H1 2013

INTERIM FINANCIAL REPORT

MAUREL & PROM

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2 PERSON RESPONSIBLE FOR THE INTERIM FINANCIAL REPORT

As the Chief Financial Officer of Etablissements Maurel & Prom ("**Maurel & Prom**" or the "**Company**"), and reporting to the Chairman and Chief Executive Officer Mr Jean-François Hénin, Mr Michel Hochard is responsible for the financial information and the interim financial report.

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Certification

"I hereby certify that, to the best of my knowledge, the condensed interim financial statements have been prepared in accordance with applicable accounting standards and give a true and fair picture of the assets, financial position and income of the Company and its consolidated entities, and that the interim management report on pages 4 to 16 offers a true and fair picture of the significant events in the first six months of the fiscal year, their impact on the financial statements, the main transactions between related parties, as well as a description of the main risks and uncertainties for the remaining six months of the year."

The Chief Financial Officer

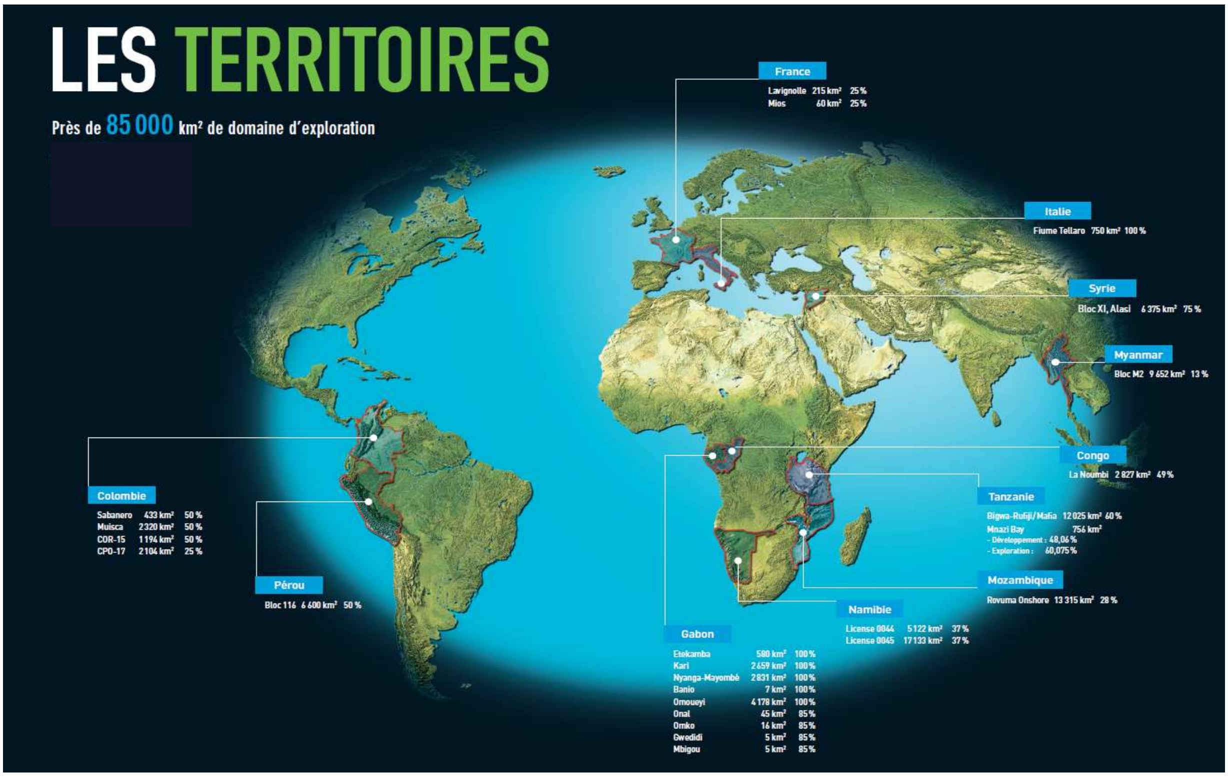
Michel Hochard,
Paris, Wednesday 28 August 2013

In order to make this report easier to read, Etablissements Maurel & Prom will be referred to as the "Company" or "Maurel & Prom", and Maurel & Prom and/or any of its subsidiaries together will be referred to as the "Maurel & Prom Group" or the "Group".

3 THE GROUP'S POSITIONING AT 30 JUNE 2013

Maurel & Prom is an independent mid-size player specialising in Africa and Latin America. The Group's teams combine experience and references in its various fields of activity.

As at 30 June 2013, Maurel & Prom was present in six operating permits and twenty exploration permits.



Maurel & Prom's strategy is based on capitalising on its exploration activities and rapidly bringing its discoveries into production.

At 30 June 2013, the Group's characteristics are as follows:

- current production of around 22,000 boepd as its own share;
- 2P oil reserves net of royalties estimated at 198 Mbbls;
- substantial oil and gas resources;
- high-potential territories for exploration of more than 85,000 km²;
- experienced teams from well-known oil companies.

The Group has launched a strategy to diversify its asset portfolio. The joint investment vehicle formed with MPI (Saint-Aubin Energie), the financial resources available to the Group, thanks in particular to the current level of production in Gabon, and the knowledge of the oil industry possessed by the Group's teams, are key assets in ensuring that this strategy is a success.

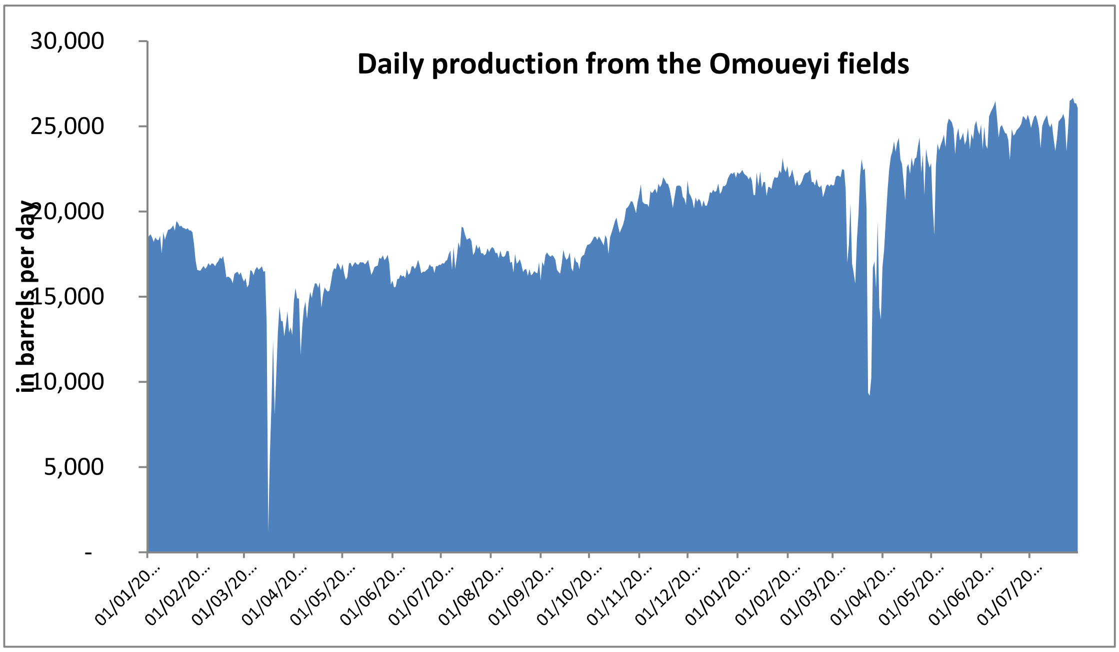
4 GROUP ACTIVITY IN THE FIRST HALF OF 2013

Activity over the first half of 2013 focused primarily on the development of production assets and the diversification of the asset portfolio.

4.1 Continued development of fields in Gabon

4.1.1 Sustained increase in production from the Omoueyi fields

Gross production from the fields increased by more than 16% compared to Q1 2013 to stand at 23,831 boepd over Q2 2013, and by more than 36% compared to H1 2012 at 22,300 boepd over H1 2013, thereby confirming the ramping up of production from Omoueyi AEEs (exploration and operation permits).



4.1.2 Production resumes at Banio (100%)

Production at the Banio field, which was suspended in July 2012 following a pump failure, resumed at the end of March 2013, at a production level of around 300 boepd.

