost, i.e., €260,760 thousand. This amortised cost was measured by discounting the future contractual cash flow at the effective interest rate of 10.42%. As at 31 December 2009, the value of the conversion option for €25,070 thousand gross, i.e., €16,714 thousand net of deferred tax, was credited to shareholders' equity. Interest expense in the amount of €25,535 thousand was recognised for OCEANE 2014 for the period.

OCEANE 2015 ISSUE

On 8 July 2010, the Company issued 5,511,812 OCEANE at €12.70 maturing 31 July 2015 and bearing 7.125% interest, in the total amount of €70,000,000. The conversion or redemption may be carried out at any time at a rate of one share per bond. The bond-based borrowing was initially entered as a financial debt at amortised cost, i.e., €64,128 thousand. This amortised cost was measured by discounting the future contractual cash flow at the effective interest rate of 9.292%.

The main purpose of this OCEANE issue, which is restricted to approved investors, is to help fund Seplat's acquisition of 45% of the OMLs 4, 38 and 41, in which Maurel & Prom is a 45% stakeholder. Interest expense in the amount of €2,462 thousand was recognised for OCEANE 2015 at 31 December 2010.

OTHER BORROWINGS AND FINANCIAL DEBTS

On 29 May 2009, the Group signed along with a consortium of 4 banks including BNP Paribas, Calyon, Natexis and Standard Bank, a banking facility of US\$255 million guaranteed by the pledging of oil reserves in Gabon (Reserve Based Loan or RBL). This facility was obtained as part of the financing of the acquisition of assets in Nigeria.

Based on the level of guaranteed reserves, firm obligations were increased to US\$300 million and this entire amount was then drawn down. The draw-down comes with the obligation to set aside an amount equal to 5% of the amount drawn, i.e. US\$15 million at 31 December 2010, equal to €11,225 thousand, which figure as a deposit in the Group's financial statements. The payable interest associated to the RBL at 31 December 2010 was €261 thousand. The use of this facility rests on covenants that need to be followed every half-year to guarantee the conditions for drawing:

- ratio of consolidated financial debt/capital resources (excluding foreign exchange impact and derivative hedge instruments) <1;
- current ratio >1.1, designating the ratio of current financial assets/current liabilities (excluding derivatives).

Throughout fiscal 2010, these covenants have been observed.

The Company has also agreed to:

- periodically update the cash plan and submit it for approval;
- grant no sureties or guarantees on certain assets of a Group member;
- engage in no disposals of certain oil assets of the Group on which the RBL was established, particularly the disposal of certain oil fields located in Gabon;
- not to incur any additional financial indebtedness, except for the current borrowings, a new issue of OCEANE, subordinated borrowings with maturities longer than that of the RBL, certain intragroup loans and other forms of indebtedness; and
- not to make loans to third parties, other than in current commercial transactions linked to its business.

An additional US\$50 million line of credit taken with Standard Bank was drawn in full during the third quarter of 2010, representing €37,423 thousand. In addition, Seplat took a loan from BNP for US\$187 million, guaranteed by a deposit with matching funds paid by Maurel & Prom to BNP (see note on Other assets). US\$20 million were repaid under this loan at 31 December 2010 and will require the full repayment of the balance during fiscal year 2011, thus enabling repayment of the deposit made by Maurel & Prom with BNP. Finally, for its oil sales, Seplat discounted its receivable on Shell with BNP.

Note 16 SUPPLIER DEBTS - OTHER CREDITORS AND MISCELLANEOUS FINANCIAL LIABILITIES

In thousands of euros	31/12/2010			31/12/2009		
	< 1 year	> 1 year	Total	< 1 year	> 1 year	Total
SUPPLIERS AND ACCRUED CHARGES	70,842	-	70,842	89,165	-	89,165
<i>Suppliers</i>	42,295	-	42,295	60,733	-	60,733
<i>Accrued charges</i>	28,547	-	28,547	28,432	-	28,432
OTHER CREDITORS AND MISCELLANEOUS LIABILITIES	120,988	271	121,259	45,277	-	45,277
<i>Corporate debts</i>	6,748	-	6,748	4,293	-	4,293
<i>Tax debts</i>	8,095	-	8,095	3,837	-	3,837
<i>Fixed asset suppliers</i>	1,443	-	1,443	6,849	-	6,849
<i>Miscellaneous creditors</i>	104,702	271	104,973	30,298	-	30,298

SUPPLIERS AND ACCRUED CHARGES

The balance in trade payables at 31 December 2010 mainly included the following:

- supplier debts directly linked to the requirements generated by the Omoueyi permit in Gabon amounting to €14,107 thousand;
- supplier debts posted under Caroil for €9,970 thousand, relating essentially to the rig sub-contracting, maintenance and transport charges, principally in the Congo, Gabon and Colombia;
- supplier debts relating essentially to the exploration expenditures posted under the Colombian (€3,500 thousand), Tanzanian (Mandawa €3,838 thousand) and Congolese (Noumbi €1,084 thousand) permits;
- a debt to the company Hocol of €3,539 thousand for the recovery of 50% of the CPO 17 permit following the agreement on the exchange of 50% of the CPO 17 permit held by Hocol for 50% of the SSJN9 permit held by Maurel & Prom;
- supplier debts of the company Seplat (€2,610 thousand), comprising the costs of operating the Nigerian permits acquired in 2010.

The reduction of supplier debts is explained principally by the end of drilling operations under the Tanzanian (Bigwa-Rufiji-Mafia) and Congolese (Marine 3) permits, and by a reduction in Gabon due to the phasing of works.

The balance in accrued charges at 31 December 2010 consists principally of the accrued charges related directly to the requirements generated by the Omoueyi field in Gabon of €18,909 thousand, the provision posted in Seplat's statements for oil processing over the month of December (€4,190 thousand) and the invoices receivable by Caroil (€2,590 thousand).

OTHER CREDITORS AND MISCELLANEOUS LIABILITIES

As at 31 December 2010, the balance in other creditors and miscellaneous liabilities amounted to €121,259 thousand and consisted essentially of:

- the posting of a debt under Natixis of €48,645 thousand. This debt is the result of the sale of call options to Natixis containing the characteristics of the additional price clause set down in the sale agreement of Hocol Petroleum Ltd (Hocol Colombia). The details of this option are found in note 18, concerning net income from the activities sold. The Ecopetrol debt accounting for the additional price appears in the assets for the same amount (see note 9);
- the adjusted debt maturing in 2011 of €24,476 thousand posted in 2009, following the agreement between the Group and a banking institution as part of the litigation over structured derivative transactions;
- the acquisition of the Nigerian mining permits by Seplat. Seplat's miscellaneous creditors essentially comprise

the posting of the overlift provision (€2,395 thousand) and the mining royalty debt (€5,893 thousand);

- the sales retrocessions of Maurel & Prom operating the Onal and Omko fields under the Omoueyi permit for €5,138 thousand;

- the mining royalties on the Omoueyi field for €4,359 thousand.

Note 17 PERSONNEL EXPENSES

In thousands of euros	31/12/2010	31/12/2009
Wages	18,500	12,895
Profit sharing	596	665
Stock options and bonus shares	2,017	2,060
Social charges and other personnel-related expenses	5,757	4,677
TOTAL	26,870	20,297

Personnel expenses are explained by evolving personnel numbers, notably in the drilling activity, by a strengthened workforce.

The increase in personnel numbers for the production exploration activities is explained by the strengthened workforce in Gabon, along with an increase in production levels (+35), and the entry of Nigeria into the consolidation scope (+37). For the drilling activity, the increase in personnel numbers is related to the integration of part of the personnel that were previously on sub-contracts.

In April 2010, Maurel & Prom decided to set up sales of crude oil call options with Natixis in order to monetise the value of this Earn Out clause. The characteristics of the call option sales are identical to those of the Earn Out, the only difference being that Maurel & Prom should deliver the gains at maturity. In exchange, Maurel & Prom received a premium of US\$60.1 million, corresponding to €44 million. Furthermore, Maurel & Prom pledged the future Ecopetrol debt to Natixis.

With all the items relating to the same transaction, the income from the activities sold as at 31 December 2010 corresponds to the following transaction posting breakdown:

Note 18 INCOME FROM DISCONTINUED ACTIVITIES

On 9 March 2009 Maurel & Prom and Ecopetrol signed an agreement for the sale of Hocol Petroleum Ltd (Hocol Colombia), wholly owned by Maurel & Prom. The disposal of the assets was accompanied by an Earn Out clause, the amount of which was determined in relation to the average WTI price between 1 January 2010 and 31 December 2010, capped at US\$65 million. The mark to market has been posted in the income from activities sold in 2009.

INCOME FROM THE ACTIVITIES SOLD

In thousands of euros

<i>Reversal of Earn Out mark to market of 31 December 2009</i>	-37,912
<i>Premium collected on Natixis call options sale</i>	44,565
<i>Natixis call options accrued charges</i>	-48,645
<i>Ecopetrol income receivable</i>	48,645
<i>Income from the activities sold</i>	6,653

To this end, the debt mobilisation cost is represented by the difference between the premium collected and

the final value of the earn out, which is identical to the consideration for the call options sold to Natixis:

TABLE OF CASH FLOWS OF DISCONTINUED ACTIVITIES

In thousands of euros

<i>Income from the activities sold</i>	6,653
<i>Changes in fair value</i>	37,912
SALES	44,565
<i>Cash flow generated by the activity</i>	44,565
CHANGES IN NET CASH FLOW	44,565

Note 19 OPERATING INCOME

In thousands of euros

	31/12/2010	31/12/2009*
<i>Sales</i>	345,805	191,851
<i>Gross margin</i>	229,976	109,459
<i>Gross operating surplus</i>	178,959	82,542
<i>Amortisations for depletion</i>	(67,870)	(35,258)
INCOME FROM OIL PRODUCTION AND SERVICE ACTIVITIES	111,089	47,284
<i>Depreciation and exploration entered as an expense</i>	(211,478)	(56,472)
INCOME FROM OIL PRODUCTION, EXPLORATION AND SERVICE ACTIVITIES	(100,389)	(9,188)
<i>Income from the disposal of assets</i>	-	3,068
<i>Other operating items</i>	(8,922)	(13,533)
OPERATING INCOME	(109,309)	(19,653)

(*) Restated to account for the change in accounting

The gross margin corresponds to the sales of services, net of purchases of materials and consumables.

The gross operating surplus corresponds to the gross margin net of taxes and duties (excluding corporate tax) and personnel expenses.

These two indicators provide a good view of the performance from oil production and service activities.

The improvement in income on oil production and service activities is essentially due to the ramping-up of production and sales in Gabon and the integration of the activities in Nigeria.

In Gabon, net royalties were 12,051 bbl/day for 2010 compared with 6,780 bbl/day for 2009 (average observed over the production period beginning 9 March 2009).

In Nigeria, net production was 3,750 bbl/day over 128 days of production.

The Group also benefitted from a more buoyant economic environment than in 2009. The average price of Brent rose in 2010 to US\$79, representing an increase of 29% compared with the previous year (US\$61 in 2009), and the dollar strengthened in relation to the euro (+4%).

The change in gross operating surplus is detailed in the table below:

In thousands of euros	2010		2009	
	Sales	Gross operating surplus	Sales	Gross operating surplus
<i>Gabon</i>	254	184 (72%)	124	84 (68%)
<i>Nigeria</i>	30	17 (56%)		
<i>Other</i>	1	- (0%)		
<i>Hydrocarbon production</i>	285	201 (70%)	124	84 (68%)
<i>Oil services</i>	99	31 (32%)	83	36 (43%)
<i>Hedges</i>	-38	-38	-16	-16
<i>Structures</i>		-16		-21
	346	178 (51%)	192	82 (43%)

The amortisation for depletion breaks down as follows:

- depletion of assets in Gabon: €45,097 thousand including the amortisation of the mining permits;
- depletion of assets in Nigeria: €3,990 thousand;
- amortisation of Caroil drilling rigs: €16,478 thousand.

The exploration costs entered as an expense break down as follows:

in millions of euros

Country	Permit	Well	2010
Syria	<i>Al Asi</i>	<i>Draco</i>	12,162
Congo	<i>Marine III</i>	<i>Ngoumba</i>	16,221
Congo	<i>Marine III</i>	<i>Mbafou</i>	8,267
Congo	<i>La Noumbi</i>	<i>Tié Tié</i>	5,172
Congo	<i>Kouilou</i>	<i>Zingali-Loufika</i>	9,978
Tanzania	<i>Mandawa</i>		2,720
Tanzania	<i>Mandawa</i>	<i>Kianika</i>	19,425
Tanzania	<i>Mandawa</i>	<i>Mihambia</i>	962
Tanzania	<i>Bigwa Rufiji Mafia</i>	<i>Mbezi</i>	13,581
Tanzania	<i>Bigwa Rufiji Mafia</i>	<i>Mafia</i>	76,351
Mozambique	<i>Rovuma</i>	<i>Mecupa</i>	546*
Gabon	<i>Nyanga</i>	<i>Banio 5</i>	14,655
Senegal	<i>Sebikhotane</i>	<i>Kokorong - 1</i>	906
Colombia	<i>Tangara</i>	<i>Cascabel</i>	18,865
Colombia	<i>Muisca</i>	<i>Bacchue</i>	11,420
* impairment			211,478

As at 31 December 2010, other charges consisted essentially of the following:

- Zetah Congo liquidation costs of €548 thousand;
- Maurel & Prom Assistance Technique cost adjustments amounting to €1,151 thousand;
- miscellaneous charges for social and tax adjustments in Gabon amounting to €1,553 thousand;
- charges relating to the support funds in Gabon amounting to €945 thousand.

Note 20 FINANCIAL INCOME

In thousands of euros	31/12/2010	31/12/2009
<i>Interest on overdrafts</i>	(112)	(706)
<i>Interest on OCEANE</i>	(27,996)	(34,963)
<i>Interest on other borrowings</i>	(7,730)	(1)
GROSS COST OF DEBT	(35,838)	(35,669)
<i>Income from cash</i>	4,048	1,922
<i>Net gains and losses on derivative instruments</i>	(5,997)	36,200
NET COST OF DEBT	(37,787)	2,453
OTHER NET FINANCIAL INCOME AND CHARGES	53,749	(27,419)
<i>Net foreign exchange differences</i>	58,840	(30,786)
<i>Other</i>	(5,091)	3,367
FINANCIAL INCOME	15,962	(24,966)

Interest charges on OCEANE 2014 and 2015 bond issues, the characteristics of which are described above in note 15: "Bonds, other borrowings and financial debts" amounted to €27,996 thousand. This amount breaks down as follows:

- interest charges calculated at the nominal rate of the borrowings and paid on each annual maturity: €23.3 million;
- "debt readjustment" technical charge: €4.7 million.

The breakdown of bonds at the time of their issue into a shareholders' equity component and a debt component, in application of the IFRS guidelines, means that henceforth a "debt readjustment" technical charge is recorded each year until maturity.

The interest charges on other borrowings break down as follows:

- interest on Seplat BNP financing of €3.3 million;
- interest on Standard Bank line of credit and RBL: €4.4 million.

€2.9 million of cash income corresponds to the remuneration of the deposit paid to BNP to guarantee the loan granted by the latter to Seplat (see note 9 above) and €1 million corresponds to the income from short-term investments. The income from derivative transactions breaks down as follows:

- gains of €1.6 million on hydrocarbon derivative instruments entered into with a view to limiting the Group's exposure to fluctuations in the price per barrel. The income realised over the period corresponds to the revaluation on the closing date of transactions not qualified as hedges and to the non-effective portion of the hedges set up;
- losses of €5.7 million on forward exchange transactions (sales of US\$ puts/€ calls);
- unrealised losses of €1.9 million following the revaluation on the closing date of the market value of the earn out relating to the purchase of assets in Nigeria.

The net exchange gains (€59 million) are essentially related to the revaluation at the closing rate of the Group's currency positions. The €/US\$ parity on the closing date significantly affected the financial income of Maurel & Prom since, at the same time:

- the US\$ exchange position of the parent company, which is traditionally a lending position as it ensures the Group's financing, has been revalued in euros (its operating currency and the reporting currency of the Group);
- the debts in euros of the operating subsidiaries (principally Gabon) have been revalued in their operating currency: the US dollar.

Thus, the current rise in the price of the US dollar translates as an exchange gain in the holding statements and in the operating subsidiary statements.

The larger the exchange positions, the more significant this effect becomes. As at 31 December, the parent company therefore presented a net lending position of US\$53 million, MP Nigeria presented a net lending position of US\$142 million and M&P Gabon a borrowing position of €569 million.

IMPACT ON INCOME BEFORE CORPORATE TAX

In thousands of euros	10% rise in €/US\$ parity	10% fall in €/US\$ parity
USD	- 80.3	65.1
TOTAL	- 80.3	65.1

On the closing date, a €/US\$ exchange rate of 1.412 would have resulted in a balanced exchange income net of gains realised over the period.

The other items of financial income are made up of the following:

- the debt readjustment charge payable in April 2011 relating to the litigation between Maurel & Prom and a banking institution;

The impact on the consolidated financial income at 31 December of a 10% upward or downward variation of the €/US\$ exchange rate on this date is presented below (in millions of euros):

- non-drawing fees and the amortisation of deferred charges on the RBL;
- standard Bank financing arrangement fees;
- the portion of interest on the financing arranged for Seplat corresponding to the partners' share, not eliminated at the Maurel & Prom Group level.

Note 21 INCOME TAX

BREAKDOWN OF THE CHARGE FOR THE FISCAL YEAR

The corporate income tax charge payable corresponds principally to the taxation of Caroil Congo & Tanzania of €5.8 million, the taxation of Seplat (Nigeria) of €5.5 million, and the posting of the tax liquidated in the profit oil Government share on the Omoueyi and Nyanga Mayombé permits in Gabon of €17 million.

On 1 January 2010, the Group adopted a sales reporting method based on the notional sales method, which consists in recognising, in terms of sales and in terms of current tax, the tax owed by the Company which is liquidated in the profit oil Government share (see note 23 on Restatements carried out on the 2009 financial statements).