4.1.3 Objective for the second half of 2013

Production for Q3 should be slightly above that for Q2, while the increase in production will be more marked in Q4 2013.

The Group reaffirms its objective to achieve output (at 100%) of approximately 27,500 boepd in Gabon by the end of 2013. This will be achieved through the connection of new wells and the effect of water injection.

4.2 Gas sales in Tanzania

In Tanzania, gas sales on the Mnazi Bay permit amounted to US$771 K. The sale price is set at US$5.36/MMBtu. The Company is currently in the process of negotiating a gas sales contract with the Tanzanian authorities with a view to increasing the volumes of gas produced and sold.

4.3 Continuation of exploration activity

4.3.1 In Colombia

Production at the Sabanero field was between 1,000 and 1,300 boepd (excluding interruptions) pending possible work. This field remains in test phase, until the required production permit is obtained.

The Santa Fe-1 well, drilled to a depth of 2,527 m MD (gas target) on the SSJN9 permit (25%), was sealed and abandoned. As a consequence of this, the permit was relinquished.

On the Sabanero permit, the Chaman-1 well, drilled in the central part of the permit (approximately 6 km from its central producing area) revealed a new oil discovery in the C7 formation (12 ° API). A production test showed an oil flow rate of 174 boepd.

4.3.2 In Peru

The operator, Pacific Rubiales, has begun civil engineering works. Drilling of the Dominguza prospect should start by the end of the year.

4.3.3 In the Congo

The Kola-1 and Kola-2 wells, located on the La Noumbi permit in the Congo (M&P operator, 49%), failed to achieve the expected oil objectives. Samples of oil traces were taken and should allow for a better understanding of the region’s oil system.

4.3.4 In Gabon

Following the failure of the wells drilled on the Etekamba permit, the Group decided to free up this permit.

On the Kari permit, the 2D seismic data survey is still in progress. The teams will then move on to the Nyanga Mayombé permit.

On the Omoueyi permit, teams have processed the seismic lines acquired in 2012 in order to reveal prospects to drill. Initial drilling operations are expected to begin by the end of the year.

4.3.5 In Namibia

In Namibia, the Group acquired seismic lines in 2012. These are currently subject to processing and analysis. Particular attention is being paid to the drilling carried out by HRT to the north of the permits held by Maurel & Prom.

4.3.6 In Tanzania

Two seismic data surveys have been launched in Tanzania on the Mnazi Bay and Bigwa Rufiji Mafia permits, in order to gain a better understanding of the oil systems in this area rich in gas resources.

4.3.7 In Mozambique

The operator, Anadarko, is currently conducting a seismic survey. It has been granted additional time to drill at least two exploration wells in early 2014.

4.4 Diversification of the asset portfolio

4.4.1 Formation of a joint venture with MPI: Saint-Aubin Energie

Maurel & Prom and MPI have entered into a partnership through Saint-Aubin Energie. One-third of the share capital of this company is held by Maurel & Prom and two-thirds by MPI.

Under the terms of this partnership, new development projects will first be proposed to the joint venture which will be responsible for their fulfilment, with each of the two shareholding companies being free to develop its own traditional field of activity.

This new company therefore combines the acknowledged technical expertise of Etablissements Maurel & Prom and the financial resources of MPI. Moreover, human resources will be made available to the joint venture by Maurel & Prom, under the terms of a service agreement.

In the first half of 2013, the company signed a partnership with PetroVietnam in Myanmar. In addition, two other agreements have been signed since 30 June 2013 in Canada.

4.4.2 Myanmar

In late May 2013, Saint-Aubin Energie (1/3 Maurel & Prom) signed an agreement with PetroVietnam to acquire interests in the M2 block, located off the coast of Myanmar.

MP EAST ASIA, a wholly-owned subsidiary of Saint-Aubin Energie, acquired a 40% stake in this permit, operated by PetroVietnam, from the effective date i.e. 13 May 2013.

Myanmar Oil and Gas Enterprise (MOGE) holds a 20% right of reversion on the permit in the event of a commercial discovery.

Two exploration wells are to be drilled in 2013. The first drilling revealed the presence of gas, the extent of which is currently being assessed by the operator.

Following this first partnership, MP EAST ASIA and PetroVietnam are in talks to reach a cooperation agreement in order to exchange information and undertake new investment projects in Vietnam or in any other country in which the parties may have projects, for an initial period of two years.

4.4.3 Canada

Agreement with Petrolia

In July 2013, Petrolia and Saint-Aubin Energie signed a 50/50 partnership agreement for the development of thirteen hydrocarbon research permits on the Gaspé Peninsula. The partners are also in discussions to extend their collaboration to other areas in Quebec that will be added to existing permits. These cover an area of 1,892 km^2 on the Gaspé Peninsula. The targets sought are to be found in reservoirs of a non-conventional nature, though this does not rule out the presence of conventional deposits. Over the coming months, technical teams from Petrolia and Maurel & Prom will work towards the development of a voluntary exploration programme. They will pool their technical expertise in exploration and production, initially appointing Petrolia as operator for the performance of the work.

Agreement with Deep Well Oil & Gas

At the end of July 2013, Saint-Aubin Energie signed an agreement with Deep Well Oil & Gas, relating to the acquisition of a 20% stake in Deep Well Oil & Gas as well as the sale of half of the equity interests held by Deep Well Oil & Gas in 12 blocks in the Peace River oil sands region in Alberta and an option covering a further 56 blocks for which Deep Well Oil & Gas is the operator. A sum of US$22 million was paid to Deep Well Oil & Gas as part of this agreement.

The pilot implementation works are operated by Andora (50% stake) and will begin shortly, with drilling operations. They will be followed in the autumn by the implementation of equipment and facilities to develop a steam assisted gravity drainage (SAG-D) injection process, paving the way for production to begin in early 2014.

MP West Canada, a wholly-owned subsidiary of Saint-Aubin Energie, has committed to invest in the pilot unit up to a maximum of US$40 million, and according to the results of the pilot, to provide funding of up to US$110 million for the development and production phase.

4.5 Exercise of Tuscany share subscription warrants

On 20 March 2013, Maurel & Prom informed its shareholders of the exercise of the Tuscany International Drilling ordinary-share warrants, held since the sale of Caroil, with a view to acquiring 27,500,000 ordinary shares in the capital of Tuscany International Drilling without consideration.

Following the exercise of the warrants, Maurel & Prom now owns or has control over more than 109,000,000 ordinary shares in Tuscany International Drilling, equivalent to 29.05% of the ordinary shares issued and outstanding.

The financial data published by Tuscany in respect of its position at 30 June 2013 and its share price led the Group to lower the value-in-use of its equity interest shown on the balance sheet.

4.6 Restructuring the line of credit

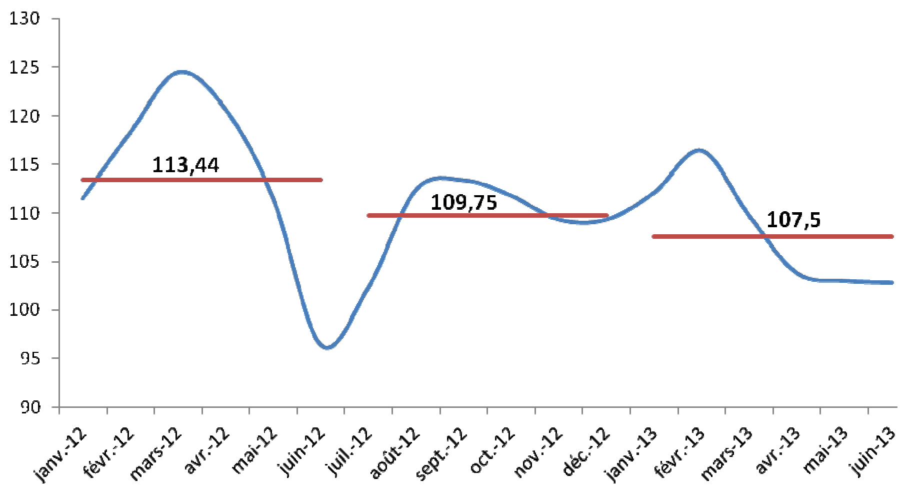
On 29 May 2009, the Group entered into a US$255 million bank credit facility (Reserve Based Loan or “RBL”). This RBL was increased to US$330 million in January 2011. The amount drawn down as at 31 December 2012 was US$130 million.

On 8 November 2012, the Group announced that a new line of credit had been set up in the amount of US$350 million (Senior Secured Facility). This was drawn down in full on 25 January 2013. At the same time, the Group repaid the entire outstanding RBL (US$130 million) as well as the BGFI loan (€15 million).

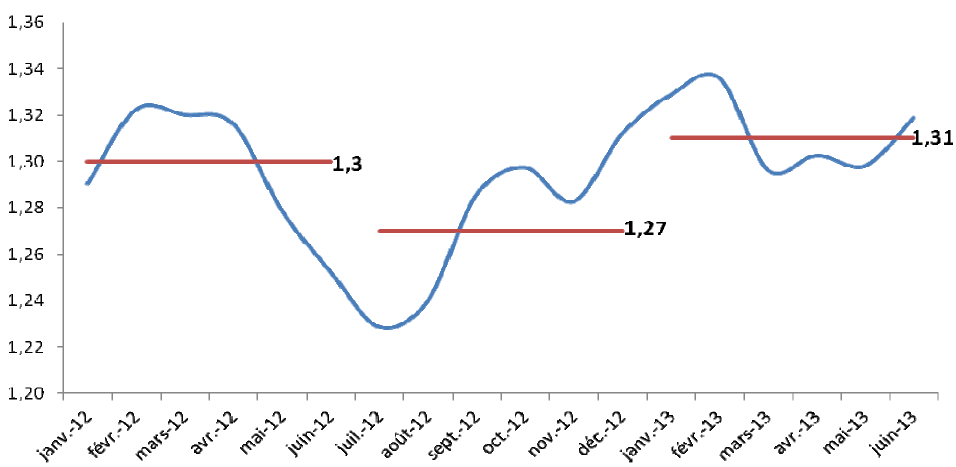
5 FINANCIAL POSITION AT 30 JUNE 2013

5.1 Economic environment

The average price of Brent in the first half of 2013 was US$107.50 compared to US$113.44 in the first half of 2012. Its average price in June 2013 stood at US$102.92 compared to US$95.16 in June 2012.



In the first half of 2013, the average €/US$ exchange rate was 1.3133, compared to 1.2972 in the first half of 2012. At 30 June 2013, the €/US$ exchange rate was 1.3080, compared to 1.2590 at 30 June 2012.



5.2 Financial elements

5.2.1 Sales

in €M	**Q1 2013**	**Q2 2013**	**H1 2013**	**H1 2012**	*Chg.*
Exchange rate	*1.32*	*1.32*	*1.31*	*1.297*	
Oil production	**129.1**	**137.4**	**266.5**	**219.3**	*+22%*
Gabon	*125.8*	*134.4*	*260.2*	*210.9*	
Colombia	*3.0*	*2.7*	*5.7*	*8.0*	
Tanzania	*0.3*	*0.3*	*0.6*	*0.4*	
Other	**-16.1**	**19.9**	**3.8**	**6.6**	*-42%*
Impact of hedges	*-0.9*	*-0.6*	*-1.5*	*-9.8*	
Inventory effect	*-15.2*	*20.5*	*5.3*	*16.4*	
Consolidated sales	**113.0**	**157.3**	**270.3**	**225.9**	*+20%*

Group consolidated sales in the first half of 2013 were €270 million, up 20% on the same period in 2012. This rise was mainly due to increased production in Gabon. The adverse effect of the first quarter's unexploited entitlements was fully rectified in the second quarter of 2013.

The average sale price was US$104.6 per barrel, down 7% on the first half of 2012.

Euro/US$ exchange rate movements had little impact on euro-denominated sales in the first half of 2013 (approximately 2%).

Oil hedges put in place by the Group had a limited effect. During the first half of 2013, 500 barrels were hedged per day at an average price of US$80.

5.2.2 Operating income

In thousands of euros	**30/06/2013**	**30/06/2012**
Sales	**270.3**	**225.9**
Gross margin	219.7	182.4
as % of sales	*81%*	*81%*
Gross operating surplus	**193.9**	**163.8**
as % of sales	*72%*	*73%*
Amortisation and depreciation of depletion and other impairment	-55,0	-34.6
Income from production activities	***138.8***	***129.2***
as % of sales	*51%*	*57%*
Exploration expenses	-28.3	-30.0
Income from production and exploration activities	***110.5***	***99.1***
as % of sales	*41%*	*44%*
Other operating items	0.6	-13.0
Operating income	**111.1**	**86.1**
as % of sales	*41%*	*38%*

Operating income for the first half of 2013 totalled €111 million, representing an increase of 30%. The improvement in this figure is primarily due to increased production in Gabon.

The increase in amortisation and depreciation at the production unit is due to the substantial increase in production between the first half of 2012 and the first half of 2013.

Exploration expenses, which remained stable year-on-year, relate to the returns from the SSJN9 permit in Colombia and Etekamba in Gabon. The Kola-1 and Kola-2 wells in the Congo were expensed on the basis of the results obtained.

5.2.3 Financial income

In the first half of 2013, financial income was negative, standing at -€22 million. The interest expense on the OCEANE 2014 and 2015 bonds amounted to €17.6 million, of which €4.7 million corresponded to technical expenses for "debt readjustment" and interest on bank loans of -€5.3 million.

5.2.4 Net income

The Group's net income before tax stands at €89 million. The corporation tax payable (€19 million) corresponds mainly to the recognition of the government's share of profit oil on the Omoueyi and Nyanga Mayombé permits and on the dividend withholding tax borne by Etablissements Maurel & Prom.

The deferred tax charge (€37 million) reflects the posting of the tax based on the difference between the recognition of the recoverable costs, on a tax base, and the recognition of these costs in the consolidated financial statements under the Omoueyi permit.

The financial data published by Tuscany in respect of its position at 30 June 2013 and its share price led the Group to lower the value-in-use of its equity interest shown on the balance sheet, which now stands at €35 million.

Consequently, the Group's net income for the first half of 2013 was -€8.5 million.

5.2.5 Investments

The Group's total investments for the first half of 2013 amount to €154 million. The breakdown by country and by business is given in the following table:

in €M	GABON	CONGO	TANZANIA	MOZAMBIQUE	MYANMAR	**SUBTOTAL**	COLOMBIA	**TOTAL**
Exploration	4	7	16	3	9	**39**	5	**44**
Development	102	0	0	0	0	**103**	6	**110**
TOTAL	106	7	17	3	9	**142**	11	**154**

5.2.6 Cash flow

At 30 June 2013, Maurel & Prom had cash of €231.4 million. Cash flow over the period corresponds to:

- investments in the amount of €154 million (including €8.5 million in Myanmar).
- dividend payment in the amount of €46 million;
- cash flow generated by operating activities (+€212 million);

- proceeds from the facility set up in Gabon for US$350 million (€267.1 million);
- repayment of the RBL, of which US$130 million (€98 million) was drawn down at 31 December 2012, and the BGFI line of credit for €15 million.

6 OIL RESERVES AND RESOURCES

Disclaimer:

The Group's reserves correspond to volumes of hydrocarbons revealed by discovery and delineation wells that can be operated commercially. P1 (proven), P2 (probable) and P3 (possible) oil reserves net of royalties were evaluated by DeGolyer and MacNaughton on 1 January 2013 for Gabon and by GLJ for Colombia.

Gas resources on the Mnazi Bay permit in Tanzania were evaluated by RPS-APA on 30 September 2007.

Included in our "Additional hydrocarbon resources" classification are resources corresponding to volumes of hydrocarbons that have been revealed but which have not been made the subject of a development plan and for which the development economics are still to be proven. These resources were evaluated by DeGolyer and MacNaughton on 1 January 2008 for Sicily, and by GLJ on 1 January 2013 for Colombia.

In line with the Group's historical 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, concession, etc.).

6.1 Oil reserves (M&P share net of royalties)

As at 1 January 2013, the Group's P1+P2 oil reserves amounted to 198 Mboe, up 7% on the figure for the same date the previous year. These amounts are shown as the Group's share, net of royalties.

		unit	P1	P2	P1+P2	P3
OMOUEYI	85%	Mboe	53.8	140.5	194.4	94.5
BANIO	100%	Mboe	0.3	0.1	0.4	0.2
GABON		Mboe	54.2	140.6	194.8	94.7
SABANERO	50%	Mboe	2.1	1.3	3.4	3.6
COLOMBIA		Mboe	2.1	1.3	3.4	3.6
TOTAL Oil		Mboe	56.3	141.9	198.2	98.4

The changes in P1+P2 reserves in relation to the previous year correspond to:

- production for 2012, primarily in Gabon, -5.5 Mboe
- an upward revaluation of P1+P2 reserves in Gabon, +23.1 Mboe;
- a downward revaluation of P1+P2 reserves at Sabanero in Colombia, -4.2 Mboe.