As at 31 December 2009, the impact of recognising notional sales amounted to €8.6 million. This reclassification has no effect on net income. The deferred tax charge is principally the result of the following:

- the posting of the difference between the recognition of the recoverable costs, on a taxable base, and the posting in the consolidated statements under the Omoueyi permit (-€31 million);
- the activation of a deferred tax receivable on a Caroil tax deficit in Colombia of €1.6 million;
- the activation of a deferred tax receivable on the OCEANE 2015s of €1.3 million for Maurel & Prom Paris.

In thousands of euros	31/12/2010	31/12/2009 *
<i>Tax charge payable for the fiscal year</i>	29,196	14,058
<i>Deferred tax income or charge</i>	27,373	-2,550
TOTAL	56,569	11,508

* Restated to account for the change in accounting method

VARIATION IN CURRENT TAX

In thousands of euros	31/12/2010	31/12/2009
<i>Income tax receivable</i>	350	1,518
<i>Tax liabilities payable</i>	16,128	3,849

The increase in outstanding tax liabilities comes principally from Gabon and the Omoueyi permit for oil mining royalties and oil tax amounting to €4 million and

from Seplat for €5.5 million, in accordance with local taxation.

ORIGIN OF DEFERRED TAXES RECEIVABLE AND PAYABLE

In thousands of euros	31/12/2010	31/12/2009
<i>Activation of tax deficits</i>	12,505	7,959
<i>Provisions for dismantling</i>	-	
<i>Retirement provisions</i>	-	
<i>Deferred tax on financial instruments</i>	-	2,688
TOTAL DEFERRED TAXES ASSETS	12,505	10,648
<i>IDP (direct oil tax) on equity-accounted assets</i>	10,960	10,512
<i>Valuation difference of tangible long-term assets</i>	35,290	4,153
<i>Accelerated depreciation</i>	4,188	2,027
<i>Deferred tax on financial instruments</i>		2,688
<i>OCEANE shareholders' equity component</i>	8,548	7,959
TOTAL DEFERRED TAX LIABILITIES	58,986	27,339
NET	46,481	16,691

The first deferred taxation between the taxable base of recoverable costs and the consolidated assets of Omoueyi was posted on 31 December 2009. As at 31 December 2010, this base difference has generated a deferred tax liability of €35 million.

The deferred tax assets linked to loss carry-forwards are not recognised beyond the deferred tax liability, in the absence of adequate probability of future taxable profits on which the losses could be applied.

RECONCILIATION OF THE TAX CHARGE AND THE PRE-TAX INCOME

In thousands of euros	31/12/2010	31/12/2009
<i>Pre-tax income of continuing activities</i>	-88,859	-34,498
- <i>Net income of equity associates</i>	4,487	10,121
PRE-TAX INCOME EXCLUDING EQUITY AFFILIATES	-93,346	-44,619
<i>Theoretical tax charge 33.33%</i>	-31,112	-14,872
<i>Reconciliation</i>		
- <i>In-kind liquidated tax</i>		
- <i>Tax rate divergence</i>	-3,718	-4,412
- <i>Tax difference on Gabon recoverable costs</i>	33,247	4,291
- <i>Profit oil tax/Notional sales</i>	17,759	8,602
- <i>Activation of prior deficits</i>		
- <i>Non-activated deficits</i>	40,393	17,898
REAL TAX CHARGE	56,569	11,508

The tax rate divergences are essentially related to the taxation applied to the entities or establishments with an oil activity or related to the oil services (drilling) in the African countries. The change in balance between 31 December 2010 and 31 December 2009 corresponds to the growth of activity on Omoueyi, with the commencement of production of Onal and Omko in March 2009 and December 2009, achieving a significantly higher pre-tax income between the two periods.

The non-activated deficits correspond to the non-activated tax portion for subsidiaries or establishments for which the recovery prospects were unproven. Structurally speaking, this was notably the case for the Maurel & Prom parent company, or in the Congo, due to the write offs recorded over the period.

Note 22 INCOME PER SHARE

In thousands of euros	31/12/2010	31/12/2009
<i>Net income, Group's share</i>	-138,776	-50,650
<i>Net income from discontinued activities</i>	6,653	-4,644
<i>Net income from continuing activities</i>	-145,429	-46,006
<i>Average number of shares outstanding</i>	114,904,624	114,883,122
<i>Stock options and bonus shares (weighted number)</i>	791,240	1,009,127
<i>Share subscription warrants (weighted number)</i>	7,485,088	21,675,706
<i>OCEANE (weighted number)</i>	21,428,721	21,675,706
<i>Average number of diluted shares</i>	150,972,725	137,567,955
INCOME PER SHARE		
<i>Basic</i>	-1.21	-0.44
<i>Diluted</i>	-1.21	-0.44
INCOME PER SHARE FROM DISCONTINUED ACTIVITIES		
<i>Basic</i>	0.06	-0.04
<i>Diluted</i>	0.06	-0.04
INCOME PER SHARE FROM CONTINUING ACTIVITIES		
<i>Basic</i>	-1.27	-0.40
<i>Diluted</i>	-1.27	-0.40

Potential ordinary shares are considered diluted if and only if their conversion into ordinary shares reduces the income per share of ordinary continuing activities.

As such, OCEANE, bonus shares and stock options in 2010 had an anti-dilutive effect and the 2010 income per share is calculated excluding the effect of the OCEANE and bonus shares both on potential dilution and on income.

Note 23 RESTATEMENTS CARRIED OUT ON THE 2009 FINANCIAL STATEMENTS

CHANGE IN ACCOUNTING METHOD

The Group made a change in accounting method concerning the reporting of its sales, opting for the method involving the recognition of notional sales, which consists in recognising, in terms of sales and, as a counterpart, in terms of current tax, the tax that the company owes and that is liquidated in the profit oil

Government share, as specified in the CEPP contracts. This change in method affected the sales and income tax, and therefore has no effect on net income. The impact of this change in method on the consolidated accounts is as follows:

In thousands of euros	December 2010 before restatement	Notional sales	December 2010 published
<i>Sales</i>	328,046	17,759	345,805
<i>Operating income</i>	(127,068)	17,759	(109,309)
<i>Financial income</i>	15,962		15,962
<i>Pre-tax income</i>	(111,106)	17,759	(93,347)
<i>Income tax</i>	(38,810)	(17,759)	(56,569)
NET INCOME	(138,776)		(138,776)

In thousands of euros	December 2009 published	Notional sales	December 2009 restated
<i>Sales</i>	183,249	8,602	191,851
<i>Operating income</i>	(28,255)	8,602	(19,653)
<i>Financial income</i>	(24,966)		(24,966)
<i>Pre-tax income</i>	(53,221)	8,602	(44,619)
<i>Income tax</i>	(2,906)	(8,602)	(11,508)
NET INCOME	(50,650)		(50,650)

Note 24 RELATED PARTIES

COMMERCIAL AND FINANCIAL TRANSACTIONS

31/12/2010 in thousands of euros	Income	Charges	Amounts due from related parties (net)	Amounts due to related parties
1) EQUITY ASSOCIATES				
<i>Lagopetrol</i>	0		7,554	-
<i>New Gold Mali (NGM)</i>	380		2,708	-
<i>Raba Xprom Energia Kft</i>	42		1,431	12
2) OTHER RELATED PARTIES				
<i>Pacifico</i>	212	1,082	126	124
<i>Alenne British Virgin Island Limited</i>	-	-	5,052	-
<i>Abbeycourt Petroleum Company Limited</i>	-	-	8,419	-

31/12/2009 in thousands of euros	Income	Charges	Amounts due from related parties (net)	Amounts due to related parties
1) EQUITY ASSOCIATES				
- <i>Lagopetrol</i>	0	-	7,007	-
<i>New Gold Mali (NGM)</i>	442	-	2,876	-
<i>Raba Xprom Energia Kft</i>	98	-	1,375	13
2) OTHER RELATED PARTIES				
<i>Pacifico</i>	214	1,103	57	236

1) EQUITY ASSOCIATES

As at 31 December 2010, the amount owed by Lagopetrol (€7,554 thousand) corresponds to the dividends to be received by Maurel & Prom Venezuela for the 2008 fiscal year. In 2009, the dividend amount due was €7,007 thousand. The variation is wholly due to the change in the US\$/€ exchange rate, which changed from US\$/€ 1.4406 at the end of 2009 to US\$/€ 1.3362 at the end of 2010. The amounts due from New Gold Mali and Rabat Xprom Energia Kft correspond to the current accounts with the Maurel & Prom registered office. These current accounts are fully depreciated. As a net value, only the share of the debts owed by the other shareholders of equity associates remains in the accounts of the Group. The income corresponds to the accrued interest calculated on the current accounts.

2) OTHER RELATED PARTIES

In terms of other related parties, the transactions with Pacifico, made in normal competition conditions, concern firstly leasing services and secondly assistance services. As such, Maurel & Prom notably signed a sub-leasing agreement for offices with Pacifico, a 23.71% shareholder. In addition, the company Pacifico has provided financial and technical assistance to Maurel & Prom. The services agreement with Pacifico was covered in an amendment approved by the Maurel & Prom Supervisory Board on 29 May 2007 and signed on 11 June 2007 (taking effect on 1 February 2007). This amendment essentially updated the fees for the services provided.

Seplat Memorandum of Understanding – Shebah Exploration and Production Company Ltd.

The evacuation of the Seplat hydrocarbon production is conducted under the contract signed with Shell Petroleum Development Company (SPDC), in Nigeria.

In order to offset the risk of dependence on a single evacuation route for its production, Seplat signed an agreement with Shebah Exploration and Production Ltd and Allenne British Virgin Islands Ltd on 16 November 2010 concerning the leasing or acquisition of the floating oil production, storage and offloading unit (or “FPSO”) of Trinity Spirit.

Seplat paid Allenne British Virgin Islands Limited US\$15 million as a deposit in the form of a repayable advance. This sum will be repayable by the contractual party on demand if requested by Seplat if:

- 1) Seplat decides not to buy the FPSO;
- 2) Seplat decides not to lease the FPSO;
- 3) Seplat does not use the transport, processing and delivery services of the FPSO for its oil production. The leasing or acquisition of the Trinity Spirit FPSO would therefore provide Seplat with an alternative means of transporting its hydrocarbons to the SPDC Nigeria pipeline.

Mr Orjiako has an interest in both these agreements.

Agreement signed by Seplat and Abbeycourt Petroleum Company Limited

Seplat’s ambition is to grow its mining operations and therefore its investment opportunities in new projects.

To implement this growth objective and in order to be able to identify and negotiate the best opportunities, on 22 March 2010 Seplat signed a memorandum of understanding for a term of two years with Abbeycourt Petroleum Company Limited (“APCO”), a company specialising in the oil and gas sector in Africa.

To enable it to achieve this goal, Seplat set up a US\$25 million fund at APCO, for APCO to manage. When the memorandum expires, APCO will repay to Seplat any amounts remaining used for this mission.

As part of the missions to structure and negotiate the strategic investments entrusted to it, APCO acts as Agent for Seplat.

COMPENSATION OF SENIOR EXECUTIVES

Senior executives are the directors (department managers) and the members of the Board of Directors and the Chairman and Chief Executive Officer.

In thousands of euros	2010	2009
<i>Short-term benefits</i>	2,819	2,835
<i>Severance indemnities</i>	74	
<i>Post-employment indemnities</i>	293	403
<i>Payment in shares</i>	222	255
TOTAL	3,408	3,493

Note 25 OFF-BALANCE SHEET COMMITMENTS

In thousands of euros	2010	2009
<i>Customs guarantees</i>	898	813
<i>Guarantees made on borrowings</i>	224,517	177,010
<i>Work commitments</i>	136,346	96,790

GUARANTEES MADE ON BORROWINGS

On 29 May 2009, the Group entered into a new facility with four banks (BNP Paribas, Calyon, Natixis and Standard Bank) for US\$255 million, guaranteed by the pledge of the oil reserves in Gabon ("Reserve Based Loan" or RBL).

The amount available as at 31 December 2010, given that the level of reserves guaranteed is US\$300 million, has been fully drawn. A fraction of 5% of the amount drawn must be kept by Maurel & Prom, which corresponds at 31 December 2010 to US\$15 million.

In January 2011, the amount of this facility was increased to US\$330 million. In addition, Maurel & Prom is committed for the duration of the loan to respect certain technical and financial covenants (see note 15).

Maurel & Prom agreed a bridge loan from Standard Bank in the amount of €50 million, fully securitised as at 31 December 2010. This loan was guaranteed by Caroil, a subsidiary of Maurel & Prom.

WORK COMMITMENTS

In thousands of euros	31/12/2010	31/12/2009
<i>Congo</i>	276	18,483
<i>Gabon</i>	43,695	58,277
<i>Colombia</i>	28,549	15,517
<i>Tanzania</i>	1,914	
<i>Nigeria</i>	26,485	
<i>Other</i>	3,057	4,512
TOTAL	103,976	96,790

The assessment of oilfield work commitments is based on the budgets approved with the partners. They are subject to numerous revisions during the year depending in particular on the results of the oilfield work carried out. In Gabon, the commitments are linked to the Kari permit for 500km of 2D seismic, valued at US\$10.6 million, the Omoueyi permit amounting to US\$34 million and the Nyanga Mayombe permit amounting to US\$13 million.

In Colombia, the Group's commitments correspond to the drilling of two wells on SSJN 9, a well on Muisca and a well on Sabanero, as well as the corresponding civil engineering. On CPO 17, these commitments comprise four stratigraphic wells.

In Peru, the commitments of US\$7.4 million correspond to the drilling of a well.

In Nigeria, the work commitments represented US\$175 million, with a Maurel & Prom share of US\$35 million. They correspond to the work-over works on existing wells, the drilling of 5 evaluation wells and 2 production wells, the construction of a oil/water separation unit and the implementation of an alternative production evacuation system.

OTHER COMMITMENTS MADE
Caroil

On 1 July 2009, Maurel & Prom entered into a joint and several guarantee to the benefit of Caroil in the amount of US\$8 million in favour of Crédit Industriel et Commercial. The guarantee covers potential payment defaults by Caroil to the bank for any reason.

Rockover

The Rockover acquisition contract in February 2005 stipulated a return clause for former shareholders of 10% in the event of a discovery on one of the permits sold (Ofoubou/Ankani, Omoueyi, Nyanga Mayombe, Kari) and of 50% on the Banio permit.

At the initiative of Maurel & Prom, an agreement to buy out this provision was signed on 13 July 2007. This agreement specified payment by Maurel & Prom to former shareholders of US\$55 million (paid to date) plus royalties of 2% when cumulative production exceeds 39 million barrels on all fields sold to Maurel & Prom in 2005 (excluding Banio), as well as a royalty of 10% on production from the Banio field when the cumulative production of this field exceeds 3.9 million barrels.

In addition, the following commitments have been maintained:

- Maurel & Prom will have to pay the sellers a total royalty of US\$1.30 per barrel produced as of the date on which cumulative production in all the permit zones exceeds 80 Mb;
- Maurel & Prom will have to pay one of the two sellers a royalty equivalent to 2% of the total production available up to a threshold of 30 Mboe and 1.5% above that threshold, on the production from the exploitation permits originating from the MT 2000-Nyanga Mayombe exploration permit.

Transworld

Following the purchase of Transworld's residual rights on the Etekamba permit on 18 March 2008, a "net profit interest agreement" was signed, under the terms of which Maurel & Prom must pay 10% of the profit oil and 8% of the profit gas to Transworld Exploration Ltd.

Omoueyi CEPP

As of the start of production on the Onal field, the State of Gabon automatically obtains 15% of the rights and obligations resulting from the Omoueyi CEPP contract for the development and production of the Onal exploitation zone, unless it expressly waives this interest within 120 days after the permit production start date. On 13 December 2006, an exclusive exploitation authorisation was granted for the Onal zone on this permit. As part of this, the State of Gabon sold to Tulip Oil its entire 15% stake in the Onal field, as well as the Omko field, which started production on 28 September 2009, in which the State automatically held a 15% stake under the same terms and conditions.

The State of Gabon has this right of entry into all the fields of the Omoueyi permit under the same terms and conditions as cited above for Onal and Omko, but also into all the permits held by Maurel & Prom in Gabon, under the terms and conditions specified in each CEPP.

In addition, Maurel & Prom is liable for a customs duty of 5% on the exploration and production assets that until then had been exempt. These customs duties were paid in 2009 as production at the Onal and Omko fields exceeded 10,000 tons (approximately 75,000 bbls). Under this permit, investments realised on each new well are liable for 5% customs duty.

Ecopetrol

As part of the sale of Hocol Colombia to Ecopetrol, Maurel & Prom gave the latter a standard liability guarantee in this matter.

LITIGATION

Messier Partners

Messier Partners, a financial advising company, to which the Company had entrusted a mission for financial assistance, filed a lawsuit in 2007 against the Company in order to obtain payment of a success commission following the conclusion of the sales agreement with Eni. The claims made by Messier Partners in these proceedings totalled €14.7 million. Messier Partners partially won in the first instance proceedings and the Company was ordered to pay Messier Partners the sum of €5.6 million. The Company has lodged an appeal against the ruling. The Paris Court of Appeal, in a judgment issued on 5 March 2009, dismissed all aspects of the judgment issued on 18 December 2007 by the Paris Commercial Court, dismissing all claims of Messier Partners and ordering Messier Partners to pay court costs for the lower court and appeals court and to pay €50,000 for unrecoverable legal costs.

Messier Partners notified its appeal on 6 May 2009. On 4 May 2010, the Court of Cassation delivered a ruling that quashed and dismissed the ruling of the Court of Appeals of 5 March 2009 and referred the parties back before the Paris Court of Appeals.

Agricher/Transagra

From its former activity, Maurel & Prom remains the subject of proceedings in respect of an alleged contractual liability dating from 1996 in a legal bankruptcy case of the company Transagra and in the business failure of the Agricher cooperative. The Company deems this action of €33 million unfounded and has not made any provision for it. All the parties to the dispute have given written notice of their intention not to continue with the action, and this litigation was removed from the roll of the Bourges district court.

Caroil/Panafrican Energy Tanzania Ltd arbitration

As part of its onshore drilling business, Caroil signed a contract in February 2007 with the company Panafrican Energy Tanzania Ltd for drilling services in Tanzania, including supplying a piece of drilling equipment and

adequate personnel to build a shut-in well, with an option on a second well.

In late September 2008, Panafrican Energy Tanzania Ltd instituted arbitration proceedings at the International Chamber of Commerce seeking payment of the sum of US\$6.4 million plus interest as reimbursement for direct and indirect expenses relating, according to Panafrican Energy Tanzania Ltd, to the alleged malfunctioning of the drilling equipment. Caroil disputed the claims of Panafrican Energy Tanzania Ltd, and asked that Panafrican Energy Tanzania Ltd be ordered to pay its invoices and the V.A.T. advanced, for a total amount of US\$2.3 million plus interest. In April 2010 the two parties settled their dispute by mutual agreement, each withdrawing its claims. Caroil notes that its Caroil 6 equipment succeeded in drilling the SS-10 well on 2 November 2007, leading to a discovery of gas for the operator Panafrican.

Bank dispute

On 26 November 2008, a bank brought legal action against the Company in the Paris Commercial Court to obtain a judgment for the recognition of the validity of a framework agreement entered into with the Company. The bank is seeking a ruling that the complex financial instruments executed under this framework agreement in the summer of 2008 were validly issued in order to obtain payment from the Company of the sum of US\$51 million (i.e., €36.8 million) for unwinding those instruments.

The Company, which provided information on this transaction when it published its 2008 half-year and annual financial statements, is contesting these transactions and believes that the bank acted in violation of the applicable rules and procedures. Negotiations between the parties enabled an amicable resolution to be reached for this dispute, entered into on 31 December 2009. It is noted that the banking institution agreed to an €11 million reduction in its claim and payment of the balance of its claim, the amount of US\$33 million, on 1 April 2011 without interest (see note: Suppliers and other creditors).

Alphin Capital dispute

Alphin Capital, a company specialised in placing African oil assets on the market and in assisting negotiations on contracts concerning the exploitation of hydrocarbon deposits and the financing arrangements relating thereto, brought a lawsuit in April 2010 against the Company to obtain the payment of a finder's fee of US\$2.6 million resulting from Seplat (a company incorporated under the laws of Nigeria in which Maurel & Prom has a 45% stake) signing interests in the OML 4, 38 and 41 permits in Nigeria. This proceeding is currently being heard in the Paris Commercial Court.

Note 26 OPERATING SECTORS

In compliance with IFRS8, in effect since 1 January 2009, sector information is reported according to principles identical to those of internal reporting and shows the internal sector information defined to manage and measure the Group's performance. Maurel & Prom's activities are divided into 3 sectors: exploration, production and drilling.

The other operations essentially cover the functional and financial activities of the holdings.

Operating income and assets are broken down for each sector from the contributing entity statements that include consolidation restatements.

In compliance with IFRS8, stated in the annual improvements to the standards, the evaluation of total assets by segment, as with total debts, is only required if this information is regularly supplied to the ultimate decision-making authority. From 1 January 2010, the Group will cease to report this information within the framework of IFRS8.

26.1 / INFORMATION BY ACTIVITY

The data presented here below come from the IFRS statements.

31/12/2010 In thousands of euros	Exploration	Production	Oil drilling	Other activities	Intragroup adjustments and eliminations	Total
<i>Intersector sales</i>			42,342	(2,400)	(39,942)	0
SALES	306	284,238	99,155	(37,894)		345,805
<i>Depreciation and write-off of intangible long-term assets</i>	(196,823)	(14,655)	-	-		(211,478)
<i>Depreciation and write-off of tangible long-term assets</i>	-	-	-	-		0
OPERATING INCOME	(205,423)	135,011	16,661	(55,557)		(109,309)
INTANGIBLE LONG-TERM ASSETS (GROSS)						
<i>Investments in the period</i>	245,599	63,981	16	591		310,186
<i>Accumulated investments at the end of the period</i>	437,279	184,282	215	1,474		623,251
TANGIBLE LONG-TERM ASSETS (GROSS)						
<i>Investments in the period</i>	679	137,627	23,391	151		161,847
<i>Accumulated investments at the end of the period</i>	7,392	671,627	185,648	2,360		867,027

Depreciation and write-off is detailed in note 4: Intangible long-term assets.

31/12/2009* In thousands of euros	Exploration	Production	Oil drilling	Other activities	Intragroup adjustments and eliminations	Total
<i>Intersector sales</i>			55,429	(1,684)	(53,745)	-
SALES	5,157	119,152*	83,458	(15,926)		191,851
<i>Depreciation and write-off of intangible long-term assets</i>	(53,657)	-	-	-		(53,657)
<i>Depreciation and write-off of tangible long-term assets</i>	(23)	-	(143)	-		(166)
OPERATING INCOME	(89,286)	64,264	13,851	(8,482)		(19,653)
INTANGIBLE LONG-TERM ASSETS (GROSS)						
<i>Investments in the period</i>	137,929	112,173	18	552		250,672
<i>Accumulated investments at the end of the period</i>	265,475	225,886	191	881		492,433
TANGIBLE LONG-TERM ASSETS (GROSS)						
<i>Investments in the period</i>	1,363	171,586	15,405	120		188,474
<i>Accumulated investments at the end of the period</i>	7,027	448,662	150,929	2005		608,623

* Restated to account for the change in accounting method

26.2 / SALES BY GEOGRAPHIC REGION

31/12/2010 In thousands of euros	Congo	Gabon	Cameroon	Colombia	Nigeria	Tanzania	Other	Total
<i>Oil sales</i>	306	253,933	-	(1)	29,675	631	(37,894)	246,650
<i>Services provided</i>	54,249	2,475	12,123	26,981	-	3,327	3,491	102,646
<i>Interzone sales</i>	-	-	-	-	-	-	(3,491)	(3,491)
TOTAL SALES	54,555	256,408	12,123	26,980	29,675	3,958	(37,894)	345,805

31/12/2009* In thousands of euros	Congo	Gabon	Cameroon	Colombia	Nigeria	Tanzania	Other	Total
<i>Oil sales</i>	245	124,040*	-	-	-	33	(15,926)	108,393
<i>Services provided</i>	63,359	2,218	-	17,435	-	446	2,725	86,184
<i>Interzone sales</i>	-	-	-	-	-	-	(2,725)	(2,725)
TOTAL SALES	63,604	126,259	-	17,435	-	479	(15,926)	191,851

* Restated to account for the change in accounting method

Note 27 RISKS
Credit risk

The Group is exposed to credit risk from the loans and debts it grants to third parties within the context of its operating activities, short-term deposits it makes with

banking institutions and, where applicable, the derivative instruments receivable that it holds.

In thousands of euros	2010		2009	
	Maximum exposure to credit risk	Balance sheet outstanding	Maximum exposure to credit risk	Balance sheet outstanding
<i>Other non-current financial assets</i>	26,369	27,284	10,828	21,030
<i>Trade receivables and related accounts</i>	71,084	71,084	33,434	33,434
<i>Other current financial assets</i>	295,364	295,364	31,671	31,671
<i>Derivative financial instruments</i>	3,931	3,931	38,074	38,074
<i>Cash and cash equivalents</i>	95,423	95,423	427,576	427,576
TOTAL	492,171	493,086	541,583	551,785

Maximum exposure corresponds to the balance sheet outstanding net of provisions.

The Group considers that there is no counterparty risk to the extent that the production is sold to first-rate oil companies: Socap (Total Group) in Gabon and Shell Trading in Nigeria.

In Venezuela, as for all oil operators, the subsidiary's production is sold to PdVSA, the Venezuelan national oil company.

Receivables due but not depreciated

Only trade receivables reveal payment delays on the closing date.

In thousands of euros	31/12/2010							Total
	Assets due but not depreciated					Assets depreciated (net)	Assets neither due nor depreciated	
	0-1 months	1-3 months	3-12 months	more than 1 year	Total	Total	Total	
<i>Trade receivables and related accounts (net)</i>	24,527	3,131	382	2	28,042	-	43,042	71,084

In thousands of euros	31/12/2009							Total
	Assets due but not depreciated					Assets depreciated (net)	Assets neither due nor depreciated	
	0-1 months	1-3 months	3-12 months	more than 1 year	Total	Total	Total	
Trade receivables and related accounts (net)	18,994	-	-	51	19,045	1,464	12,925	33,434

LIQUIDITY RISK

The Group's liquidity is detailed in the consolidated cash flow statements generated weekly and sent to executive management.

Forecasts at seven days and at monthly and quarterly horizons are generated in parallel. The earnings are compared to forecasts using these statements, which, in addition to liquidity, make it possible to see the exchange position.

The registered office's treasury department has a professional who is directly part of the Group's financial management. This person is assisted by the managers in each entity. The mission of the central treasury department is to manage foreign exchange, interest rate and commodities risks.

At 31 December 2010 and 31 December 2009, unadjusted contractual flows (principal and interest) on the outstanding financial liabilities, by maturity date, are as follows:

As at 31 December 2010	2011	2012	2013	2014	2015	> 5 years	Total contractual flows	Total balance sheet value ¹
BONDS	26,187	26,200	26,188	323,727	74,988		477,290	342,932
OTHER BORROWINGS AND FINANCIAL DEBTS								
BNP - RBL	22,362	102,994	77,594	38,081			241,031	224,778
BANCO DE OCCIDENTE	2,397						2,397	2,397
BNP - SEPLAT - Borrowing	58,293						58,293	56,806
BNP - SEPLAT - Discount	14,431						14,431	14,431
STANDARD BANK	37,423						37,423	37,423
FINANCIAL LEASE LOANS	-	-	-	-	-	-	-	-

(1) Includes current and non-current amounts outstanding

As at 31 December 2009 In thousands of euros	2010	2011	2012	2013	2014	> 5 years	Total contractual flows	Total balance sheet value ¹
BONDS	205,634	21,201	21,259	21,201	318,763		588,058	456,441
OTHER BORROWINGS AND FINANCIAL DEBTS								
<i>Crédipar</i>	2						2	2
FINANCIAL LEASE LOANS	5	5	5	5			18	18

(1) Includes current and non-current amounts outstanding

Group debt breaks down as follows:

- a convertible bond of €297.6 million at a fixed rate of 7.125% issued in 2010 and maturing in July 2014;
- a convertible bond of €70 million at a fixed rate of 7.125% issued in 2011 and maturing in July 2015;
- a reserve based loan (RBL) banking facility, secured by the pledge of the oil reserves in Gabon, US\$300 million of which has been used on the closing date;
- a short-term loan of US\$50 million with Standard Bank carrying interest at the +3.5% Libor rate;
- a short-term loan of US\$167 million (€57 million Group's share) taken out by Seplat with BNP. This loan is guaranteed by a collateral deposit of US\$167 million made by M&P.

Liquidities that on the closing date were €95 million are placed in sight deposit accounts.

MARKET RISK

The Group's income is sensitive to various market risks. The most significant of these is the hydrocarbon price expressed in US dollars, and the €/US\$ exchange rate. The Group's operating currency is the US dollar, to the extent that sales and a large portion of operating expenses and a significant portion of its investments are in US dollars.

Foreign exchange risk

Given its activity is to a great extent international, the Company is exposed to various types of foreign exchange risk.

Firstly, exchange variations affecting the transactions recorded in the operating income (sales flow, cost of sales etc.).

The revaluation at the closing rate of debts and receivables in currencies also generates a financial exchange risk.

Lastly, in parallel with these operating and financial exchange risks, the impact of which is recorded in the income, there is an exchange risk linked to the conversion into euros of the accounts of the Group's entities whose operating currency is the US\$. This currency translation adjustment is recorded directly in shareholders' equity.

In order to reduce this financial exchange risk, Maurel & Prom conducted forward exchange transactions and currency options purchases and sales on the euro and the US dollar over the fiscal year. One transaction of this type (US\$39 million vs. €29 million forward exchange) was still current on the closing date.

The Group moreover holds liquidities in US dollars (US\$105 million on the closing date) to finance its forecast investment expenditure in this currency.

As at 31 December, the Group's exchange position, as shown in the table below, was US\$95 million (excluding shareholders' equity currency translation adjustments).

In thousands of euros	Assets and liabilities	Currency commitments	Net position before hedging	Financial hedging instruments	Net position after hedging
<i>Trade receivables and payables</i>	6		6		6
<i>Non-current financial assets</i>	185		185		185
<i>Other current assets</i>			-		-
<i>Derivative instruments</i>	-44		-44		-44
<i>Other creditors and miscellaneous liabilities</i>	722		722		722
<i>Cash and cash equivalents</i>	87		87		87
USD exposure (in millions of US\$)	957	-	957	-	957

The following table shows the impact of currency exchange changes on pre-tax income and on the shareholders' equity of the Group.

In thousands of euros	Impact on income before corporate tax		Impact on currency translation adjustment (shareholders' equity)	
	10% rise in €/US\$ parity	10% decline in €/US\$ parity	10% rise in €/US\$ parity	10% decline in €/US\$ parity
<i>US\$</i>	-80.3	65.1	-32.2	39.3
<i>Other currencies</i>				
TOTAL	-80.3	65.1	-32.2	39.3

INTEREST RATE RISK

Current borrowings as at 31 December 2010 as well as available lines of credit are described in Note 15. This note makes it possible to measure potential liquidity and interest rate risk. The liquid assets held by the Group are placed in a non-interest-bearing current account.

INTEREST RATE RISK

As at 31 December 2010, interest rate risk can be evaluated as follows:

GROSS DEBT

The amounts below show the bonds and other borrowings and financial debts:

BONDS, OTHER BORROWINGS AND FINANCIAL DEBTS:

In thousands of euros	31/12/2010			31/12/2009		
	Before	Impact of hedging derivatives	After	Before	Impact of hedging derivatives	After
<i>Variable</i>	332,630		332,630			
<i>Fixed</i>	342,932		342,630	456,470		456,470
TOTAL	675,562	-	675,562	456,470	-	456,470

FINANCIAL ASSETS EXPOSED TO INTEREST RATE RISK REPRESENTING DEBT:

In thousands of euros	31/12/2010			31/12/2009		
	Before	Impact of hedging derivatives	After	Before	Impact of hedging derivatives	After
<i>Variable</i>	124,981		124,981	427,576		427,576
<i>Fixed</i>	48,196		48,196			0
TOTAL	173,177	-	173,177	427,576	-	427,576

Variable-rate debt amounts to €332 million. An increase of 1% in interest rates would translate to an additional interest charge of €3 million over one year.

In thousands of euros	€K	fixed	variable	
<i>BNP collateral deposit</i>	124,981		124,981	<i>Libor + 5%</i>
<i>Work commitments Colombia</i>	13,254	13,254		1%
<i>Seplat shareholder loan</i>	34,942	34,942		7.125%
TOTAL	173,177	48,196	124,981	

Exposure to hydrocarbon risk

The Company's policy is to protect a portion of its future production against any decline in prices and take advantage of any rise in prices on the non-hedged portion of production.

This hedging policy is part of the management of the lines of bank credit made available to the Group, and the amount would be increased if the coverage price was higher than the price used by the establishments to determine the Borrowing Base.

Existing hedges are listed in note 10: Derivative instruments. The fair value of hedges on 31 December 2010 was -€32.3 million. A decrease of 10% in the price of crude oil at the end of December would have reduced this unrealised liability by €3 million. This calculation does not take into consideration the difference between the spot price and the future price of the derivative instruments.

EQUITY RISK

Exposure to equity and management risk

The financial assets of the Group are not exposed to equity risk.

Note 28 EVENTS OCCURRING AFTER THE CLOSING DATE

UNBLOCKING OF SEPLAT COLLATERAL

Seplat (M&P 45%) has entered into a US\$200 million refinancing agreement allowing it to repay the US\$187 million bridge loan by BNP Paribas (first payment US\$20 million at end 2010, final payment US\$167 million on 31 March 2011). At the same time, the US\$167 million residual guarantee was unblocked in favour of Maurel & Prom. In addition, Seplat (M&P 45%) will use the available component of some US\$30 million to partially repay the shareholder advance agreed by Maurel & Prom when buying out OML 4, 38 and 41.

POSITIVE RESULTS OF THE FIRST STRATIGRAPHIC WELL UNDER THE CPO 17 PERMIT IN COLOMBIA

A stratigraphic well drilling programme began under the CPO 17 exploration permit (operator Hocol holding 50%, Maurel & Prom holding 50%) in Colombia. The aim of this drilling campaign is to identify the various geological objectives present on this permit.

The first well drilled showed the presence of oil in the

Oligocene sand formations. Analyses are ongoing to determine the reservoir's key parameters. Signs of oil were also observed when drilling in the C5 and C7 formations. (See press release 05-11 of 22 February 2011)

STRATEGIC ALLIANCE WITH PACIFIC RUBIALES ENERGY IN COLOMBIA

On 31 March 2011 Maurel & Prom announced the acquisition by Pacific Rubiales Energy of 50% of its interests in the Sabanero permit (M&P 100%), Muisca (M&P 100%), SSJN-9 (M&P 50%), CPO 17 (50%), and COR 15 (M&P 100%).

The acquisition of these permits is subject to the following conditions:

- Repayment to Maurel & Prom of the costs charged to these permits in the amount of US\$63.2 million at 31 December 2010 (estimated to be US\$65.4 million at 31 March 2011).
- Full assumption of future exploration activity on the Sabanero permit, with repayment from free cash flow derived from hydrocarbon production. Pacific Rubiales Energy will also provide Maurel & Prom with the necessary financing to execute its share of the development activities on this permit.
- Full assumption of future exploration activity up to US\$120 million on the SSJN-9, CPO 17 and Muisca permits.
- Full assumption of future exploration activity on the COR 15 permit, with repayment from free cash flow derived from hydrocarbon production. Pacific Rubiales Energy will also provide Maurel & Prom with the necessary financing to execute its share of the development activities on this permit.
- Pacific Rubiales Energy will give Maurel & Prom access to its transmission network on advantageous economic terms.
- The parties have agreed to jointly undertake, on a 50:50 basis, any potential acquisitions under the hydrocarbon permit surrounding Sabanero.