In Gabon the results of drilling carried out in 2012 and improvements in water injection management helped to increase the Group's reserves. In addition to these P1 and P2 reserves, the Group also has 95 Mboe of P3 reserves net of royalties.

In Colombia, the Sabanero field reserves were evaluated by GLJ, an independent certifier based in Canada. It showed that Maurel & Prom's share of reserves net of royalties were 2.1 Mboe (P1) and 1.3 Mboe (P2). The downward revision is the result of flooding observed on this field's production wells in 2012. The reserves published by Pacific Rubiales Energy are higher, as their certifier uses historical data provided by the operator for similar fields in Quifa and Rubiales to which GLJ did not have access. The P3 reserves for this field total 3.6 Mboe.

6.2 Gas resources (M&P share net of royalties)

While awaiting the finalisation of an agreement on gas sales which is currently under discussion with the Tanzanian authorities, the Group has published details of the resources evaluated by RPS-APA for the Mnazi Bay permit. This report, dated 30 September 2007, remains valid.

During the first half of 2012, the Group exercised its right of pre-emption on Cove Energy's interest in the Mnazi Bay concession. Following this operation, Maurel & Prom's interest in this permit increased to 48.06%. Consequently, the Group's C1+C2 resources total 294 Bscf, or 52.5 Mboe.

C3 resources at this Mnazi Bay field were 433 Bscf, or 77 Mboe. A 3D seismic survey is in progress regarding the possible extension of this offshore deposit in order to refine our understanding of this region prolific in gas.

To this, the potential linked to the drilling of the Mafia Deep well must be added. The volume of local natural gas related to this well was evaluated by Schlumberger to be between 1.97 and 4.15 Tscf (the Group's share net of royalties would be between 1.0 and 2.2 Tscf).

6.3 Additional resources (M&P share net of royalties)

The volumes of hydrocarbons shown in the table below correspond to an evaluation of resources (net of royalties) linked to discoveries or to wells that have revealed the presence of hydrocarbons, but which have not yet been assessed.

			Type of hydrocarbon	2013
COLOMBIA	CPO-17	*25.00%*	Oil	41 Mboe
SICILY	Fiume Tellaro	*100.00%*	Gas	1.8 Tscf

In Colombia, the resources have been evaluated by GLJ, an independent certifier, and total 41 Mboe on the CPO-17 field (net of royalties). It should be noted that the single Godric field discovery in December 2012 allows the Group to increase its resources by 13.3 Mboe (Group share net of royalties).

6.4 Additional exploration potential

The resources mentioned above do not take into account the potential linked to the intensive exploration activity which began this year in the form of seismic data acquisition surveys and well drilling.

Glossary:
Tscf: trillion cubic feet
Bscf: billion cubic feet
Mboe: million barrels of oil equivalent
Mbbls: millions of barrels

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

7 SHAREHOLDERS' EQUITY AND CORPORATE LIFE

7.1 General Shareholders' Meeting

The Combined General Meeting of Maurel & Prom's shareholders held on Thursday 13 June 2013 and chaired by Mr Jean-François Hénin, Chairman and Chief Executive Officer, approved all of the resolutions proposed.

The General Meeting approved the company and consolidated financial statements for the fiscal year ended 31 December 2012 and discharged the Board of Directors.

7.2 Dividend

At the proposal of the Board of Directors, the General Shareholders' Meeting approved the payment of a €0.40 dividend for fiscal year 2012. This dividend was paid out on 26 June 2013.

7.3 Total number of voting rights and shares comprising the capital

Pursuant to Article L. 233-8 II of the French Commercial Code and the General Regulations of the AMF (French Financial Markets Authority), Maurel & Prom hereby informs its shareholders that the total number of voting rights and shares comprising its capital at 30 June 2013 was as follows:

Date	Number of shares comprising the capital	Number of voting rights
30 June 2013	121,524,952	Theoretical*: 133,359,953 Exercisable: 127,520,307

** Theoretical voting rights = total number of voting rights attached to the total number of shares, including treasury shares without voting rights.*

7.4 New address

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7.5 Risks and uncertainties

The Group's income is sensitive to various market risks. The most significant are the price of hydrocarbons and the €/US$ exchange rate.

To alleviate uncertainty over the price of hydrocarbons, the Group has implemented a hedging policy as described in Note 8 of the notes to the consolidated financial statements.

With regard to exchange rates, the Group anticipates currency movements by pricing inflows in US dollars against works and expenses. However, as the Group is responsible for financing its subsidiaries, its operating currency is primarily the US dollar, which is then revalued in euros, its reporting currency, leading to fluctuations due to the volatility of the €/US$ exchange rate. These revaluations can lead to significant fluctuations in financial income. They are not subject to specific hedging.

Given its sustained exploration activity, large amounts are involved. In the event that the exploration fails, the Group may need to post corresponding exploration expenses.

The risks associated with Maurel & Prom's activities are described in Chapter 2 of the Group's 2012 Annual Report.

8 GROUP CONSOLIDATED FINANCIAL STATEMENTS

8.1 Statement of financial position

8.1.1 Assets

In thousands of euros	Note	30/06/2013	31/12/2012
Intangible assets	4	452,733	441,533
Property, plant and equipment	5	939,279	870,778
Non-current financial assets		942	740
Equity associates	6	34,745	72,496
Deferred tax assets	16	4,657	6,751
Non-current assets		**1,432,356**	**1,392,298**
Inventories		4,888	5,060
Trade receivables and related accounts	7	67,200	75,287
Other current financial assets	7	33,648	40,426
Other current assets	7	58,412	60,573
Income tax receivable	16	419	290
Current derivative instruments	8	1,410	2,166
Cash and cash equivalents	9	231,915	67,371
Current assets		**397,892**	**251,173**
Total Assets		**1,830,249**	**1,643,471**

8.1.2 Liabilities

In thousands of euros	Note	30/06/2013	31/12/2012
Share capital		93,573	93,565
Additional paid-in capital		218,376	218,280
Consolidated reserves		496,417	470,361
Treasury shares		(74,179)	(72,737)
Net income, Group share		(8,367)	58,079
Equity, Group share		**725,820**	**767,548**
Non-controlling interests		(2,553)	2,408
Total equity		**723,267**	**769,956**
Non-current provisions	10	9,076	8,531
Non-current bonds	11	351,494	346,752
Other non-current borrowings and financial debt	11	261,734	0
Other creditors and miscellaneous non-current liabilities	12	83,958	0
Deferred tax liabilities	16	216,595	179,975
Non-current liabilities		**922,857**	**535,258**
Current bond borrowing	11	23,867	10,933
Other current borrowings and financial debt	11	542	113,707
Trade payables and related accounts	12	98,162	104,028
Income tax payable	16	2,737	2,506
Other creditors and miscellaneous liabilities	12	46,752	93,678
Current derivative instruments	8	1,717	5,787
Current provisions	10	10,347	7,618
Current liabilities		**184,124**	**338,257**
Total Liabilities		**1,830,249**	**1,643,471**

8.2 Changes in shareholders' equity

In thousands of euros	Capital	Treasury shares	Premiums	Derivative instruments	Other reserves	Exchange gain/loss	Income for the fiscal year	Shareholders' equity, Group share	Non-controlling interests	Total shareholders' equity
1 January 2012	**93,550**	**(76,246)**	**221,199**	**(10,704)**	**338,621**	**34,129**	**164,560**	**765,110**	**1**	**765,111**
Net income from continuing operations							32,428	32,428		**32,428**
Other comprehensive income				3,997		18,996		22,993		**22,993**
Total comprehensive income				**3,997**		**18,996**	**32,428**	**55,421**		**55,421**
Allocation of income – Dividends					118,354		(164,561)	(46,207)		**(46,207)**
Increase/decrease in capital	15		211					225		**225**
Bonus shares					1,335			1,335		**1,335**
Movements on treasury shares		(551)			18			(533)		**(533)**
Total transactions with shareholders	**15**	**(551)**	**211**		**119,707**		**(164,561)**	**(45,180)**		**(45,180)**
30 June 2012	**93,565**	**(76,798)**	**221,410**	**(6,708)**	**458,326**	**53,125**	**32,427**	**775,352**	**1**	**775,353**