SALE OF MAUREL & PROM VENEZUELA

The Group announces the sale to Integra of Maurel & Prom Venezuela, which holds 26.35% of Lagopetrol, in the amount of €37.5 million payable over time corresponding to the book value of this asset in the Group's consolidated accounts.

Note 29 AUDIT FEES

Fees paid to statutory auditors in 2010 amounted to €1,635 thousand (including the members of their networks) and break down as follows:

In thousands of euros	ERNST & YOUNG				DANIEL DE BEAUREPAIRE			
	Amount		%		Amount		%	
	2010	2009	2010	2009	2010	2009	2010	2009
<i>Audit</i>								
<i>* Statutory auditor, certification, examination of individual and consolidated statements:</i>								
- Issuer (*)	670	742	64%	58%	358	238	61%	49%
Globally integrated subsidiaries	216	158	21%	12%	159	156	27%	32%
<i>* Other measures and services directly related to the mission of the statutory auditor:</i>								
- Issuer (*)	162	288	15%	22%	67	96	11%	20%
Globally integrated subsidiaries	-	-	-	-	-	-	-	-
SUB-TOTAL	1,048	1,188	100%	92%	584	490	99%	100%
<i>Other services rendered via the networks to the globally integrated subsidiaries:</i>								
* Legal, tax, corporate	-	98	-	8%	-	-	-	-
* Other (specify if >10% of audit fees)	-	-	-	-	3	-	1%	-
SUB-TOTAL	-	98	-	8%	3	-	1%	-
TOTAL	1,048	1,286	100%	100%	587	490	100%	100%

* Includes taxes, as the issuer has no taxable activity in France.

9.2.2 / Statutory Auditors' Report on the consolidated financial statements Year ended December 31, 2010

To the shareholders,

In compliance with the assignment entrusted to us by your General Meeting, we hereby report to you, for the year ended December 31, 2010, on:

- the audit of the accompanying consolidated financial statements of Etablissements Maurel & Prom,
- the justification of our assessments,
- the specific verification and information required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2010 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Without qualifying our opinion, we draw to your attention the following matters:

- Note 23 "Restatements carried out on the 2009 financial statements" which indicates the change in the accounting method related to the presentation of the sales and income taxes for the production sharing contracts,
- Notes 1 "General information" and 4 "Intangible assets" which describe the situation of the exploration investments of the group, which indicate the amounts incurred and recorded within the assets of the consolidated balance sheet, the amounts written off and the depreciation recorded as at December 2010.

II. Justification of assessments

In accordance with the requirements of article L. 823-9 of French Commercial Code relating to the justification of our assessments, we bring to your attention the following matters:

- As disclosed in note 2.3 "Oil activity assets", 2.6 "Depreciation of assets", 4 "Intangible assets" and 5 "Property, plant and equipment", your company depreciates its intangible fixed assets (capitalized exploration costs and rights) and tangible fixed assets (related to oil production), and records impairment of these assets, where applicable, based on the economic value of the recoverable oil reserves.

Our assessment on the reasonableness of the data and hypothesis used for the valuation of the above mentioned assets is relying on the conclusions of the independent experts appointed by your company for the assessment of oil reserves, or, when there are no attested reserves, on the planning of ongoing exploration as presented by the management of your company.

- As mentioned in note 1 "General information", your company has reassessed the value of the intangible assets related to the Mafia Deep well (Bigwa/Rufiji/Mafia permit in Tanzania) which lead to depreciation as at 31 December 2010.

On the basis of information available to date we have assessed the process used by the company for making such estimation, based on the findings of the report of the independent experts appointed by the company to make a preliminary evaluation of the reserves, and on current discussions with potential partners. We verified that the notes to the financial statements disclose relevant information thereof.

- Your company records provisions for risks and liabilities under the conditions and in accordance with the methods described in notes 2.18 «Provisions for risks and contingencies», 2.19 "Pensions and other post-employment benefits", and 14 "Provisions". Because these are complex estimation processes, our opinions have been based on an evaluation of the reasonableness of the assumptions used by the management of your company for these estimates.

The assessments were made as part of our audit of the consolidated financial statements taken as a whole and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific verification

As required by law we have also verified in accordance with professional standards applicable in France the information presented in the group's management report.

We have no matters to report regarding its fair presentation and its consistency with the consolidated financial statements.

Paris and Paris-La Défense, April 20, 2011

The Statutory Auditors

Daniel de BEAUREPAIRE

ERNST & YOUNG Audit
François CARREGA
Patrick CASSOUX

9.3 STATUTORY AUDITORS' REPORT ON RELATED PARTY AGREEMENTS AND COMMITMENTS

To the shareholders,

In our capacity as statutory auditors of your company, we hereby report on certain related party agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements and commitments indicated to us, or that we may have identified in the performance of our engagement. We are not required to comment as to whether they are beneficial or appropriate or to ascertain the existence of any such agreements and commitments. It is your responsibility, in accordance with Article R.225-31 of the French commercial code, to evaluate the benefits resulting from these agreements and commitments prior to their approval.

In addition, we are required, where applicable, to inform you in accordance with article R. 225-31 of the French commercial code (Code de Commerce) concerning the implementation, during the year, of the agreements and commitments already approved by the General Meeting of Shareholders.

We performed those procedures which we considered necessary to comply with professional guidance issued by the national auditing body (Compagnie Nationale des Commissaires aux Comptes) relating to this type of engagement. These procedures consisted in verifying that the information provided to us is consistent with the documentation from which it has been extracted.

AGREEMENTS AND COMMITMENTS SUBMITTED FOR APPROVAL BY THE GENERAL MEETING OF SHAREHOLDERS

Agreements and commitments authorized during the year

In accordance with article L.225-40 of the French commercial code (Code de Commerce), we have been advised of certain related party agreements and commitments which received prior authorization from your Board of Directors.

With the company Caroil

Person concerned

Mr Jean-François Hénin, CEO and General Manager of your company and Chairman of Caroil

Nature and Purpose

On 28 June 2010, your Board of Directors has authorised the signing of a mandate by which your company has concluded, as borrower, with Standard Bank Plc, as lender, a bridge loan facility guaranteed by Caroil, fully owned subsidiary of your company.

Conditions

On 7 July 2010, your company concluded a bridge loan facility with Standard Bank Plc. for an amount of MUSD 50, guaranteed by Caroil.

Agreements and commitments with no prior authorization

In accordance with Articles L.225-42 et L.823-12 of the French commercial code (Code de Commerce), we inform you that these agreements and commitments did not receive prior authorization from your Board of Directors.

Our role is to advise you of the reasons for which authorization was not requested.

1 / With Seplat, subsidiary of your company and Shebah Exploration and Production Company Ltd. and Allenne British Virgin Islands Ltd.

Person concerned

Mr Ambrosie Bryant Chukwueloka Orjiako, board member of your company and Chairman of Shebah Exploration and Production Company Ltd.

Nature and Purpose

The evacuation of the hydrocarbon production of Seplat is conducted under the contract signed with Shell Petroleum Development Company (SPDC), in Nigeria. In order to mitigate the risk of dependence on a single evacuation transport route for its production, Seplat signed an agreement with Shebah Exploration and Production Ltd and Allenne British Virgin Islands Ltd on November 16 2010 concerning the leasing or acquisition of the floating oil production, storage and offloading unit (or "FPSO") "Trinity Spirit". The leasing or acquisition of the "Trinity Spirit FPSO" would therefore provide Seplat with an alternative means of transporting its hydrocarbons to the SPDC Nigeria pipeline.

Conditions

Seplat paid Allenne British Virgin Islands Limited MUSD 15 as a deposit in the form of a repayable advance.

This sum will be repayable by the contractual party on demand requested by Seplat if 1) Seplat decides not to buy the FPSO; 2) Seplat decides not to lease the FPSO; 3) Seplat does not use the transport, processing and delivery services of the FPSO for its oil production.

2 / With Seplat, subsidiary of your company and Abbeycourt Petroleum Company Ltd., subsidiary of Shebah Exploration and Production Company Ltd.

Person concerned

Mr Ambroisie Bryant Chukwueloka Orjiako, board member of your company, Chairman of Shebah Exploration and Production Company Ltd and Director of Abbeycourt Petroleum Company Ltd

Nature and Purpose

Seplat's ambition is to grow its mining operations and therefore its investment opportunities in new projects.

To implement this growth objective and in order to be able to identify and negotiate the best opportunities, Seplat signed in 22 March 2010 a memorandum of understanding for a term of two years with Abbeycourt Petroleum Company Limited ("APCO"), a company specialised in the oil and gas sector in Africa.

Conditions

In the context of this engagement, Seplat set up a MUSD 25 fund at APCO, for APCO to manage. When the memorandum expires, APCO will repay to Seplat any remaining amounts not incurred for this mission.

As part of its engagement by Seplat to structure and negotiate the strategic investments entrusted to it, APCO acts as Agent on behalf of Seplat

Because of an omission of your board of directors, the agreements and commitments above have not been submitted for his prior approval, contrary to the article L. 225-38 of the French commercial code (Code de Commerce).

We inform you that, during its meeting of March 30th, 2011, your Board of directors decided to authorize a posteriori these agreements and commitments.

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE GENERAL MEETING OF SHAREHOLDERS

Agreements and commitments approved in prior years whose implementation continued during the year

In accordance with Article R.225-30 of the French commercial code (Code de Commerce), we have been advised that the implementation of the following agreements and commitments which were approved by the General Meeting of Shareholders in prior years continued during the year.

1 / With Pacifico company

a. Nature and Purpose

A service agreement was concluded on 21 June 2005 between your company and Pacifico. This agreement was subject to an addendum dated 11 June 2007, previously authorised by your Board of Directors on 29 May 2007.

Conditions

This addendum amended several articles of the agreement, in particular art. 1, in order to clarify the respective duties of the parties and to eliminate any ambiguities in the language.

You will recall that the services rendered by Pacifico for your company are the following:

- Searching for strategic partners in the oil and gas industry;
- Studying investment and divestiture proposals, determining the targets' parameters.
- Searching for new markets and development opportunities;
- Design of acquisition or disposal scenarios and determination of financing policy;
- Advising on and monitoring any negotiations entrusted to it (draft contracts, group development), in particular concerning technical cooperation proposals.
- Monitoring and technical, financial, and administrative support for drilling activities.

The financial terms of this agreement are as follows:

- Payment of an annual lump-sum fee in the amount of €100,000 before taxes;
- The payment of additional fees calculated based on services rendered and actual cost of services in the field of financial consultation and tasks related to the drilling area of the subsidiary of your company. For 2008, the additional fees were fixed at €84,470, before taxes, per month. This monthly amount is adjusted on a quarterly basis based on the number of days of service actually provided and the corresponding daily rate. These services corresponded to tasks performed by four Pacifico consultants until 1 October 2010 and one consultant after.

This agreement may be terminated by the parties at any time with two months' notice.

The amount paid by your company for the financial year ended 31 December 2010 amounts to €1,081,942 before taxes.

b. Nature and Purpose

A sublease dated 11 June 2007 was concluded between your company and Pacifico; it was authorized by the Board of Directors of your company on 13 December 2007.

Conditions

This sublease concerns the offices, having a surface area of approximately 240 m², situated on the ground floor of the building located at 12 rue de Volney, 75002 Paris.

The term of the contract is one year, starting 11 June 2007, and renews automatically.

The rent invoiced by your company for FY 2010 was €211,721 before taxes.

2 / With Panther Eureka**Nature and Purpose**

As part of a contract for the purchase of bonds of Panther Eureka signed on February 19, 2005 and authorised by the Board of Auditors of your company on April 22 2005, your company opened an affiliate current account with Panther Eureka.

Conditions

The contract provides for interest fees at a rate of 8.30% p.a.

At 31 December 2010, the current account, interests included, amounts to €5,839,048 to the benefit of your company. The interest income was €426,689 for FY 2010.

3 / With Caroil company**Nature and Purpose**

On 15 April 2004, the Board of Auditors of your company authorised the conclusion of a domiciliation agreement between Caroil and your company.

Conditions

This agreement, concluded on 16 June 2004, took effect on 21 June 2004. The amount invoiced for FY 2010 was €21,056.

4 / With Compagnie Européenne et Africaine du Bois (CEAB) and New Gold Mali, S.A.**Nature and Purpose**

On 30 September 1999, your Board of Auditors authorised a loan agreement between CEAB, New Gold Mali, and your company.

Conditions

This agreement, concluded on 20 March 2000, took effect on 1 January 2000 for a term of one year, automatically renewable for equivalent terms. Current account advances are compensated at the tax-deductible rate.

At 31 December 2010, the current account (interests included) amounts to €10,415,744 to the benefit of your company. The interest income was €379,752 for FY2010.

Paris and Paris-La Défense, April 20, 2011

The statutory Auditors

Daniel de BEAUREPAIRE

ERNST & YOUNG Audit
François CARREGA
Patrick CASSOUX

9.4 STATUTORY AUDITORS' REPORT, PREPARED IN ACCORDANCE WITH ARTICLE L. 225-235 OF THE FRENCH COMMERCIAL CODE, ON THE REPORT PREPARED BY THE CHAIRMAN OF THE BOARD OF DIRECTORS

To the Shareholders,

In our capacity as statutory auditors of Etablissements Maurel & Prom, and in accordance with article L. 225-235 of the French Commercial Code, we hereby report on the report prepared by the Chairman of your company in accordance with article L. 225-37 of the French Commercial Code for the year ended December 31, 2010.

It is the Chairman's responsibility to prepare and submit for the Board of Directors' approval a report on internal control and risk management procedures implemented by the company and to provide the other information required by article L. 225-37 of the French Commercial Code relating to matters such as corporate governance.

Our role is to:

- report on any matters as to the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information,
- confirm that the report also includes the other information required by article L. 225-37 of the French Commercial Code. It should be noted that our role is not to verify the fairness of this other information.

We conducted our work in accordance with professional standards applicable in France.

Information on internal control and risk management procedures relating to the preparation and processing of accounting and financial information

The professional standards require that we perform the necessary procedures to assess the fairness of the

information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consist mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and of the existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our work are properly disclosed in the Chairman's report.

On the basis of our work, we have no matters to report on the information relating to the company's internal control and risk management procedures relating to the preparation and processing of the accounting and financial information contained in the report prepared by the Chairman of the Board of Directors in accordance with article L. 225-37 of the French Commercial Code.

Other information

We confirm that the report prepared by the Chairman of the Board of Directors also contains the other information required by article L. 225-37 of the French Commercial Code.

Paris and Paris-La Défense, April 20, 2011

The Statutory Auditors

Daniel de BEAUREPAIRE

ERNST & YOUNG Audit
François CARREGA
Patrick CASSOUX

9.5 AUDIT FEES

Fees paid to statutory auditors in 2010 amounted to €1,635 thousand (including the members of their networks) and break down as follows:

In thousands of euros	ERNST & YOUNG				DANIEL DE BEAUREPAIRE			
	Amount		%		Amount		%	
	2010	2009	2010	2009	2010	2009	2010	2009
<i>Audit</i>								
<i>* Statutory auditor, certification, examination of individual and consolidated statements:</i>								
- Issuer (*)	670	742	64%	58%	358	238	61%	49%
Globally integrated subsidiaries	216	158	21%	12%	159	156	27%	32%
<i>* Other measures and services directly related to the mission of the statutory auditor:</i>								
- Issuer (*)	162	288	15%	22%	67	96	11%	20%
Globally integrated subsidiaries	-	-	-	-	-	-	-	-
SUB-TOTAL	1,048	1,188	100%	92%	584	490	99%	100%
<i>Other services rendered via the networks to the globally integrated subsidiaries</i>								
* Legal, tax, corporate	-	98	-	8%	-	-	-	-
* Other (specify if >10% of audit fees)	-	-	-	-	3	-	1%	-
SUB-TOTAL	-	98	0%	8%	3	-	1%	-
TOTAL	1,048	1,286	100%	100%	587	490	100%	100%

* Includes taxes, as the issuer has no taxable activity in France.