In thousands of euros	Capital	Treasury shares	Premiums	Derivative instruments	Other reserves	Exchange gain/loss	Income for the fiscal year	Shareholders' equity, Group share	Non-controlling interests	Total shareholders' equity
1 January 2013	**93,565**	**(72,737)**	**218,280**	**(3,885)**	**454,827**	**19,419**	**58,079**	**767,547**	**2,408**	**769,956**
Net income from continuing operations							(5,691)	(5,691)	(136)	**(5,827)**
Income from discontinued activities							(2,676)	(2,676)		**(2,676)**
Other comprehensive income				2,425		6,363		8,788	(22)	**8,766**
Total comprehensive income				**2,425**		**6,363**	**(8,367)**	**421**	**(158)**	263
Allocation of income – Dividends					11,808		(58,079)	(46,271)		**(46,271)**
Increase/decrease in capital	8		96					104		**104**
Other reclassifications*					4,803			4,803	(4,803)	
Bonus shares					779			779		**779**
Movements on treasury shares		(1,442)			(122)			(1,564)		**(1,564)**
Total transactions with shareholders	**8**	**(1,442)**	**96**		**17,268**		**(58,079)**	**(42,149)**	**(4,803)**	**(46,952)**
30 June 2013	**93,573**	**(74,179)**	**218,376**	**(1,460)**	**472,095**	**25,782**	**(81367)**	**725,820**	**(2,553)**	**723,267**

** Reclassification of the share of minority interests as part of the acquisition of Cyprus Mnazi Bay Ltd*

8.3 Consolidated statement of comprehensive income

8.3.1 Net income for the period

In thousands of euros	Note	30/06/2013	30/06/2012
Sales		270,337	225,900
Other income		499	635
Purchases and change in inventories		(8,672)	(3,893)
Other purchases and operating expenses		(42,513)	(40,218)
Tax expense		(17,908)	(14,446)
Personnel expense		(7,865)	(4,179)
Amortisation and depreciation allowance		(55,035)	(34,620)
Depreciation of exploration and production assets		(28,343)	(30,037)
Provisions and impairment of current assets		(642)	(12,481)
Reversals of operating provisions		4	4
Other expenses		1,278	(555)
Operating income	**13**	**111,140**	**86,110**
Gross cost of debt		*(23,031)*	*(18,925)*
Income from cash		*516*	*443*
Net gains and losses on derivative instruments		*599*	*8,329*
Net cost of debt		(21,916)	(10,154)
Other financial income and expenses		(94)	4,538
Financial income	**15**	**(22,010)**	**(5,616)**
Income before tax		**89,130**	**80,494**
Income tax	16	(56,466)	(47,964)
Net income from consolidated companies		**32,664**	**32,530**
Net income from equity associates	6	(38,490)	(102)
Net income from continuing operations		**(5,826)**	**32,428**
Net income from discontinued activities	14	(2,676)	0
Consolidated net income		**(8,502)**	**32,428**
Net income, Group share		*(8,367)*	*32,428*
Non-controlling interests		*(136)*	*0*
Earnings per share			
Basic		-0.074	0.28
Diluted		-0.074	0.25
Earnings per share from discontinued activities			
Basic		-0.02	0.00
Diluted		-0.02	0.00
Earnings per share from continuing operations			
Basic		-0.050	0.28
Diluted		-0.050	0.25

8.3.2 Comprehensive income for the period

In thousands of euros	30/06/2013	30/06/2012
Net income for the period	**(8,502)**	**32,428**
Other comprehensive income		
Exchange gains/loss	6,340	18,996
- of which recycled through discontinued activities		
Derivative instruments	2,425	3,997
- Change in fair value of unexpired hedges (in existence the previous year)	*1,757*	*5,539*
- Fair value of new hedges for the period recognised as equity	*0*	*0*
- Fair value of the portion of hedges recycled through the income statement	*668*	*(1,542)*
Total comprehensive income for the period	**263**	**55,421**
- Group share	*421*	*55,421*
- Non-controlling interests	*(158)*	*0*

8.4 Cash flow statement

In thousands of euros	Note	30/06/2013	30/06/2012
Consolidated income from continuing operations before tax		**50,640**	**80,394**
- Net allowances (reversals) of amortisation, depreciation and provisions		57,297	38,185
- Unrealised gains (losses) due to changes in fair value		(1,069)	10,615
- Exploration expenses		28,343	30,037
- Calculated expenses and income related to stock options and similar benefits		692	1,120
- Other calculated income and expenses		17,124	17,318
- Gains (losses) on asset disposals		1,747	0
- Share of income from equity associates		38,490	102
- Other financial items		5,357	1,626
Cash flow before tax		**198,621**	**179,397**
Payment of tax due		(19,316)	(15,645)
Change in working capital requirements for operations		32,907	(5,386)
- Customers		8,700	(15,889)
- Suppliers		(6,657)	28,024
- Inventories		207	2,267
- Other		30,657	(19,788)
NET CASH FLOW FROM OPERATING ACTIVITIES		**212,212**	**158,366**
Payments associated with acquisitions of property, plant and equipment and intangible assets		(153,747)	(136,372)
Payments associated with acquisitions of financial assets (unconsolidated securities)		13	0
Proceeds from disposals of financial assets (unconsolidated securities)		61	0
Acquisition of subsidiaries		9	0
Change in loans and advances granted		4,658	1,766
Other cash flows from investment activities		36	0
NET CASH FLOW FROM INVESTMENT ACTIVITIES		**(148,970)**	**(134,606)**
Amounts received from shareholders for capital increases		103	225
Dividends paid		(46,271)	(46,206)
Proceeds from new loans		267,151	1,770
Interest paid		(5,357)	(1,626)
Borrowing repayments		(113,539)	(111)
Treasury share acquisitions		(1,442)	(551)
NET CASH FLOW FROM FINANCING ACTIVITIES		**100,645**	**(46,499)**
Impact of exchange rate fluctuations		282	452
CHANGE IN NET CASH		**164,169**	**(22,287)**
Cash at start of period		67,240	60,699
NET CASH AND CASH EQUIVALENTS AT END OF PERIOD	**9**	**231,409**	**38,411**

8.5 Notes to the consolidated financial statements

8.5.1 NOTE 1: GENERAL INFORMATION

Activity over the first half of 2013 focused primarily on the development of production assets and the diversification of the asset portfolio.

In Gabon, gross production from the fields increased by more than 16% compared to Q1 2013 to stand at 24,138 boepd over Q2 2013, and by more than 36% compared to H1 2012 at 22,455 boepd over H1 2013, thereby confirming the ramping up of production from the Omoueyi AEEs (exploration and operation permits).

Production at the Banio field, which was suspended in July 2012 following a pump failure, resumed at the end of March 2013, at a production level of around 300 boepd.

Production for Q3 should be slightly above that for Q2, while the increase in production will be more marked in Q4 2013.

The Group reaffirms its objective to achieve output (at 100%) of approximately 27,500 boepd in Gabon by the end of 2013. This will be achieved through the connection of new wells and the effect of water injection.

Following the failure of the wells drilled on the Etekamba permit, the Group decided to free up this permit.

On the Kari permit, the 2D seismic data survey is still in progress. The teams will then move on to the Nyanga Mayombé permit.

On the Omoueyi permit, teams have processed the seismic lines acquired in 2012 in order to reveal prospects to drill. Initial drilling operations are expected to begin by the end of the year.

In Tanzania, gas sales on the Mnazi Bay permit amounted to US$771 K. The sale price is set at US$5.36/MMBtu. The Company is currently in the process of negotiating a gas sales contract with the Tanzanian authorities with a view to increasing the volumes of gas produced and sold.

In Colombia, production at the Sabanero field was between 1,000 and 1,300 boepd (excluding interruptions) pending possible work. This field remains in test phase, until the required production permit is obtained.

The Santa Fe-1 well, drilled to a depth of 2,527 m MD (gas target) on the SSJN9 permit (25%), was sealed and abandoned. As a consequence of this, the permit was relinquished.