9.6 FIVE-YEAR FINANCIAL SUMMARY FOR MAUREL & PROM

Expressed in Euros	2006	2007	2008	2009	2010
I - CAPITAL AT THE END OF FISCAL YEAR					
a) Share capital	92,545,997	92,811,116	92,838,751	93,364,249	93,404,851
b) Number of shares authorised issue and outstanding	120,189,607	120,533,917	120,569,807	121,252,271	121,305,001
II - FINANCIAL DATA AND EARNINGS FOR THE FISCAL YEAR					
a) Net sales	522,707,361	10,651,294	31,933,297	12,279,500	14,396,078
b) Earnings before income tax, depreciation and provisions	340,921,399	726,595,079	158,738,229	-30,330,400	38,149,480
c) Income tax	151,800,713	33,750	392,864	-42,260	-9,615,417
d) Earnings after income tax, depreciation and provisions	132,107,460	567,641,365	-41,701,817	143,466,435	-179,517,484
e) Amount of dividends distributed	38,273,750	143,737,717	137,080,246	40,044,276	11,531,602
III - EARNINGS PER SHARE					
a) Earnings after income tax and before depreciation and provisions	1.574	6.028	1.313	-0.250	0.394
b) Earnings after income tax, depreciation and provisions	1.10	4.71	-0.35	1.18	-1.48
c) Net dividend paid per share	0.33	1.20	1.20	0.35	0.10
IV - SOCIAL INFORMATION					
a) Staff number	54	55	49	46	40
b) Total amount of gross wages and salaries	9,632,249	5,532,965	9,058,911	7,304,867	6,739,725
c) Amounts expensed for social costs (social security and other contributions)	5,646,671	4,026,765	3,533,604	3,461,980	3,407,750

9.7 TEXT OF PROPOSED RESOLUTION

PROPOSED RESOLUTIONS TO BE PRESENTED AT THE COMBINED ANNUAL GENERAL MEETING OF 12 MAY 2011

FOR THE ORDINARY GENERAL MEETING

- 1 / Approval of the company financial statements for the year ended 31 December 2010;
- 2 / Approval of the consolidated financial statements for the year ended 31 December 2010;
- 3 / Allocation of earnings for the year ended 31 December 2010 and distribution of the dividend;
- 4 / Approval of agreements governed by Article L. 225-38 of the French Commercial Code;
- 5 / Attendance fees allocated to the Board of Directors;
- 6 / Appointment of Mr Xavier Blandin as Director ;
- 7 / Renewal of Mr Roman Gozalo's term on the Board of Directors;
- 8 / Ratification of appointment of Ms Nathalie Delapalme coopted to replace a resigning member;
- 9 / Renewal of Ms Nathalie Delapalme's term on the Board of Directors;
- 10 / Authorisation to allow the Board of Directors to purchase, hold and sell Company shares.
- 14 / Delegation of authority to the Board of Directors, in the event of an issue, with removal of shareholders' preferential subscription rights, of shares and securities conferring access to capital, to set the issue price in accordance with the conditions set by the Meeting;
- 15 / Authorisation to the Board of Directors to increase, in the event of a capital increase, the number of securities to be issued with or without removal of shareholders' preferential subscription rights;
- 16 / Delegation of authority to the Board of Directors to issue shares and securities conferring access to capital in the event of a public exchange offer initiated by the Company;
- 17 / Authorisation to the Board of Directors to issue shares and securities conferring access to capital, with a view to compensate in-kind contributions granted to the Company in the form of shares or securities conferring access to capital;
- 18 / Delegation of authority to the Board of Directors to increase the Company's capital by incorporating reserves, profits, premiums or other eligible capitalisable amounts;
- 19 / Delegation of authority to the Board of Directors to issue transferable securities that give the right to allocate debt securities;
- 20 / Authorisation to the Board of Directors to allocate Company shares to employees and/or corporate officers, free of charge;

FOR THE EXTRAORDINARY GENERAL MEETING

- 11 / Delegation of authority to the Board of Directors to issue Company shares and securities conferring access to the capital of the Company or of one of its subsidiaries, maintaining shareholders' preferential subscription rights;
- 12 / Delegation of authority to the Board of Directors to issue Company shares and securities conferring access to the capital of the Company or of one of its subsidiaries, with removal of shareholders' preferential subscription rights as part of a public offer;
- 13 / Delegation of authority to the Board of Directors to issue Company shares and securities conferring access to the capital of the Company or of one of its subsidiaries, with removal of existing shareholders' preferential subscription rights by private investment governed by Article L. 411-2 section II of the French Monetary and Financial Code;
- 21 / Delegation of authority to the Board of Directors to increase the capital reserved for employees who are members of the Company Savings Plan;
- 22 / Delegation of authority to the Board of Directors to reduce capital by cancelling shares;
- 23 / Changes to the Company's Articles of Association;
- 24 / Powers to carry out legal formalities.

FOR THE ORDINARY GENERAL MEETING

RESOLUTION 1

(Approval of the company financial statements for the year ended 31 December 2010).

The General Meeting, in compliance with the quorum and majority required for ordinary general meetings, after consideration of the reports of the Board of Directors and of the Statutory Auditors on the company's financial statements, approves the company's financial statements for the year ended 31 December 2010, including the balance sheet, the income statement and the notes, as submitted, as well as the transactions reflected in these statements and summarised in these reports.

The General Meeting discharges the members of the Board of Directors from further responsibilities for their duties on the Board for the fiscal year ended 31 December 2010.

RESOLUTION 2

(Approval of the consolidated financial statements for the year ended 31 December 2010).

The General Meeting, in compliance with the quorum and majority required for ordinary General Meetings, after consideration of the reports of the Board of Directors and of the Statutory Auditors on the company's financial statements, approves the company's financial statements for the year ended 31 December 2010, as submitted, as well as the transactions reflected in these statements and summarised in these reports.

RESOLUTION 3

(Allocation of earnings for the year ended 31 December 2010 and distribution of dividend).

The General Meeting, in compliance with the quorum and majority required for ordinary general meetings, after consideration of the reports of the Board of Directors and of the Statutory Auditors:

(i) notes that the profits of the fiscal year are €179,517,485.39 ;

(ii) notes that retained earnings are €537,043,225.77 ;

(iii) notes that consequently the distributable profit is €357,525,741.38 ;

(iv) decides to pay a dividend to shareholders in the amount of €0.25 per share, for a total amount of €30,326,250.25 (based on the number of shares comprising the Company's capital at 31 December 2010), and to allocate the balance of the distributable profits to "Retained earnings".

The dividend will be paid out on 27 May 2011.

In compliance with the law, the shares held by the Company on the dividend payment date confer no entitlements.

Consequently, the General Meeting grants full powers to the Board of Directors to set, in consideration of the number of shares held by the Company on the dividend payment date and, if necessary, of the number of immediately available new shares that would be created between 1 January 2011 and the dividend payment date, the total amount of the dividend and the balance of the distributable profits that will be allocated to "Retained earnings".

The entire amount of distributed earnings will entitle individuals who are domiciled in France for tax purposes to a 40% allowance as cited in Article 158.3.2 of the French General Tax Code, unless the fixed payment option is taken as provided in Article 117-quater of the French General Tax Code.

In compliance with Article 243.2 of the General Tax Code, the dividends paid in the three preceding fiscal years were as follows:

Fiscal years	2007	2008	2009
Amount per share	€1.20	€0.35	€0.10
TOTAL AMOUNT	€137,080,245.60	€40,044,275.60	€11,531,602.10

For some taxpayers, the dividend was eligible for the entire 40% allowance as per Article 158-3 of the General Tax Code.

RESOLUTION 4

(Approval of agreements subject to the provisions of Article L. 225-38 of the French Commercial Code).

The General Meeting, in compliance with the quorum and majority required for ordinary general meetings, after consideration of the special report of the Statutory Auditors on the agreements subject to the provisions of Article L. 225-38 of the French Commercial Code for the year ended 31 December 2010, records the conclusions of this report and approves the agreements mentioned therein.

RESOLUTION 5

(Attendance fees allocated to the Board of Directors).

The General Meeting, in compliance with the quorum and majority required for ordinary general meetings, after consideration of the report of the Board of Directors, decides to set at €450,000 the overall annual amount to be distributed to the members of the Board of Directors as attendance fees for the year 2011.

RESOLUTION 6

(Appointment of Mr Xavier Blandins Director).

The General Meeting, acting on the basis of the quorum and majority required for ordinary general meetings, after consideration of the report of the Board of Directors decides to appoint from today Mr Xavier Blandin as a Director of the Company, for a term of three years ending at the close of the General Meeting called to approve the financial statements for the fiscal year ending 31 December 2013.

RESOLUTION 7

(Renewal of Roman Gozalo's term on the Board of Directors).

The General Meeting, in compliance with the quorum and majority required for ordinary general meetings, after consideration of the report of the Board of Directors, decides to renew the term of Mr Roman Gozalo as Director for a period of three years ending at the close of the General Meeting called to approve the financial statements for the fiscal year ending 31 December 2013.

RESOLUTION 8

(Ratification of the appointment of Board member Ms Nathalie Delapalme coopted to replace a resigning member).

The General Meeting, in compliance with the quorum and majority required for ordinary general meetings, ratifies the appointment of Ms Nathalie Delapalme as a director by the Board of Directors at its meeting of 20 May 2010 to replace the company Financière de

Rosario, which is resigning its mandate. Ms Delapalme is appointed for the remaining term of her predecessor, which is until the close of the General Meeting called to approve the 2010 financial statements.

RESOLUTION 9

(Renewal of Nathalie Delapalme's term as Director).

The General Meeting, in compliance with the quorum and majority required for ordinary general meetings, after consideration of the report of the Board of Directors, decides to renew the term of Ms Nathalie Delapalme as Director, subject to approval of Resolution 8, for a period of three years ending at the close of the General Meeting called to approve the financial statements for the fiscal year ending 31 December 2013.

RESOLUTION 10

(Authorisation to allow the Board of Directors to purchase, hold and sell Company shares).

The General Meeting, in compliance with the quorum and majority required for ordinary general meetings, after consideration of the report of the Board of Directors,

- 1 / hereby terminates, with immediate effect, the unused portion of the authority granted by the combined General Meeting of 20 May 2010 in its Resolution 10, to hold and transfer Company shares;
- 2 / authorises the Board of Directors, in compliance with Articles L. 225-209 et seq. of the French Commercial Code, to purchase Company shares, within the limit of a number of shares representing 10% of share capital existing on the day of this meeting (provided that when the shares are repurchased to promote liquidity on the conditions mentioned hereinafter, the number of shares used to calculate the 10% limit corresponds to the number of shares purchased, having deducted the number of shares re-sold during the period of this authorisation), on the following conditions:
 - the maximum purchase price may not exceed €18 per share, although this price may be adjusted in the event of capital operations such as, in particular, incorporation of reserves followed by the creation and allocation of bonus shares and/or the splitting or grouping of shares;
 - the maximum amount of funds that the Company can use for this repurchase programme is €218,349,000;
 - this authorisation to be valid for 18 months;
 - the purchases made by the Company under this authorisation may under no circumstances cause the Company to hold directly or indirectly, at any time, more than 10% of the share capital at the date under consideration;
 - the acquisition, sale or transfer of shares may be

conducted, including as part of a public offering of Company shares on terms in accordance with applicable laws and regulations, by any means; specifically on regulated markets, multinational trading platforms or mutually agreed systems, including when purchased or sold in blocks, or through derivative financial instruments, or securities conferring access to the Company's share capital, provided that such transactions comply with the law and regulations in force on the date of the transactions concerned and fall within the time periods approved by the Board of Directors.

- 3 /** decides that shares may be purchased within the allocation terms specified by law or regulations, the aims of this repurchase plan being:
- (i)** to honour obligations under stock option plans or other share allocations to employees and/or corporate officers of the Company and its subsidiaries, specifically as part of a company profit-sharing plan or stock option plan or bonus share plan;
 - (ii)** to honour obligations relating to negotiable securities giving access to Company shares, by any means, immediately or as futures, (including any hedging of Company bonds through such negotiable securities);
 - (iii)** to ensure the liquidity of Company shares through an investment services provider under a liquidity agreement in accordance with an ethics charter recognised by the French financial markets authority;
 - (iv)** to hold shares for subsequent use as exchange or payment in a potential external growth transaction;
 - (v)** to cancel any or all of the shares thus repurchased as part of a capital reduction decided or authorised by the General Meeting.

The General Meeting gives full authority to the Board of Directors to determine and carry out the implementation of this authorisation, to specify the terms of this implementation, to execute any market transaction, sign any agreement, prepare information documents, carry out any formalities, including allocation or reallocation of any shares purchased for any purpose and to file any statement with any agency and generally to do everything necessary.

The Board of Directors may delegate the necessary authority to carry out the transactions specified in this Resolution, in accordance with applicable law and regulations.

FOR THE EXTRAORDINARY GENERAL MEETING

RESOLUTION 11

(Delegation of authority to the Board of Directors to issue Company shares and securities conferring access to the capital of the Company or of one of

its subsidiaries, maintaining shareholders' preferential subscription rights).

The General Meeting, acting with the quorum and majority required for extraordinary general meetings, after consideration of the report of the Board of Directors and the special report of the Statutory Auditors, and in accordance with Articles L. 225-129 et seq. of the French Commercial Code, including Article L. 225-129-2 of that Code and Articles L. 228-91 et seq. of that Code,

- 1 /** terminates with immediate effect the authority conferred in the combined General Meeting of 20 May 2010 in its Resolution 11 for the unused portion thereof, and,
- 2 /** delegates to the Board of Directors, for a period of 26 months as from the day of this meeting, its power to decide on the issue, with maintenance of shareholders' preferential subscription rights, (i) of the Company's shares, (ii) of securities giving immediate or future access, by any means, to the Company's existing shares or shares to be issued and (iii) of securities giving immediate or future access, by any means, to the existing shares or shares to be issued in a company of which the Company directly or indirectly holds more than 50% of the capital (the "Subsidiary"), the subscription of which may be carried out in cash or through offsetting receivables.

Issues of preferred shares and securities giving immediate or future access to preferred shares are expressly excluded.

The ceiling for the par value of an increase in the Company's capital, immediate or deferred, that may result from the combined issues carried out under this authority is set at €50 million, on the understanding that this ceiling is common to all issues likely to occur under Resolutions 11 to 17 submitted to this meeting and that, as a result, the par value of capital increases carried out by virtue of Resolutions 11 to 17 cannot exceed this ceiling. The par value of any Company shares that may be issued as part of these adjustments, according to the law and, if necessary, to the current contractual stipulations, in order to protect the rights of owners of transferable securities conferring access to the Company's capital, shall be added to this ceiling.

Transferable securities conferring access to the capital of the Company or of a Subsidiary thus issued may include debt securities or be tied to the issue of such securities, or even allow the issue of interim securities. They may take the form of subordinated or unsubordinated securities with a fixed or indefinite term, and be issued either in euros, or in other currencies, or in any monetary units established by reference to several currencies. The par value of debt securities thus issued shall not exceed €850 million or their equivalent foreign exchange value on the date of the decision to issue, provided (i) that this amount does not include the

repayment premium or premiums above parity, if such was specified and (ii) that this amount applies to all debt securities, issue of which is authorised by Resolutions 11 to 17 submitted to this meeting and that, consequently, the par value of the debt securities made by virtue of Resolutions 11 to 17 cannot exceed this ceiling.

The term of bonds (conferring access to shares of the Company or of a Subsidiary) other than those to be represented by securities of unlimited term cannot exceed 50 years. These bonds may bear interest at a fixed and/or variable rate, or again be capitalised, and be subject to a repayment, with or without premium, or amortization and depreciation, and the securities may also be subject to an exchange repurchase or an offer for purchase or exchange by the Company. The securities issued may have coupons attached providing entitlement to the allocation, acquisition or subscription of bonds or other securities representing debt, or provide for the right for the Company to issue debt securities (whether similar or not) in payment of interest, the payment of which may have been suspended by the Company.

The shareholders have, in proportion to the amount of their shares, a preferential subscription right to shares and transferable securities issued by virtue of this resolution. The Board of Directors may institute, to the benefit of shareholders, an irrevocable subscription right to shares or transferable securities issued, which will be exercised in proportion to their subscription rights and within the limits of their requests.

If irrevocable and, if necessary, revocable subscription rights fail to exhaust the total issue, the Board of Directors may resort to one or more of the following, as it deems fit: (i) limit the issue to the amount of subscriptions received, provided that the amount is equal to at least three quarters of the issue decided on; (ii) freely apportion any or all of the unsubscribed securities; or (iii) offer all or part of the unsubscribed securities to the public on the French and/or international and/or foreign markets.

The General Meeting formally notes that this authority implies a waiver by shareholders of their preferential subscription rights to the shares of the Company to which the securities to be issued pursuant to this authority may entitle them.

The General Meeting decides that issues, under this authority, of warrants for shares of the Company may occur either through subscription offers or by free distribution to the owners of former shares and that, in the case of the free distribution of share warrants, the Board of Directors will have the power to decide that the allocation rights comprising fractions shall not be transferable and that the corresponding securities shall be sold.

The Board of Directors shall establish the features, amount and conditions of any issue and the securities issued. In particular, it will determine the category of the securities issued and will set their subscription

price, with or without premium, the terms of payment for them, their possibly retroactive dividend bearing date or the conditions of exercising the rights attached to the securities issued (as the case may be, rights to conversion, exchange, amortization and depreciation, and including remittance of assets such as securities already issued by the Company or by a Subsidiary) as well as, potentially, suspend the exercise of the rights attached to the issued securities. The Board of Directors may, if need be, make any changes aimed at taking into account the impact of transactions on the Company's capital, especially in the event of a change to the share's par value, a capital increase through incorporation of reserves, distribution of bonus shares, the splitting or grouping of securities, distribution of reserves or any other assets, amortization and depreciation of capital, or any other transaction concerning the capital (including possible changes in controlling interest of the Company) or equity, and set the terms ensuring, if necessary, the preservation of the rights of the holders of securities conferring access to capital.

The Board of Directors shall also have full authority to increase any issue premium(s) by the costs incurred in executing the issues, subject to legal limits.

In general, the Board of Directors shall have full authority to implement this resolution, on one or more occasions, for such issues in the proportion and at the times it deems appropriate, in France and/or, if necessary, abroad and/or on the international market - as well as, if necessary, to suspend them - to assess progress and make corresponding amendments to the Articles of Association, as well as to carry out any formalities and declarations, enter into any agreement, take any measure to list the securities created and do anything that might prove useful or necessary to execute and bring about a successful conclusion for these issues.

The Board of Directors may, within the limits that it will have previously set, sub-delegate the powers granted to it under this resolution, in accordance with applicable law and regulations.

RESOLUTION 12

(Delegation of authority to the Board of Directors to issue Company shares and securities conferring access to the capital of the Company or of one of its subsidiaries, with removal of shareholders' preferential subscription rights as part of a public offer).

The General Meeting, in compliance with the quorum and majority required for extraordinary general meetings, after consideration of the report of the Board of Directors and the special report of the Statutory Auditors and in accordance with Articles L. 225-129, et seq., of the French Commercial Code, specifically Articles L. 225-129-2, L. 225-135 and L. 225-136 of said Code and Articles L. 228-91 et seq. of said Code,

hereby delegates to the Board of Directors, for a period of 26 months as from the day of this meeting, its authority to decide on the issue through a public offer (i) of the Company's shares, (ii) of the securities conferring immediate or future access, by any means, to the Company's existing shares or shares to be issued and (iii) of securities conferring immediate or future access, by any means, to the existing shares or shares to be issued in a company of which the Company directly or indirectly holds over 50% of the capital (the "Subsidiary"), the subscription of which may be carried out in cash or through offsetting receivables.

Public offers carried out under this resolution may be associated, within the framework of a single issue or several issues occurring simultaneously, with the offers referred to in Article L. 411-2 section II of the French Monetary and Financial Code that occur in application of Resolution 13, submitted to this General Meeting.

The General Meeting decides to eliminate the shareholders' preferential subscription rights to these shares and transferable securities, to be issued via public offerings in the conditions stipulated in this resolution.