On the Sabanero permit, the Chaman-1 well, drilled in the central part of the permit (approximately 6 km from its central producing area) revealed a new oil discovery in the C7 formation (12 ° API). A production test showed an oil flow rate of 174 boepd.

In Peru, the operator, Pacific Rubiales, has begun civil engineering works. Drilling of the Dominguza prospect should start by the end of the year.

In the Congo, the Kola-1 and Kola-2 wells, located on the La Noumbi permit (M&P operator, 49%), failed to achieve the expected oil objectives. Samples of oil traces were taken and should allow for a better understanding of the region’s oil system.

In Namibia, the Group acquired seismic lines in 2012. These are currently subject to processing and analysis. Particular attention is being paid to the drilling carried out by HRT to the north of the permits held by Maurel & Prom.

In Tanzania, two seismic data surveys have been launched on the Mnazi Bay and Bigwa Rufiji Mafia permits, in order to gain a better understanding of the oil systems in this area rich in gas resources.

In Mozambique, the operator, Anadarko, is currently conducting a seismic survey. It has been granted additional time to drill at least two exploration wells in early 2014.

Maurel & Prom and MPI have entered into a partnership through Saint-Aubin Energie. One-third of the share capital of this company is held by Maurel & Prom and two-thirds by MPI.

Under the terms of this partnership, new development projects will first be proposed to the joint venture which will be responsible for their fulfilment, with each of the two shareholding companies being free to develop its own traditional field of activity.

This new company therefore combines the acknowledged technical expertise of Etablissements Maurel & Prom and the financial resources of MPI. Moreover, human resources will be made available to the joint venture by Maurel & Prom, under the terms of a service agreement.

In the first half of 2013, the company signed a partnership with PetroVietnam in Myanmar. In addition, two other agreements have been signed since 30 June 2013 in Canada.

In late May 2013, Saint-Aubin Energie (1/3 Maurel & Prom) signed an agreement with PetroVietnam to acquire interests in the M2 block, located off the coast of Myanmar.

MP EAST ASIA, a wholly-owned subsidiary of Saint-Aubin Energie, acquired a 40% stake in this permit, operated by PetroVietnam, from the effective date, i.e. 13 May 2013.

Myanmar Oil and Gas Enterprise (MOGE) holds a 20% right of reversion in the event of a commercial discovery.

Two exploration wells are to be drilled in 2013. The first drilling revealed the presence of gas, the extent of which is currently being assessed by the operator.

Following this first partnership, MP EAST ASIA and PetroVietnam are in talks to reach a cooperation agreement in order to exchange information and undertake new investment projects in Vietnam or in any other country in which the parties may have projects, for an initial period of two years.

In early July 2013, Petrolia and Saint-Aubin Energie signed a 50/50 partnership agreement for the development of thirteen hydrocarbon research permits on the Gaspé Peninsula. The partners are also in discussions to extend their collaboration to other areas in Quebec that will be added to existing permits. These cover an area of 1,892 km^2 on the Gaspé Peninsula. The targets sought are to be found in reservoirs of a non-conventional nature, though this does not rule out the presence of conventional deposits. In the coming months, technical teams from Petrolia and Maurel & Prom will work towards the development of a voluntary exploration programme. They will pool their technical expertise in exploration and production, initially appointing Petrolia as operator to carry out the work.

Furthermore, in late July 2013 Saint-Aubin Energie signed an agreement with Deep Well Oil & Gas, relating to the acquisition of a 20% stake in Deep Well Oil & Gas as well as the sale of half of the equity interests held by Deep Well Oil & Gas in 12 blocks in the Peace River oil sands region in

Alberta, and an option covering a further 56 blocks for which Deep Well Oil & Gas is the operator. A sum of US$22 million was paid to Deep Well Oil & Gas as part of this agreement.

The pilot implementation works are operated by Andora (50% stake) and will begin shortly, with drilling operations. They will be followed in the autumn by the implementation of equipment and facilities to develop a steam assisted gravity drainage (SAG-D) injection process, paving the way for production to begin in early 2014.

MP West Canada, a wholly-owned subsidiary of Saint-Aubin Energie, has committed to invest in the pilot unit up to a maximum of US$40 million, and according to the results of the pilot, to provide funding of up to US$110 million for the development and production phase.

On 20 March 2013, Maurel & Prom informed its shareholders of the exercise of the Tuscany ordinary-share warrants, held since the sale of Caroil, with a view to acquiring 27,500,000 ordinary shares in the capital of Tuscany without consideration.

Following the exercise of the warrants, Maurel & Prom now owns or has control over more than 109,000,000 ordinary shares in Tuscany, equivalent to 29.05% of the ordinary shares issued and outstanding.

The financial data published by Tuscany in respect of its position at 30 June 2013 and its share price led the Group to lower the value-in-use of its equity interest shown on the balance sheet, which now stands at €35 million.

On 29 May 2009, the Group entered into a US$255 million bank credit facility (Reserve Based Loan or “RBL”). This RBL was increased to US$330 million in January 2011. The amount drawn down as at 31 December 2012 was US$130 million.

On 8 November 2012, the Group announced that a new line of credit had been set up in the amount of US$350 million (Senior Secured Facility). This was drawn down in full on 25 January 2013. At the same time, the Group repaid the entire outstanding RBL (US$130 million) as well as the BGFI loan (€15 million).

8.5.2 NOTE 2: ACCOUNTING METHODS

The Maurel & Prom Group’s interim condensed consolidated financial statements as at 30 June 2013 have been prepared in accordance with IAS 34 – Interim Financial Reporting, which allows a selection of notes to be presented). As such, the interim consolidated financial statements do not include all the disclosures and information required under IFRS for annual financial statements, and must therefore be read together with the annual financial statements for 2012.

The accounting principles applied for the interim financial statements are not significantly different from those used for the consolidated financial statements at 31 December 2012, drawn up in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and available online at
http://ec.europa.eu/internal_market/accounting/ias_fr.htm#adopted-commission.

New legislation or amendments adopted by the European Union and mandatory from 1 January 2013 have been taken into account.

IAS 1 (amendment): Presentation of other items of comprehensive income
IAS 12 (amendment): Deferred tax – recovery of underlying assets
IAS 19 (revised): Employee benefits

IFRS 7 (amendment): Offsetting Financial Assets and Financial Liabilities
IFRS 13: Fair value measurement
Improvements to IFRS: Set of amendments for the 2009-2011 cycle

These new standards and interpretations have had no material impact on the consolidated financial statements at 30 June 2013.

The Group has chosen not to apply the standards and interpretations which were not mandatory on 1 January 2013, such as:

IFRIC 21 (Levies) (applicable to reporting periods starting on 1 January 2014 – not endorsed)

IFRS 10 (Consolidated Financial Statements), IFRS 11 (Joint Arrangements), IFRS 12 (Disclosure of Interests in Other Entities), IAS 27R (Separate Financial Statements), IAS 28R (Investments in Associates and Joint Ventures) (applicable to reporting periods starting on 1 January 2014 – endorsed on 29 December 2012)

Amendments to IFRS 10, IFRS 11 and IFRS 12 (Transition guidance) (applicable to reporting periods starting on 1 January 2014 – endorsed on 5 April 2013)

Amendments to IAS 32 (Offsetting Financial Assets and Financial Liabilities) (applicable to reporting periods starting on 1 January 2014 – endorsed on 29 December 2012).

IFRS 9 (Financial instruments) (applicable to reporting periods starting on 1 May 2015 – not endorsed)

Amendments to IFRS 10, IFRS 12 and IAS 27 (Investment entities) (applicable to reporting periods starting on 1 January 2014 – not endorsed)

The impact of the application of IFRS standards 10, 11 and 12 is currently being analysed. In fact, the Group applies the proportionate consolidation method in accordance with IAS 31, which will be deleted by IFRS 11.

IFRS standards have been applied by the Group consistently for all of the periods presented.

The preparation of consolidated financial statements under IFRS requires the Group to make accounting choices, make a number of estimates and use certain assumptions that affect the amounts of assets and liabilities, the notes on the assets and liabilities at the reporting date, and the income and expenses recorded during the period. Changes in facts and circumstances may lead the Group to review such estimates.

The results obtained may differ significantly from such estimates when different circumstances or assumptions are applied.

In addition, when a specific transaction is not treated by any standard or interpretation, the Group's Management uses its own discretion to define and apply the accounting methods that will provide pertinent, reliable information. The financial statements present a true and fair view of the Group's financial position, performance and cash flows. They reflect the substance of transactions, are prepared in a prudent manner, and are complete in all material respects.