The par value ceiling for any increase in Company capital, immediate or deferred, that may result from the combined issues carried out under this delegation is set at €25 million, on the understanding that (i) this ceiling applies equally to every issue under Resolutions 12, 13, 16 and 17 submitted to this meeting (issues with removal of shareholders' preferential subscription rights) and that, as a result, the par value of capital increases carried out under Resolutions 12, 13, 16 and 17 may not exceed this ceiling and that (ii) any issue under this authority will count towards the total €50 million ceiling applicable to the total issues permitted under Resolutions 11 to 17 submitted to this Meeting. The par value of any Company shares that may be issued as part of these adjustments, according to the law and, if necessary, to the current contractual stipulations, in order to protect the rights of owners of transferable securities, shall be added to this ceiling.

The transferable securities conferring access to the capital of the Company or of a Subsidiary issued under this authority may include debt securities or be tied to the issue of such securities, or even allow the issue of interim securities. The par value of debt securities thus issued cannot exceed €450 million or their equivalent local currency value on the date of the decision to issue, provided that (i) this amount does not include the repayment premium or premiums above parity, if such was specified, (ii) that this amount applies to all debt securities, issue of which is authorised by Resolutions 12, 13, 16 and 17 submitted to this meeting (issues with removal of the shareholders' preferential subscription rights) and that, consequently, the par value of the debt securities made by virtue of Resolutions 12, 13, 16 and 17 cannot exceed this ceiling, and that (iii) the nominal amount of the debt securities issued under this authority

shall count towards the total ceiling of €850 million, which applies to the total debt securities likely to be issued under Resolutions 11 to 17 submitted to this meeting.

The term of the bonds (conferring access to the capital of the Company or of a Subsidiary) other than those to be represented by securities of unlimited term cannot exceed 50 years. These bonds may bear interest at a fixed and/or variable rate, or again be capitalised, and be subject to a repayment, with or without premium, or amortization and depreciation, and the securities may also be subject to an exchange repurchase or an offer to purchase or exchange by the Company. The securities issued may have coupons attached providing entitlement to the allocation, acquisition or subscription of bonds or other securities representing debt, or provide for the right for the Company to issue debt securities (whether similar or not) in payment of interest, the payment of which may have been suspended by the Company.

The Board of Directors may institute, to the benefit of the shareholders, an irrevocable and possibly revocable priority right, on all or part of the issue, to subscribe the shares or transferable securities, for which it will set, under the legal and regulatory conditions, the terms and conditions for exercise, without resulting in the creation of transferable rights.

The General Meeting formally notes that this authority implies a waiver by shareholders of their preferential subscription rights to the shares of the Company to which the securities to be issued pursuant to this authority may entitle them.

The Board of Directors shall establish the features, amount and conditions of any issue and the securities issued. In particular, it will determine the category of the securities issued and will set their subscription price, with or without premium, their possibly retroactive dividend bearing date and, if need be, the term or the conditions of exercising the rights attached to the securities issued (as the case may be, rights to conversion, exchange, amortization and depreciation, and including remittance of assets such as securities already issued by the Company or by a Subsidiary) as well as, if necessary, the ability to suspend the exercise of the rights attached to the issued securities. It may also, if necessary, make any changes aimed at taking into account the impact of transactions on the Company's capital, especially in the event of a change to the share's par value, a capital increase through incorporation of reserves, allocation of bonus shares, the splitting or grouping of securities, distribution of reserves or any other assets, depreciation of capital, or any other transaction concerning the capital (including possible changes in controlling interest of the Company) or equity, and set the terms ensuring, if necessary, the preservation of the rights of the holders of securities conferring access to capital;

provided that:

- a) the share issue price shall be at least equal to the minimum amount defined by the laws and regulations in force at the time of the exercise of this authority, after adjustment, as needed, of the amount in order to take into account the difference in the dividend bearing date;
- b) the issue price of the securities will be such that the sum immediately received by the Company or, in the case of the issue of securities conferring access to the capital of a Subsidiary, by the Subsidiary, augmented, if necessary, by the sum likely to be subsequently collected by the Company or the Subsidiary, as the case may be, will, for each share issued as a result of the issue of such securities, be at least equal to the amount referred to in paragraph "a)", above.

The Board of Directors will also have full authority to increase any issue premium(s) by the costs incurred in executing the issues, subject to legal limits.

In general, the Board of Directors shall have full authority to implement this resolution for such issues on one or more occasions, in the proportion and at the times it deems appropriate, in France and/or, if necessary, abroad and/or on the international market - as well as, if necessary, to suspend them - to assess progress and make corresponding amendments to the Articles of Association, as well as to carry out any formalities and declarations, enter into any agreement, take any measure to list the securities created and do anything that might prove useful or necessary to execute and bring about a successful conclusion for these issues.

The Board of Directors may, within the limits that it will have previously set, sub-delegate the powers granted to it under this resolution, in accordance with applicable law and regulations.

The General Meeting terminates, with immediate effect, and for the unused fraction, the authority granted by the Resolution 12 of the combined General Meeting of 20 May 2010.

RESOLUTION 13

(Delegation of authority to the Board of Directors to issue Company shares and transferable securities conferring access to the capital of the Company or of one of its subsidiaries, with removal of existing shareholders' preferential subscription rights by private investment governed by Article L. 411-2 section II of the French Monetary and Financial Code).

The General Meeting, in compliance with the quorum and majority required for extraordinary shareholders' meetings, after consideration of the report of the Board of Directors and the special report of the auditors, and pursuant to Articles L. 225-129 et seq. of the French Commercial Code, in particular Articles L. 225-129-2,

L. 225-135 and L. 225-136 of said Code, and Articles L. 228-91 et seq. of said Code, hereby delegate to the Board of Directors, for a period of 26 months from the date of this meeting, the authority to decide to issue through the offers within the provisions of Article L. 411-2 section II of the French Monetary and Financial Code (i) of the Company's shares, (ii) of the securities conferring immediate or future access, by any means, to the Company's existing shares or shares to be issued and (iii) of securities conferring immediate or future access, by any means, to the existing shares or shares to be issued in a company of which the Company directly or indirectly holds over 50% of the capital (the "Subsidiary"), the subscription of which may be carried out in cash or through offsetting receivables.

The offers referred to in Article L.411-2 section II of the French Monetary and Financial Code, carried out under this resolution, may be associated, within the framework of a single issue or several issues occurring simultaneously, with the public offers occurring in application of Resolution 12, submitted to this General Meeting.

The General Meeting decides to eliminate the shareholders' preferential subscription rights to these shares and transferable securities, to be issued through the offers within the provisions of Article L. 411-2 section II of the Monetary and Financial Code under the conditions stipulated in this resolution.

The par value ceiling for any increase in Company capital, immediate or deferred, that may result from the combined issues carried out under this authority is set at €25 million, on the understanding that (i) this ceiling applies equally to every issue likely to be carried out under Resolutions 12, 13, 16 and 17 submitted to this meeting (issues with removal of shareholders' preferential subscription rights) and that, consequently, the par value of capital increases carried out under Resolutions 12, 13, 16 and 17 of this authority may not exceed this ceiling and that (ii) any issue under this authority will count towards the total ceiling of €50 million applicable to the total issues likely to be carried out under Resolutions 11 to 17 submitted to this Meeting. The par value of any Company shares that may be issued as part of these adjustments, according to the law and, if necessary, the current contractual stipulations, in order to protect the rights of owners of transferable securities conferring access to the capital, shall be added to this ceiling. It is specified that, in any event, the par value of the capital increases completed under this resolution may not exceed 20% of the share capital per year pursuant to the law.

Transferable securities conferring access to the capital of the Company or of a Subsidiary issued under this authority may include debt securities or be tied to the issue of such securities, or even allow the issue of inte-

rim securities. The par value of debt securities thus issued cannot exceed €450 million or their equivalent local currency value on the date of the decision to issue, provided that (i) this amount does not include the repayment premium or premiums above parity, if such was specified, (ii) that this amount applies to all debt securities, issue of which is authorised by Resolutions 12, 13, 16 and 17 submitted to this meeting (issues with removal of the shareholders' preferential subscription rights) and that, consequently, the par value of the debt securities made by virtue of Resolutions 12, 13, 16 and 17 cannot exceed this ceiling, and that (iii) the par value of the debt securities issued under this authority shall count towards the total ceiling of €850 million, which applies to the total debt securities likely to be issued under Resolutions 11 to 17 submitted to this Meeting.

The term of the bonds (conferring access to the capital of the Company or of a Subsidiary) other than those to be represented by securities of unlimited term cannot exceed 50 years. These bonds may bear interest at a fixed and/or variable rate, or again be capitalised, and be subject to a repayment, with or without premium, or amortization and depreciation, and the securities may also be subject to an exchange repurchase or an offer of purchase or exchange by the Company. The securities issued may have coupons attached providing entitlement to the allocation, acquisition or subscription of bonds or other securities representing debt, or provide for the right for the Company to issue debt securities (whether similar or not) in payment of interest, the payment of which may have been suspended by the Company.

The General Meeting formally notes that this authority implies a waiver by shareholders of their preferential subscription rights to the shares of the Company to which the securities to be issued pursuant to this authority may entitle them.

The Board of Directors shall establish the features, amount and conditions of any issue and of the securities issued. In particular, it will determine the category of the securities issued and will set their subscription price, with or without premium, their possibly retroactive dividend bearing date and, if need be, the term or the conditions of exercising the rights attached to the securities issued (as the case may be, rights to conversion, exchange, amortization and depreciation and including remittance of assets such as securities already issued by the Company or by a Subsidiary) as well as, if need be, the ability to suspend the exercise of the rights attached to the issued securities. It may also, if need be, make any changes aimed at taking into account the impact of transactions on the Company's capital, especially in the event of a change to the share's par value, a capital increase through incorporation of reserves,

allocation of bonus shares, the splitting or grouping of securities, distribution of reserves or of any other assets, depreciation of capital, or any other transaction concerning the capital (including possible changes in controlling interest of the Company) or equity, and set the terms ensuring the preservation, if necessary, of the rights of the holders of securities conferring access to capital;

provided that:

- a) the share issue price shall be at least equal to the minimum amount defined by the laws and regulations in force at the time of the exercise of this authority, after adjustment, as needed, of this amount in order to take into account the difference in the dividend bearing date;
- b) the issue price of the securities will be such that the sum immediately received by the Company or, in the case of the issue of securities conferring access to the capital of a Subsidiary, by the Subsidiary, augmented, if necessary, by the sum likely to be subsequently collected by the Company or the Subsidiary, depending on the case, will, for each share issued as a result of the issue of such securities, be at least equal to the amount referred to in paragraph "a)", above.

The Board of Directors will also have full authority to increase any issue premium(s) by the costs incurred in executing the issues, subject to legal limits.

In general, the Board of Directors shall have full authority to implement this resolution for such issues on one or more occasions, in the proportion and at the times it deems appropriate, - as well as, if necessary, to suspend them - to assess progress and make corresponding amendments to the Articles of Association, as well as to carry out any formalities and declarations, enter into any agreement, take any measure to list the securities created and do anything that might prove useful or necessary to execute and bring about a successful conclusion for these issues.

The Board of Directors may, within the limits that it will have previously set, sub-delegate the powers granted to it under this resolution, in accordance with applicable law and regulations.

The General Meeting terminates, with immediate effect, and for the unused fraction, the authority granted by Resolution 13 of the combined General Meeting of 20 May 2010.

RESOLUTION 14

(Authority granted to the Board of Directors to set the issue price in accordance with the conditions defined by the Meeting in the case of an issue of shares or securities conferring access to capital)

and removing the preferential subscription rights of shareholders).

The General Meeting, in compliance with the quorum and majority required for extraordinary general meetings, after consideration of the report of the Board of Directors and the special report of the Statutory Auditors, and acting in accordance with Article L. 225-136 of the French Commercial Code, authorises the Board of Directors, for a period of 26 months from the date of this meeting, and for each of the issues approved under Resolutions 12 and 13 submitted to this meeting, and subject to compliance with the ceiling stipulated in the resolution governing the issue, up to a maximum of 10% of the capital of the Company for each 12-month period, to deviate from the conditions for setting the price stipulated in the aforementioned resolutions and to set the issue price of the shares and/or transferable securities issued according to the following terms:

- a) the issue price of the shares will be at least equal to the closing price of the Company's share on the Euronext Paris market during the last trading session prior to the date the price is set, possibly decreased by a maximum discount of 10% (provided that the amount payable for any share is at least equal to its par value);
- b) the issue price of the transferable securities will be such that the sum immediately received by the Company or, in the case of the issue of transferable securities conferring access to the capital of a company in which the Company directly or indirectly owns more than half of the capital (the "Subsidiary"), by the Subsidiary, augmented, if necessary, by the sum likely to be subsequently collected by the Company or the Subsidiary, for each share issued as a result of the issue of such securities, be at least equal to the amount referred to in paragraph "a)", above.

The total par value of an increase in the Company's capital resulting from issues executed under this authority shall be charged against the capital increase ceiling stipulated in the resolution pursuant to which the issue has been decided.

The par value of the debt securities of the Company resulting from the issues executed under this authority shall be charged against the ceiling for debt securities provided in the resolution pursuant to which the issue has been decided.

The Board of Directors may, within the limits that it will have previously set, sub-delegate the powers granted to it under this resolution, in accordance with applicable law and regulations.

The General Meeting terminates, effective immediately, for the unused portion, the authority granted by

Resolution 12 of the combined General Meeting of 18 June, 2009 and Resolution 14 of the combined General Meeting of 20 May 2010.

RESOLUTION 15

(Authorisation granted to the Board of Directors to increase, in the event of a capital increase, the number of securities to be issued, with or without removal of shareholders' preferential subscription rights).

The General Meeting, in compliance with the quorum and majority required for extraordinary shareholders' meetings, after consideration of the report of the Board of Directors and the special report of the Statutory Auditors, and acting in accordance with Article L. 225-135-1 of the French Commercial Code, authorises the Board of Directors, for a period of 26 months from the date of this meeting, to decide, within the deadlines and limits stipulated by the law and regulations applicable on the date of the issue (as of this date, within thirty days of the close of subscriptions, up to a maximum of 15% of the initial issue and at the same price as the price decided for the initial issue), for each of the issues decided pursuant to Resolutions 11, 12, 13 and 14 above, an increase in the number of securities to be issued, subject to compliance with the ceiling stipulated in the resolution under which the said issue was decided.

The Board of Directors may, within the limits that it will have previously set, sub-delegate the powers granted to it under this resolution, in accordance with applicable law and regulations.

The General Meeting terminates, effective immediately, for the unused portion, the authority granted by Resolution 15 of the combined General Meeting of 20 May 2010.

RESOLUTION 16

(Delegation of authority to the Board of Directors to issue shares and securities conferring access to capital in the event of a public exchange offer initiated by the Company).

The General Meeting, in compliance with the quorum and majority required for extraordinary general meetings, after consideration of the report of the Board of Directors and the special report of the Statutory Auditors, and in accordance with Articles L. 225-129 et seq. of the French Commercial Code, in particular Article 225-129-2 and Articles L. 228-91 et seq. of the said Code, hereby:

- 1 / authorises the Board of Directors, for a period of 26 months from the date of this meeting to decide, on the basis and under the conditions provided in Resolution 12 above, on an issue of

shares of the Company or of transferable securities conferring access by any means, immediately and/or in the future, to existing shares of the Company or shares to be issued, in remuneration for the securities tendered as part of a public exchange offer initiated in France or abroad, in accordance with local regulations, by the Company for securities of a company, the shares of which are admitted for trading on any regulated market cited in the aforementioned Article L. 225-148 (including the Company's securities); and

2 / consequently, decides to remove, for the benefit of the holders of these securities, the shareholders' preferential subscription rights to these shares and transferable securities.

The General Meeting formally notes that this authority implies a waiver by shareholders of their preferential subscription rights to the shares of the Company to which the securities to be issued pursuant to this authority may entitle them.

The par value ceiling for any increases in Company capital, immediate or deferred, that may result from the combined issues carried out under this authority is set at €25 million, on the understanding that (i) this ceiling applies equally to every issue under Resolutions 12, 13, 16 and 17 submitted to this meeting (issues with removal of shareholders' preferential subscription rights) and that, as a result, the par value of capital increases carried out under Resolutions 12, 13, 16 and 17 of this authority cannot exceed this ceiling and that (ii) any issue under this authority will count towards the total €50 million ceiling applicable to the total issues permitted under Resolutions 11 to 17 submitted this meeting. The par value of Company shares that may be issued as part of these adjustments, according to the law and, if necessary, the applicable contractual stipulations, in order to protect the rights of owners of transferable securities conferring access to the capital, shall be added to this ceiling.

Transferable securities conferring access to the capital of the Company issued under this authorisation may include debt securities or be tied to the issue of such securities, or even allow the issue of interim securities. The par value of debt securities thus issued cannot exceed €450 million or their equivalent local currency value on the date of the decision to issue, provided that (i) this amount does not include the repayment premium or premiums above parity, if such was specified, (ii) that this amount applies to all debt securities, issue of which is authorised by Resolutions 12, 13, 16 and 17 submitted to this meeting (issues with removal of the shareholders' preferential subscription rights) and that, consequently, the par value of the debt securities made by virtue of Resolutions 12, 13, 16 and 17 cannot exceed this ceiling, and that (iii) the par value of the debt securities issued under this authority shall count towards the

total ceiling of €850 million, which applies to the total debt securities likely to be issued under Resolutions 11 to 17 submitted to this meeting.

The term of the bonds conferring access to the capital of the Company other than those to be represented by securities of unlimited term cannot exceed 50 years. These bonds may bear interest at a fixed and/or variable rate, or again be capitalised, and be subject to a repayment, with or without premium, or amortization and depreciation, and the securities may also be subject to an exchange repurchase or an offer for purchase or exchange by the Company. The securities issued may have coupons attached providing entitlement to the allocation, acquisition or subscription of bonds or other securities representing debt, or provide for the right for the Company to issue debt securities (whether similar or not) in payment of interest, the payment of which may have been suspended by the Company.

The General Meeting grants the Board of Directors full authority to implement this delegation, on one or more occasions, in the proportion and at the times it deems appropriate, in particular to:

- set the exchange parity as well as, if necessary, the amount of the cash balance to be paid;
- validate the number of securities tendered in the exchange;
- determine the dates, issue conditions, including price and dividend-bearing date of the new shares or, if applicable, securities conferring immediate and/or future access to the capital of the Company within applicable legal limits;
- enter on the liability side of the balance sheet a "contribution premium" account to which all shareholders shall have rights, showing the difference between the issue price of the new shares and their par value;
- charge against said "contribution premium", if it considers appropriate to do so, some or all costs and fees incurred by the authorised operation;
- in general, do everything necessary to list the created securities on a stock market, and sign all agreements to complete the authorised transactions, record the resulting capital increase or increases and amend the Articles of Association accordingly.

The Board of Directors may, within the limits that it will have previously set, sub-delegate the powers granted to it under this resolution, in accordance with applicable law and regulations.

The General Meeting terminates, effective immediately, for the unused portion, the authority granted by Resolution 16 of the combined General Meeting of 20 May 2010.

RESOLUTION 17

(Authorisation granted to the Board of Directors to issue shares and securities conferring access to capital, with a view to compensate in-kind contributions granted to the Company in the form of shares or securities conferring access to capital).

The General Meeting, in compliance with the quorum and majority required for extraordinary general meetings, after consideration of the report of the Board of Directors and the special report of the Statutory Auditors, and acting in accordance with Article L. 225-147 of the French Commercial Code:

- 1 /** terminates, with immediate effect, for the unused portion, the authority granted by Resolution 7 of the combined General Meeting of 20 May 2010; and
- 2 /** delegates to the Board of Directors, for a period of 26 months from the date of this meeting, the powers to issue, on the report of the Statutory Auditor or Auditors cited in paragraphs 1 and 2 of the aforementioned Article L. 225-147, shares of the Company or securities conferring access by every means, immediately and/or in the future, to existing shares or shares of the Company to be issued in order to remunerate contributions in-kind made to the Company, and consisting of equity securities or transferable securities conferring access to capital, when the provisions of Article L. 225-148 of the French Commercial Code do not apply; and
- 3 /** consequently decides to remove the shareholders' preferential subscription rights to the shares and securities so issued in favour of the holders of the equity securities or securities forming the contributions in kind.

The par value ceiling for any increase in Company capital, immediate or deferred, that may result from the combined issues carried out under this authority is set at 10% of the Company capital (as exists on the date of the issue concerned), on the understanding that (i) this ceiling applies equally to the ceiling of €25 million of the par value of capital increases of every issue likely to be carried out under Resolutions 12, 13, 16 and 17 submitted to this meeting (issues with removal of the shareholders' preferential subscription rights) and that, as a result, the par value of capital increases carried out under Resolutions 12, 13, 16 and 17 of this delegation cannot exceed this ceiling and that (ii) any issue carried out under this delegation will count towards the total €50 million ceiling applicable to the total issues permitted under Resolutions 11 to 17 submitted this Meeting.

The par value of any Company shares that may be issued as part of these adjustments, according to the law and, if necessary, the applicable contractual stipulations, in order to protect the rights of owners

of equity instruments conferring access to the capital, shall be added to this ceiling.

The transferable securities conferring access to the capital of the Company issued under this authority may include debt securities or be tied to the issue of such securities, or even allow the issue of interim securities. The par value of debt securities thus issued cannot exceed €450 million or their equivalent local currency value on the date of the decision to issue, provided that (i) this amount does not include the repayment premium or premiums above parity, if such was specified, (ii) that this amount applies to all debt securities, issue of which is authorised by Resolutions 12, 13, 16 and 17 submitted to this meeting (issues with removal of the shareholders' preferential subscription rights) and that, consequently, the par value of the debt securities made by virtue of Resolutions 12, 13, 16 and 17 cannot exceed this ceiling, and that (iii) the par value of the debt securities issued under this authority shall count towards the total ceiling of €850 million, which applies to the total debt securities issued under Resolutions 11 to 17 submitted to this meeting.

The General Meeting formally notes that this authority implies a waiver by shareholders of their preferential subscription rights to the shares of the Company to which the securities to be issued pursuant to this authority may entitle them.

The Board of Directors shall have full authority to implement this delegation, on one or more occasions, in the proportion and at the times it deems appropriate, in particular to:

- decide, based on the above-cited Statutory Auditors' report referred to in paragraph 1 and 2 of Article L. 225-147, on the valuation of the contributions and granting of specific benefits;
- determine the dates, issue conditions, including price and dividend-bearing date of the new shares or, if applicable, securities conferring immediate and/or future access to capital of the Company within applicable legal limits;
- charge against said "contribution premium", if it considers appropriate to do so, some or all costs and fees incurred by the authorised transaction;
- in general, do everything necessary to list the created securities on a stock market, and sign all agreements to complete the authorised transaction, record the resulting capital increase or increases in capital and amend the Articles of Association accordingly.

The Board of Directors may, within the limits that it will have previously set, sub-delegate the powers granted to it under this resolution, in accordance with the applicable law and regulations.

RESOLUTION 18

(Delegation of authority to the Board of Directors to increase the Company's capital by incorporating reserves, profits, premiums or other eligible capitalisable amounts).

The General Meeting, in compliance with the quorum and majority required for ordinary general meetings, after consideration of the report of the Board of Directors, and acting in accordance with Articles L. 225-129 et seq. of the French Commercial Code, in particular articles L. 225-129-2 and L.225-130;

- 1 / terminates, with immediate effect, the unused portion of the authority granted by Resolution 18 of the combined General Meeting of 20 May 2010; and
- 2 / delegates to the Board of Directors, for a period of 26 months from the date of this meeting, its authority to decide to increase the share capital, on one or more occasions, at the times and on the terms it shall define, through the capitalisation of reserves, profits and premiums or other sums eligible for capitalisation, followed by the creation and allocation of bonus shares or an increase in the par value of the existing shares, or a combination of the two.

The General Meeting delegates to the Board of Directors the power to decide that fractional rights shall not be negotiable or assignable and that the corresponding securities shall be sold; the sums from the sale shall be allocated to the holders of the rights within the period provided by regulation.

The ceiling on the par value of an immediate or future Company capital increase likely to result from all the issues executed under this resolution will be equal to the total amount of the sums that may be incorporated into capital under current regulations, on the understanding that this ceiling is set without including the par value of any Company shares to be issued, if necessary, for any adjustments made, in accordance with the law and any applicable contractual stipulations, to protect the entitlements of holders of transferable securities conferring access to the capital.

The Board of Directors shall have all powers to implement this resolution, in particular to:

- set the amount and type of sums to be incorporated into capital, set the number of new shares to be issued and/or the amount by which the par value of existing shares will be increased and decide the entitlement date of any new shares;
- post to reserves or premium, if it considers appropriate to do so, some or all costs and fees incurred by the authorised transaction;
- in general, do everything necessary to list the created securities on a stock market and sign all

agreements to complete the authorised transactions, record the resulting capital increase or increases and amend the Articles of Association accordingly.

The Board of Directors may, within the limits that it will have previously set, sub-delegate the powers granted to it under this resolution, in accordance with applicable law and regulations.

RESOLUTION 19

(Delegation of authority to the Board of Directors for the purpose of issuing securities that give the right of allocation of debt securities).

The General Meeting, in compliance with the quorum and majority required for extraordinary general meetings, after consideration of the report of the Board of Directors and the special report of the Statutory Auditors and acting in accordance with Articles L. 225-129 to L. 225-129-6 and L. 228-91 et seq. of the French Commercial Code, delegates its authority to the Board of Directors to decide on the issue, on one or more occasions, in France, abroad and/or on the international market, of all securities, other than shares, which give the right to an immediate or future allotment of debt securities, such as bonds, related securities, fixed-term and undated subordinated securities or all other securities in the same issue granting the same right of claim against the Company.

The par value of the entirety of the transferable securities to be issued, as mentioned above, cannot exceed €250 million or the equivalent of this amount in foreign currencies or in any monetary units established by reference to several currencies, on the understanding that such maximum par value will apply globally to the debt securities to which the transferable securities will give immediate or future allocation, but that such amount does not include the amortization and depreciation premium or premiums above parity, if such was specified.

This authority is granted for a period of 26 months from the date of this meeting.

The Board of Directors shall have all powers to:

- carry out the aforementioned issues within the limitation set above, determining the date, type, amounts and issue currency for them,
- decide on the features of the securities to be issued, as well as the debt securities to which the transferable securities will confer the right of allocation, particularly their par value and their dividend-bearing dates, their issue prices, with premium as the case may be, their interest rates, whether fixed and/or variable, and the date of payment of, in the case of variable rate securities, the conditions of determining their interest rates, or else the conditions for capitalising the interest,

- depending on market conditions, set the conditions for early repayment and/or amortization and depreciation of the transferable securities to be issued, along with the debt securities to which the securities will give a right of allocation, as the case may be, with a fixed or variable premium, or else a premium for repurchase by the Company,
- if appropriate, decide to provide collateral or security interests for the transferable securities to be issued and for the debt securities to which the securities will give a right of allocation, and decide on their nature and features,
- decide on all other terms of each of the issues,
- in general, to sign all agreements, take all measures and complete all formalities required, and generally do what is necessary to have the securities listed on the stock market.

The Board of Directors may, within the limits that it will have previously set, sub-delegate the powers granted to it under this resolution, in accordance with applicable law and regulations.

The General Meeting terminates, with immediate effect for the unused portion, the authority granted by Resolution 19 of the combined General Meeting of 20 May 2010.

RESOLUTION 20

(Authorisation granted to the Board of Directors to allocate Company shares to employees and/or corporate officers, free of charge).

The General Meeting, in compliance with the quorum and majority required for extraordinary general meetings, after consideration of the report of the Board of Directors and the special report of the Statutory Auditors:

- 1 / terminates, with immediate effect, for the unused portion, the authority granted by Resolution 20 of the combined General Meeting of 20 May 2010; and
- 2 / authorises the Board of Directors, pursuant to Articles L. 225-197-1 et seq. of the French Commercial Code, to allocate, on one or more occasions and under the conditions it shall define, within the limits set by this authority, bonus, new or existing shares of the Company, under the conditions stipulated below.

The beneficiaries must be employees and/or corporate officers (as defined by Article L. 225-197-1 of the French Commercial Code) of the Company or of affiliated companies or groups as defined by Article L. 225-197-2 of the French Commercial Code.

This authority is granted for a period of 38 months from the date of this General Meeting.

The total number of bonus shares allocated under this resolution may not represent more than 1% of Company capital as at the date of this General Meeting, on the understanding that this ceiling must include the par value of any Company shares that may be issued as adjustments, in accordance with law and any contractual agreements, to preserve the rights of the beneficiaries of the bonus shares.

The General Meeting decides that the vesting period will be a minimum of two years; however, in the event of the beneficiary's disability, which meets the conditions set by law, the definitive allocation of the shares may be made before the end of the vesting period.

The General Meeting decides that the lock-in period for the shares allocated shall be a minimum of two years, with the exception of shares for which the vesting period will be at least four years and for which the minimum lock-in period is eliminated.

The existing shares that may be allocated under this resolution must be acquired by the Company, either in accordance with Article L. 225-208 of the French Commercial Code and/or as part of a stock buyback program in accordance with the conditions stipulated by Article L. 225-209 of said Code.

The General Meeting duly notes and decides, as necessary, that this authority implies a waiver by shareholders of any right to the bonus shares allocated under this authority in favour of the beneficiaries of the shares allotted.

The General Meeting grants full powers to the Board of Directors, subject to the limits cited above and with the option to sub-delegate in accordance with applicable law and regulations, to:

- determine the beneficiaries, the number of shares allocated to each beneficiary, the terms of allocation of the shares and, in particular, the vesting and lock-in periods for the bonus shares allocated;
- define, under the legal conditions and limits, the dates on which bonus shares shall be allocated;
- if it considers appropriate, to set the definitive allocation criteria, including employee service and/or performance conditions;
- decide on corporate officers pursuant to the final paragraph of Article L. 225-197-1 section II of the French Commercial Code;
- set the entitlement date of the new shares issued under this authorisation;
- set the conditions under which the number of shares allocated will be adjusted in order to preserve the rights of beneficiaries in the event of a financial transactions impacting on the

Company during the vesting period, and to make any adjustments, on the understanding that the shares allocated pursuant to such adjustments will be deemed allocated on the same date as the initial share allocation;

- decide whether the bonus shares will be existing shares or need to consist of a new share issue and, in the case of a new share issue, increase the Company capital by incorporating reserves, profits, premiums or other eligible capitalisable sums, decide the type and amount of sums to incorporate into capital depending on their paid-up status, measure any capital increase(s), and modify any corresponding Articles of Association;
- in general, do everything necessary to ensure that the new shares are listed on a stock market, sign all agreements, prepare all documents, complete all formalities and filings with all organisations and do whatever might otherwise be necessary.

The Board of Directors shall inform the shareholders' meeting every year of the allocations made under this resolution in accordance with Article L. 225-197-4 of the French Commercial Code.

RESOLUTION 21

(Delegation of authority to the Board of Directors to execute capital increases reserved for the employees participating in the company savings plan).

The General Meeting, in compliance with the quorum and majority required for extraordinary general meetings, after consideration of the report of the Board of Directors and the special report of the Statutory Auditors and acting in accordance with Articles L. 225-129-6, L. 225-138 sections I and II and L. 225-138-1 of the French Commercial Code and Articles L. 3332-18 et seq. of the French Employment Code:

- 1 / terminates, with immediate effect, the unused portion of the authority granted by Resolution 21 of the combined General Meeting of 20 May 2010; and
- 2 / delegates to the Board of Directors, for a period of 26 months from the date of this meeting, its authority to decide to increase the share capital at its sole discretion, on one or more occasions, at the times and on the terms it shall determine, through the issue of shares or securities conferring access to existing shares or shares of the Company to be issued, reserved for current or former employees of the company or of its affiliated companies as defined by Article L. 225-180 of the French Commercial Code, who are participating in a company savings plan of the Company (the "Employees"), or through the allocation of bonus

shares or securities conferring access to existing or new shares of the Company to replace the discount described below and/or the employer's contribution.

The ceiling on the par value of an immediate or future capital increase of the Company resulting from all issues executed under this authority is set at €1 million, on the understanding that this ceiling is set without including the par value of any Company shares that may be issued as adjustments, in accordance with the applicable law and contractual stipulations, to protect the holders of rights attached to the transferable securities conferring rights to capital.

If subscriptions have not absorbed the entire share issue, the capital increase shall be executed only in the amount of securities subscribed.

The General Meeting decided to remove the preferential subscription rights of shareholders to the shares or transferable securities conferring access to shares to be issued under this authority in favour of the employees concerned and to waive any right to the bonus shares or other transferable securities allocated on the basis of this authority.

The General Meeting hereby resolves that:

- (i) the subscription price of the new shares will be equal to the average of the prices listed for the twenty trading sessions preceding the decision setting the opening date of subscription, minus the maximum discount provided by law, if necessary, on the date of the decision of the Board of Directors on the understanding that the Board of Directors may reduce this discount if it believes it is appropriate to do so, particularly in the case of an offer to the participants in the company savings plan abroad in order to comply with local accounting, tax, social security and/or other applicable laws. The Board of Directors may also replace all or part of the discount with an allocation of shares or other transferable securities pursuant to the provisions below; and
- (ii) the Board of Directors may plan the bonus allocation of existing shares or transferable securities conferring rights to existing shares on the understanding that the total benefit resulting from this allocation and, as applicable, from the discount described in the paragraph above may not exceed the legal limits, and provided that the recognition of the equivalent financial value of the bonus shares allocated, valued at the subscription price, does not have the effect of exceeding the legal limits.

The Board of Directors shall have all powers to implement this resolution, in particular to:

- determine the features, amount and terms of any issue or bonus allocation of securities;
- determine that the issues may be made directly to the beneficiaries or through group undertakings;

- define, from among the entities that may be included in the scope of the company savings plan, the list of the companies or groups, the current or former employees of which may subscribe to the shares or transferable securities issued and, if applicable, receive the bonus shares or securities allocated;
- determine the type and terms of the capital increase and the conditions for the issue or bonus allocation;
- set the seniority requirements that must be met by the beneficiaries of the shares or transferable securities in each bonus issue and/or allocation governed by this resolution;
- define the terms and conditions for issues of shares or transferable securities, which will be executed under this delegation, including the entitlement date and payment terms and, in particular, the sums to be incorporated into capital up to the maximum defined above, and the equity items from which they are withdrawn;
- record the completion of the capital increase through the issue of shares in the amount of the shares that are effectively subscribed;
- determine, as applicable, the type of the bonus securities allocated and the conditions and procedures for this allocation;
- at its sole discretion and if it believes it to be appropriate, charge the costs of the capital increases against the amount of the premiums on said increases and withdraw from this amount the sums necessary to bring the legal reserve to one-tenth of the new capital after each increase;
- in general, do everything necessary to carry out the capital increases, complete the formalities following the increases, including the formalities relating to the securities listed on a stock market, amend the Articles of Association on the basis of these increases and, generally, do whatever is necessary.

The Board of Directors may, within the limits that it will have previously set, sub-delegate the powers granted to it under this resolution, in accordance with applicable law and regulations.

RESOLUTION 22

(Authority granted to the Board of Directors to reduce the capital by cancelling shares).

The General Meeting, in compliance with the quorum and majority required for extraordinary general meetings, after consideration of the report of the Board of Directors and the special report of the Statutory Auditors, and in accordance with Article L. 225-209 of the French Commercial Code:

- 1 /** terminates, with immediate effect, the unused portion of the authority granted by Resolution 22 of the combined General Meeting of 20 May 2010
- 2 /** delegates to the Board of Directors all powers to cancel, on one or more occasions, up to a maximum 10% of the capital of the Company in 24-month periods, all or some of the shares of the Company acquired in the context of the stock buyback program authorised by the Resolution 10 submitted to this meeting, or stock buyback plans authorised prior to, or after the date of, this meeting;
- 3 /** allocate any positive difference between the purchase price and par value of the shares, to the "Issue premiums" line in the accounts or to any other available reserves, including legal reserves, to a maximum of 10% of the capital reduction realised;
- 4 /** delegate to the Board of Directors all powers, which may be delegated to a legally authorised agent, to reduce capital by cancelling the shares cited above and, as a result, to amend Article 6 of the Articles of Association, and
- 5 /** set the term of this authority at 18 months from the date of this authorisation.