Management estimates used in preparing financial statements relate primarily to:

- impairment tests on oil assets;
- provisions for site restoration;
- recognition of oil carry transactions;
- accounting treatment of derivative instruments subscribed by the Group;
- recognition of deferred tax assets;
- evaluation of the investments required to develop undeveloped proven reserves, included in asset depletion calculations.

The financial statements were approved based on the principle of business continuity. The Company had cash and cash equivalents amounting to €231 million at 30 June 2013. Production growth in Gabon is in line with the Company's objectives. The general shareholders' meeting gave the Board of Directors of the Company the necessary authorisations to proceed with the issuing of securities. Furthermore, the Company is confident in its ability to raise funds from banking institutions. Consequently, the Company considers that it will be able to comply with the amortisation schedule for the OCEANE bonds maturing on 31 July 2014.

8.5.3 NOTE 3: CHANGES IN THE COMPOSITION OF THE GROUP

Company	Registered office	Consolidation method	% of control	
			30/06/2013	31/12/2012
Etablissements Maurel & Prom	Paris	Consolidating company	Consolidating company	
Oil and gas activities				
Panther Eureka S.r.l.	Ragusa, Sicily	Fully consolidated	100.00%	100.00%
Maurel & Prom West Africa SAS	Paris, France	Fully consolidated	100.00%	100.00%
M&P Gabon	Port-Gentil, Gabon	Fully consolidated	100.00%	100.00%
M&P Etekamba	Port-Gentil, Gabon	N/A	N/A	100.00%
Quartier General M&P Gabon	Port-Gentil, Gabon	Fully consolidated	100.00%	100.00%
MP East Asia	Paris, France	Proportionate consolidation	33.33%	
M&P Peru SAC	Lima, Peru	Fully consolidated	100.00%	100.00%
Maurel & Prom Colombia BV	Rotterdam, Netherlands	Proportionate consolidation	50.01%	50.01%
Maurel & Prom Latin America BV	Amsterdam, Netherlands	Fully consolidated	100.00%	100.00%
Zetah Noumbi Ltd	Nassau, Bahamas	Proportionate consolidation	49.00%	49.00%
Maurel & Prom Congo S.A.	Pointe-Noire, Congo	Fully consolidated	100.00%	100.00%
Maurel & Prom Tanzania Ltd	Dar es Salaam, Tanzania	Fully consolidated	100.00%	100.00%
Prestoil Kouilou	Pointe-Noire, Congo	Fully consolidated	100.00%	100.00%
MPAT	Paris, France	Fully consolidated	100.00%	100.00%
Maurel & Prom Exploration Production Tanzania Ltd	Dar es Salaam, Tanzania	Fully consolidated	100.00%	100.00%
M&P Developpement Gabon	Libreville, Gabon	Fully consolidated	100.00%	100.00%
M&P Volney 2	Paris, France	Fully consolidated	100.00%	100.00%
Cyprus Mnazi Bay Limited	Nicosia, Cyprus	Fully consolidated	60.075%	60.075%
M&P Mnazi Bay Holdings	Paris, France	Fully consolidated	100.00%	100.00%
Maurel & Prom Peru Holdings	Paris, France	Fully consolidated	100.00%	100.00%
M&P EP BRM	Paris, France	Fully consolidated	100.00%	100.00%
Maurel & Prom Exploration Production Mozambique	Paris, France	Fully consolidated	100.00%	100.00%
Maurel & Prom France	Paris, France	Fully consolidated	100.00%	100.00%
Maurel & Prom Iraq	Paris, France	Fully consolidated	100.00%	100.00%
Maurel & Prom Namibia	Paris, France	Fully consolidated	100.00%	100.00%
Tuscany	Canada	Equity method	29.05%	29.05%
Other activities				
Saint Aubin Energie SAS	Paris, France	Proportionate consolidation	33.33%	
Maurel & Prom Assistance Technique International S.A.	Geneva, Switzerland	Fully consolidated	99.99%	99.99%

Saint Aubin Energie

During the first half of 2013, Maurel & Prom entered into a partnership with MPI (formerly Maurel & Prom Nigeria) in the form of a joint venture, one-third owned by Maurel & Prom and two-thirds by MPI.

The joint venture, called Saint Aubin Energie, is governed under joint control with MPI and as a result, is consolidated according to the proportionate consolidation method under IFRS standards in effect for fiscal year 2013.

MP East Asia

MP East Asia is a wholly-owned subsidiary of Saint Aubin Energie, and as such it falls within the scope of the partnership with MPI. In May 2013, MP East Asia signed an agreement with PetroVietnam to acquire interests in the M2 block, located off the coast of Myanmar. Via its parent company, Saint-Aubin Energie, the Group holds a 33.33% stake in this subsidiary. As a result, the company is subject to joint control and is consolidated according to the proportionate consolidation method.

Maurel & Prom Etekamba

The liquidation of Maurel & Prom Etekamba was recognised in the financial statements at 30 June 2013 following the relinquishment of this permit during the period.

This liquidation has no impact on the Group, since the Etekamba permit was held by Maurel & Prom Gabon, as are the Omoueyi and Kari permits.

8.5.4 NOTE 4: INTANGIBLE ASSETS

Changes in intangible assets

In thousands of euros	Goodwill	Oil search and exploitation rights	Exploration costs	Other	Total
Gross value at 01/01/2012	**6,403**	**207,018**	**315,701**	**2,915**	**532,036**
Exploration investments	0	467	85,218	3,576	89,261
Sales/Decreases	0	0	0	0	0
Exploration expenses	0	0	(41,694)	0	(41,694)
Changes in consolidation scope	0	12,921	1,577	0	14,498
Changes in fair value	0	0	0	0	0
Exchange gains/losses	0	(4,756)	(4,736)	(14)	(9,506)
Transfers	0	0	(19,892)	0	(19,892)
Gross value at 31/12/2012	**6,403**	**215,650**	**336,174**	**6,477**	**564,703**
Exploration investments	0	0	43,673	214	43,887
Sales/Decreases	0	0	(1,747)	0	(1,747)
Exploration expenses	0	(9,143)	(19,199)	0	(28,342)
Changes in consolidation scope	0	0	0	0	0
Changes in fair value	0	0	0	0	0
Exchange gains/losses	0	1,776	1,989	6	3,771
Transfers	0	0	2,188	(2,188)	0
Gross value at 30/06/2013	**6,403**	**208,283**	**363,078**	**4,509**	**582,272**
Cumulative amortisation and impairment at 01/01/2012	**0**	**19,907**	**99,127**	**1,872**	**120,906**
Amortisation and depreciation allowance	0	6,440	2,906	300	9,646
Disposals/Reversals	0	0	0	0	0
Exploration expenses	0	0	0	0	0

Exchange gains/losses	0	(455)	(210)	(4)	(669)
Changes in consolidation scope	0	0	0	0	0
Transfers	0	0	(6,713)	0	(6,713)
Cumulative amortisation and impairment at 31/12/2012	**0**	**25,892**	**95,110**	**2,168**	**123,170**
Amortisation and depreciation allowance	0	3,973	1,861	233	6,067
Disposals/Reversals	0	0	0	0	0
Exploration expenses	0	0	0	0	0
Exchange gains/losses	0	199	100	2	301
Changes in consolidation scope	0	0	0	0	0
Transfers	0	0	0	0	0
Cumulative amortisation and impairment at 30/06/2013	**0**	**30,064**	**97,071**	**2,403**	**129,538**

Net carrying value at 30/06/2013	**6,403**	**178,219**	**266,007**	**2,106**	**452,733**
Net carrying value at 31/12/2012	**6,403**	**189,758**	**241,064**	**4,309**	**441,533**

Exploration investments

The gross value of intangible asset acquisitions as at 30 June 2013 was €43,673 K, with the principal investments in the period relating to:

- exploration expenses incurred in Gabon, mainly due to acquisitions and seismic data processing carried out on the Kari permit in the amount of €3,488 K;
- exploration expenses incurred by Maurel & Prom Colombia BV in the amount of €4,782 K; these correspond to exploration expenses incurred on the CPO-17 permit in the amount of €2,821 K (including €2,361 K for drilling work), on the Muisca permit in the amount of €1,454 K (including €950 K for seismic data acquisition), on the SSJN9 permit in the amount of €384 K and on the COR15 permit in the amount of €124 K. On 30 June 2013, the Company changed the procedures for allocating Colombian reserves: each permit is now considered as a cash-generating unit (CGU);
- exploration expenses incurred in Tanzania mainly relate to the Mnazi Bay permit in the amount of €7,937 K (primarily the acquisition of new 3D seismic surveys) and the Bigwa-Rufiji/Mafia permit in the amount of €8,485 K;
- exploration expenses incurred in Mozambique on the Rovuma permit in the amount of €3,015 K;
- exploration expenses incurred in the Congo on the Kola-1 and Kola-2 wells in the amount of €6,589 K;
- exploration expenses incurred in Myanmar by MP East Asia in the amount of €8,504 K.