RESOLUTION 23

(Change to Article 25 of the Company's Articles of Association – Appointment, term of office, auditors' fees).

The General Meeting, in compliance with the quorum and majority required for extraordinary general meetings, after consideration of the report of the Board of Directors, decides to modify Article 25.3 of the Company's Articles of Association to read henceforth as follows:

"The Statutory Auditors are eligible for re-election under the terms of the current regulations."

RESOLUTION 24

(Change to Article 26 of the Company's Articles of Association – Provisions common to all general meetings).

The General Meeting, in compliance with the quorum and majority required for extraordinary general meetings, after consideration of the report of the Board of Directors, decides to modify Article 26 of the Company's Articles of Association to read henceforth as follows:

“ **26.1** / A duly convened General Meeting represents all shareholders. Its decisions are compulsory for all, even those absent, dissent or unable to attend.

26.2 / Every shareholder, regardless of the number of shares that he owns, has the right to participate in general meetings, either personally or by appointing a proxy or by voting remotely, in accordance with the current laws and regulations.

26.3 / All shareholders may also send a power of attorney to the Company without indicating the name of their representative. All such powers of attorney without indication of the name of the proxy shall be considered as a vote in favour of the resolutions submitted or approved by the Board of Directors to the meeting.

26.4 / Proof of the right to participate in the Company's general meetings, in whatever form, can be shown by accounting records or by registration of shares on the conditions and within the deadlines stipulated by the current regulations.

26.5 / Remote or proxy voting forms, as well as the certificate of participation may be established, if the Board of Directors so stipulates, in electronic form duly signed under the conditions provided for by the applicable laws and regulations.

For this purpose, the form may be directly entered and signed electronically on the Internet site established by the meeting clearing agency. The electronic signature of the form may be provided (i) by entering, under conditions that comply with the provisions of the first sentence of the second paragraph of Article 1316-4 of the French Civil Code, an identifying code and a password, or (ii) using any other process that meets the conditions defined in the first sentence of the second paragraph of Article 1316-4 of the French Civil Code. The proxy or vote expressed in this way before the meeting using this electronic method, as well as the acknowledgement of receipt given, if any, shall be considered written, irrevocable instruments enforceable by, and against all parties, with the exception of sales of securities, which are subject to the notification provided in Article R. 225-85 section IV of the French Commercial Code.

The procedures for sending remote and proxy voting forms shall be specified by the Board of Directors in the notice of meeting.

26.6 / The Board of Directors may organise, under legal and regulatory conditions, the participation and vote of shareholders at the meeting via videoconferencing or using telecommunications methods that allow identification and meet legal and regulatory requirements; the Board shall ensure the effectiveness of the means of identification.

For calculation of the quorum and majority required for any shareholders' meeting, shareholders who attend the general meeting via videoconferencing or using telecommunications methods, which allow identification in accordance with legal and regulatory conditions, shall be deemed present.”

RESOLUTION 25

(Change to Article 28.2 of the Company's Articles of Association – Agenda of general meetings)

The General Meeting, in compliance with the quorum and majority required for extraordinary general meetings, after consideration of the report of the Board of Directors, decides to modify Article 28.2 of the Company's Articles of Association to read henceforth as follows:

“However, any shareholder, or the works council if it exists, has the right, subject to current laws and regulations, to require items or resolutions to be added to the agenda.”

RESOLUTION 26

(Change to Article 37.2 of the Company's Articles of Association – Dividend payments)

The General Meeting, in compliance with the quorum and majority required for extraordinary general meetings, after consideration of the report of the Board of Directors, decides to modify Article 37.2 of the Company's Articles of Association to read henceforth as follows:

The General Meeting may grant shareholders the option of receiving all or part of any dividend or of any interim dividend, in cash or in the form of shares subject to legally applicable terms and conditions.

“All or part of any dividend, interim dividend, reserves, premiums or any other amounts that may be distributed to shareholders, may be paid in cash or in kind in the form of Company assets including financial instruments held by the Company. A dividend payment in kind may be made with or without the option of payment in cash.”

RESOLUTION 27

(Change to Articles 15 and 21.4 of the Company's Articles of Association – Directors and observers' shares)

The General Meeting, acting in accordance with the quorum and majority required for extraordinary general meetings, after consideration of the report of the Board of Directors decides:

- 1 /** to delete Article 15 of the Company's Articles of Association in its entirety, and cause the subsequent articles to be automatically renumbered to reflect the deletion; and
- 2 /** to delete the first sentence of the former Article 21.4 of the Company's Articles of Associations ("Observers must own at least one share in the Company."), the rest of the Article remaining unchanged.

RESOLUTION 28

(Powers to carry out legal formalities).

The General Meeting grants all powers to the bearer of an original, a copy, or an excerpt of the minutes of this meeting for the purpose of performing any announcement, filing and other formalities that must be performed.

9.8 INFORMATIONS

9.8.1 / Financial information

Date of publication	Theme	Medium
2 February 2010	2009 sales up 99% to €183.2 million	Press release (Reuters, Bloomberg, Boursorama) Site M&P
7 April 2010	2009 Annual results	Press release (Reuters, Bloomberg, Boursorama) Site M&P
6 May 2010	2010 Q1 Sales	Press release (Reuters, Bloomberg, Boursorama) Site M&P
3 August 2010	2010 HY1 sales up 68% to €131.3 million	Press release (Reuters, Bloomberg, Boursorama) Site M&P
26 August 2010	Publication of 2010 half-year results of the Maurel & Prom Group on Friday 27 August 2010 (after trading)	Press release (Reuters, Bloomberg, Boursorama) Site M&P
27 August 2010	2010 Half-year results	Press release (Reuters, Bloomberg, Boursorama) Site M&P
4 November 2010	2010 Q3 sales	Press release (Reuters, Bloomberg, Boursorama) Site M&P
3 February 2011	2010 sales up to €345.8 million	Press release (Reuters, Bloomberg, Boursorama) Site M&P
31 mars 2011	2010 Annual results	Press release (Reuters, Bloomberg, Boursorama) Site M&P

9.8.2 / Additional information on Company activities

Date of publication	Theme	Medium
29 January 2010	Acquisition of 45% stake in SEPLAT -Acquisition by SEPLAT of 45% of OML 4, 38 and 41 in Nigeria	Press release (Reuters, Bloomberg, Boursorama) Site M&P
3 February 10	Maurel & Prom opens in Nigeria	Press release (Reuters, Bloomberg, Boursorama) Site M&P
12 February 10	M'Bafou well abandoned in the Congo	Press release (Reuters, Bloomberg, Boursorama) Site M&P
15 February 2010	Expansion of mining business in Tanzania	Press release (Reuters, Bloomberg, Boursorama) Site M&P
1 March 2010	Success of OMOC-N-1/Update on exploration programme	Press release (Reuters, Bloomberg, Boursorama) Site M&P
17 March 2010	Update on Mafia Deep drilling	Press release (Reuters, Bloomberg, Boursorama) Site M&P
29 March 2010	Production in Gabon increases significantly	Press release (Reuters, Bloomberg, Boursorama) Site M&P
21 April 2010	Overview of production in Nigeria and Gabon	Press release (Reuters, Bloomberg, Boursorama) Site M&P
19 May 2010	Update on exploration	Press release (Reuters, Bloomberg, Boursorama) Site M&P
26 May 2010	Maurel & Prom becomes operator of a new block in the prolific Llanos Basin in Colombia	Press release (Reuters, Bloomberg, Boursorama) Site M&P
18 June 2010	Nigeria project: agreement of NNPC	Press release (Reuters, Bloomberg, Boursorama) Site M&P
7 July 2010	Update on the Group's activity	Press release (Reuters, Bloomberg, Boursorama) Site M&P
26 July 2010	Colombia – Positive results of Sabanero-1 well	Press release (Reuters, Bloomberg, Boursorama) Site M&P
2 August 2010	Seplat: Conclusion of the 45% acquisition of OML 4, 38 and 41 in Nigeria	Press release (Reuters, Bloomberg, Boursorama) Site M&P

Date of publication	Theme	Medium
16 September 2010	Success of the OMOC-N-301 well in Gabon	Press release (Reuters, Bloomberg, Boursorama) Site M&P
20 September 2010	Confirmation of discovery of the Sabanero field in Colombia	Press release (Reuters, Bloomberg, Boursorama) Site M&P
15 November 2010	Success of the OMOC-N-302 well in Gabon	Press release (Reuters, Bloomberg, Boursorama) Site M&P
3 December 2010	Update on drilling of Kianika-1 well in Tanzania	Press release (Reuters, Bloomberg, Boursorama) Site M&P
6 December 2010	Positive results of Sabanero SE-2 well in Colombia	Press release (Reuters, Bloomberg, Boursorama) Site M&P
5 January 2011	Update on production in Nigeria and on evaluation of the OMOC-North field in Gabon	Press release (Reuters, Bloomberg, Boursorama) Site M&P
21 February 2011	Colombia – Positive results of the first stratigraphic well on the CPO 17 permit	Press release (Reuters, Bloomberg, Boursorama) Site M&P
28 March 2011	74% increase in Group certified reserves: 288 Mboe	Press release (Reuters, Bloomberg, Boursorama) Site M&P
31 March 2011	Maurel & Prom signs strategic alliance with Pacific Rubiales Energy	Press release (Reuters, Bloomberg, Boursorama) Site M&P

9.8.3 / Corporate information

Date of publication	Theme	Medium
21 April 2010	Cooptation of a board member	Press release (Reuters, Bloomberg, Boursorama) Site M&P
17 May 2010	Free allocation of share subscription warrants to shareholders	Press release M&P and AMF site
20 May 2010	Report of the combined General Meeting of 20 May 2010	Press release (Reuters, Bloomberg, Boursorama) Site M&P
1 July 2010	Half-year report on the Maurel & Prom liquidity contract entered into with the company Natixis Securities	Press release (Reuters, Bloomberg, Boursorama) M&P site and BALO
8 July 2010	Issue of OCEANE by Maurel & Prom maturing on 31 July 2015 for an initial amount of approximately €60 million	Press release (Reuters, Bloomberg, Boursorama) Site M&P
8 July 2010	OCEANE 2015 arrangements	Press release (Reuters, Bloomberg, Boursorama) Site M&P
22 July 2010	Full exercise of the OCEANE 2015 over-allocation option	Press release (Reuters, Bloomberg, Boursorama) Site M&P
6 January 2011	Appointment of Mr Jean Bié, Exploration Director of Maurel & Prom Establishments	Press release (Reuters, Bloomberg, Boursorama) Site M&P
6 January 2011	Half-year report of the Maurel & Prom liquidity contract entered into with the company Natixis Securities	Press release (Reuters, Bloomberg, Boursorama) Site M&P

9.8.4 / Availability of the information

Electronic version

All press releases listed above are available on the Company's website: www.maureletprom.fr.

Press releases, statements, Annual Report, declarations of directors on their own shares and notes on operations are available on the AMF website: www.amf-france.org and on the Euronext site: www.euronext.com.

Press releases are also available on the les Échos website: <http://www.lesechos-comfi.fr>.

BALO publications are available on the Bulletin des Annonces Legales Obligatoires website: <http://balo.journal-officiel.gouv.fr>.

The annual financial statements are filed with the Clerk of the Paris Commercial Court and may be consulted at: <http://www.infogreffe.fr>.

Printable version

All documents mentioned in this Annual Report are available from the Company free of charge on request: Établissements Maurel & Prom, 12, rue Volney 75002 Paris.

9.9 TABLES OF CONCORDANCE

9.9.1 / EU Regulations

In order to facilitate the interpretation of this Annual Report, the following Table of Concordance identifies the information required by EC regulation 809/2004 of

the Commission of 24 April 2004 implementing EC directive 71/2003 of the European Parliament and the Council.

TITLE	CORRESPONDING PAGES OF THE ANNUAL REPORT
1. Responsible Persons	Inside front cover
2. Statutory auditors	Inside front cover
3. Selected financial information	8-10
4. Risk factors	46-57
5. Information about the issuer	98-111
5.1 History and development of the company	2-3
5.1.1 Corporate and trade name of the issuer	99
5.1.2 Registration location and number of the issuer	99
5.1.3 Date of incorporation and term of the issuer	99
5.1.4 Registered office and legal form of the issuer, legislation governing its activities, its country of origin, address and telephone number of its registered office	99
5.1.5 Significant events in the development of the issuer's activities	3
5.2 Investments	42-43
5.2.1 Principal investments made in the last three years	42
5.2.2 Principal current investments	43
5.2.3 Principal investments planned	43
6. Overview of activities	6-31
6.1 Principal activities	6-31, 35-36
6.2 Principal markets	6-7, 36
6.3 Exceptional events	none
6.4 Possible dependence of the Maurel & Prom Group with regard to certain significant customers or supply contracts	45, 46
6.5 Competitive position	48
7. Organisational chart	116
7.1 Place of the issuer within the group	116
7.2 Principal subsidiaries	116

TITLE	CORRESPONDING PAGES OF THE ANNUAL REPORT
8. Reserves - Property, plant and equipment	114
8.1 Most significant tangible assets	114
8.2 Environmental issues concerning the most significant fixed assets	95-97
9. Review of the financial position and results	35-45
9.1 Financial position	35-45
9.2 Operating income	36-39
10. Cash and capital	36-44
10.1 Information on short-term and long-term capital	36-39, 43-44
10.2 Source, amount and description of cash flows	38
10.3 Borrowing conditions and financing structure	43
10.4 Restrictions on the use of capital having a significant effect on operations	43-44
10.5 Sources of financing planned for the main investments considered and major charges on the most significant tangible fixed assets	44
11. Research and development, patents and licences	none
12. Information on trends	44-45
12.1 Principal trends affecting production, sales and stocks, costs and sale prices since the close of the last fiscal year	44-45
12.2 Known trends, uncertainties, commitments and events that could significantly affect the outlook for the current fiscal year	45
13. Projections or estimates of sales and investment budgets	43, 45
14. Administration, management and supervisory bodies and executive management	59-67
14.1 Information on the members of the administrative and management bodies	59-62
14.2 Conflicts of interest, commitments on appointments, restrictions on the sale of interests in the share capital of the issuer	67-69
15. Compensation and benefits	76-81
15.1 Compensation allocated in the last fiscal year, of any kind, to each member of the administrative, management and supervisory bodies	76-81
15.2 Sums provisioned or recognised for pensions, retirement or other benefits	79-80

TITLE	CORRESPONDING PAGES OF THE ANNUAL REPORT
16. Functioning of administrative and management bodies	68-76
16.1 Expiry date of current terms and taking office dates	64-67
16.2 Contracts with the issuer or its subsidiaries granting benefits under the terms of such contracts	68-69
16.3 Information on the company's audit committee and compensation committee	74-76
16.4 Compliance with the system of corporate governance in force in France	59
17. Employees	86-89
17.1 Number of employees at the end of the last three fiscal years; geographical distribution and distribution by type of activity	87
17.2 Employee shareholding and stock options	88-89
17.3 Agreements stipulating an employee shareholding in the capital of the issuer	88-89
18. Principal shareholders	90-93
18.1 Interest held above the thresholds that must be disclosed (known interests)	92
18.2 Voting rights of the principal shareholders exceeding their share of capital	92
18.3 Control of the issuer exercised by one or more shareholders	93
18.4 Agreements known to the issuer, the implementation of which could result in a change in control	93
19. Related-party transactions	113
20. Financial information about the assets, financial position and the results of the issuer	45
20.1 Historical financial information	45
20.2 Pro forma financial information	n/a
20.3 Annual financial statements	121-187
20.4 Audit of the annual historical financial information	45
20.4.1 Audits of the historical financial information	45
20.4.2 Other information featured in the Annual Report and audited by the statutory auditors	45
20.4.3 Financial information featured in the Annual Report and not drawn from the issuer's certified financial statements	none
20.5 Date of the latest audited financial information 31 December 2009	31 december 2010

TITLE	CORRESPONDING PAGES OF THE ANNUAL REPORT
20.6 Interim and other information	n/a
20.6.1 Quarterly or half-yearly financial information established since the date of the last audited financial statements	n/a
20.6.2 Interim financial information for the first six months of the fiscal year following the end of the last fiscal year audited	n/a
20.7 Distribution policy	93
20.8 Litigation and arbitration	113-114
20.9 Significant change in the financial or commercial situation	44-45
21. Additional information	99-111
21.1 Share capital	99
21.1.1 Capital subscribed and capital authorised	99-103
21.1.2 Shares not representing capital	n/a
21.1.3 Shares held by the issuer or by its subsidiaries	103-107
21.1.4 Securities conferring future rights on the issuer's share capital	107
21.1.5 Conditions governing any right of acquisition and/or any obligation attached to the subscribed capital but not paid, or to any capital increase	n/a
21.1.6 Capital of any group portion subject to an option	n/a
21.1.7 History of the issuer's share capital over the last three years	107-108
21.2 Charter and Articles of Association	110
21.2.1 Corporate purpose of the issuer	110
21.2.2 Provisions of the Articles of Association and charters governing the members of the administrative, management and supervisory bodies	110
21.2.3 Rights, privileges and restrictions attached to each class of existing shares	110
21.2.4 Actions necessary to modify the rights of shareholders	111
21.2.5 General Shareholders' Meeting notices and conditions of admission	111
21.2.6 Provisions of the Articles of Association, charter or Bylaws of the issuer that could delay, defer or prevent a change in control	111
21.2.7 Declarations of ownership thresholds exceeded	111
21.2.8 Conditions more stringent than the law for modifying the share capital	111
22. Major contracts	45
23. Information from third-parties, statements from appraisers and statements of shareholding	115
24. Publicly available documents	115
25. Information on equity interests	136