Sales/Decreases

The decrease in exploration costs of €1,747 K corresponds to the 50% stake taken by Pacific Rubiales Energy in Block 116 in Peru through the repayment of past costs. With regard to exploration expenses in Peru, from 1 January 2013, Maurel & Prom now commits up to US$75 million.

Exploration expenses

At 30 June 2013, exploration costs recognised as expenses amounted to a net value of €28,342 K and related to:

- the Kola-1 and Kola-2 wells on the La Noumbi permit in the amount of €9,250 K;
- the exploration assets relating to the Etekamba permit in the amount of €9,460 K following the relinquishment of this permit;

- costs related to the SSJN9 permit in the amount of €384 K along with the portion related to goodwill allocated to the permit in the amount of €9,144 K.

Net carrying value of intangible assets

The net carrying value of intangible assets stands at €448 million at 30 June 2013. It is broken down as follows:

In €M	A	B	C=A+B	D	E	F=C+D+F
Permit	**Drilling**	**Studies**	**Total**	**Permits and reserves**	**Other**	**Total Intangible assets**
Omoueyi	41	63	104	96		200
Etekamba	0	0	0	0		0
Nyanga Mayombé		1	1	2		3
Kari		18	18	1		19
Bigwa Rufiji Mafia (BRM)	30	21	51	0		51
Block 116		7	7			7
Colombia	19	19	38	61		99
Mnazi Bay		12	12	17		28
Alasi			0	1		1
La Noumbi		14	14	1		15
Rovuma (Mozambique)		10	10	0		10
Other permits	1	7	8	1	6	15
Total	91	170	262	180	6	448

The main estimates used by the Company are as follows:

- in Tanzania, development prospects on the BRM permit depend on expressions of interest from other players in the sector, in particular in terms of gas supply, and the support of the Tanzanian authorities in establishing a contractual framework for selling the gas produced;

- as a result of the change of control in 2011 (joint venture with Pacific Rubiales), the Company reported intangible assets relating to all of its Colombian assets, measured at fair value on the transaction date. The value of this asset is now rising in line with each of the permits in this country (Colombia), taking into account the exploration and production prospects, and the associated work commitments.

Amortisation and impairment

Amortisation and depreciation allowances and provisions for the period relate to the depletion of reserves in Gabon (Onal) in the amount of €2,570 K and in Colombia in the amount of €328 K.

In addition, the Group amortises the seismic items recorded as intangible assets used in the discovery of fields in production in Gabon. As such, a depreciation expense was recorded in the amount of €1,786 K on Omoueyi.

At 30 June 2013, the depreciation expense for mining permits stood at €1,075 K.

Exchange gains or losses

The revaluation of assets held in US dollars at the closing exchange rate produced a net exchange gain of €3,470 K.

8.5.5 NOTE 5: PROPERTY, PLANT AND EQUIPMENT

Changes in property, plant and equipment

In thousands of euros	Land and buildings	Technical facilities	Down payments and construction in progress	Other fixed assets	Total
Gross value at 01/01/2012	**5,658**	**848,436**	**1,086**	**17,055**	**872,235**
Development/production investments	99	197,930	169	7,742	205,940
Dismantling assets	0	621	0	0	621
Sales/Decreases	0	0	0	(374)	(374)
Assets decommissioned	0	(908)	0	0	(908)
Changes in consolidation scope	0	370	0	(38)	332
Currency translation adjustments	*9*	*(22,671)*	*1*	*(443)*	*(23,104)*
Transfers	(2,071)	21,707	(872)	944	19,708
Gross value at 31/12/2012	**3,695**	**1,045,485**	**384**	**24,886**	**1,074,450**
Development/production investments	36	97,850	49	11,997	109,932
Dismantling assets	0	0	0	0	0
Sales/Decreases	0	0	0	0	0
Assets decommissioned	0	0	0	0	0
Changes in consolidation scope	0	0	0	(0)	(0)
Exchange gains/losses	2	9,773	2	220	9,997
Transfers	0	0	0	0	0
Gross value at 30/06/2013	**3,733**	**1,153,108**	**435**	**37,103**	**1,194,379**
Cumulative amortisation and impairment at 01/01/2012	**746**	**128,539**	**0**	**3,404**	**132,689**
Amortisation and depreciation allowance	364	75,198	0	738	76,300
Disposals/Reversals	0	0	0	(365)	(365)
Assets decommissioned	0	(538)	0	0	(538)
Exchange gains/losses	(2)	(4,426)	0	(11)	(4,439)
Changes in consolidation scope	0	0	0	0	0
Transfers	1	0	0	24	25
Cumulative amortisation and impairment at 31/12/2012	**1,109**	**198,773**	**0**	**3,790**	**203,672**
Amortisation and depreciation allowance	184	48,927	0	373	49,484
Disposals/Reversals	0	0	0	0	0
Assets decommissioned	0	0	0	0	0
Exchange gains/losses	1	1,937	0	5	1,943
Changes in consolidation scope	0	0	0	(0)	(0)
Sales of subsidiaries	0	0	0	(0)	(0)
Transfers	0	0	0	0	0
Cumulative amortisation and impairment at 30/06/2013	**1,294**	**249,637**	**0**	**4,168**	**255,099**
Net carrying value at 30/06/2013	**2,440**	**903,470**	**435**	**32,935**	**939,279**
Net carrying value at 31/12/2012	**2,586**	**846,712**	**384**	**21,096**	**870,778**

Development/production investments

Investment in property, plant and equipment over the period amounted to €109,932 K, primarily for:

- production investments on the Omoueyi permit in the amount of €102,128 K. In the main, this covers investments in production infrastructures, for platforms, and investments in drilling and completion works for wells on the Onal and Maroc-Nord fields;
- investments in Colombia on the Sabanero permit in the amount of €6,467 K. These primarily relate to drilling investments.

Amortisation and impairment

The €48,927 K charge recognised in respect of depreciations of technical facilities relates mainly to the depletion of assets at the Omoueyi permit fields in the amount of €46,688 K, the Banio fields in the amount of €166 K and the Sabanero fields in the amount of €2,028 K.

Exchange gains or losses

The revaluation of assets held in US dollars at the closing exchange rate produced a net exchange gain of €8,054 K.

8.5.6 NOTE 6: EQUITY ASSOCIATES

As at 30 June 2013, only Tuscany International Drilling, in which Maurel & Prom took a 29.05% equity interest following the sale of Caroil in 2011, is accounted for using the equity method.

At 31/12/2012

In thousands of euros	Share of equity	Balance sheet value	Share of income in the fiscal year
Tuscany International Drilling	72,496	72,496	(7,924)
Total	**72,496**	**72,496**	**(7,924)**

At 30/06/2013

In thousands of euros	Share of equity	Balance sheet value	Share of income in the fiscal year*
Tuscany International Drilling	69,490	34,745	(3,745)
Total	**69,490**	**34,745**	**(3,745)**

** Excluding revaluation of the value-in-use*

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In thousands of euros	Tuscany International Drilling
Assets	491,533
Liabilities*	252,326
Sales	99,644
Net income	(12,807)

** Excluding net equity position.*

The Tuscany financial statements at 30 June 2013 were prepared on the basis of the Tuscany International Drilling press release dated 9 August 2013.

The financial data published by Tuscany in respect of its position at 30 June 2013 and its share price led the Group to lower the value-in-use of its equity interest on the balance sheet, which now stands at €35 million.

8.5.7 NOTE 7: TRADE RECEIVABLES AND OTHER CURRENT ASSETS

In thousands of euros	30/06/2013	31/12/2012
Trade receivables – oil and gas activities	66,152	74,258
Other	1,048	1,029
Total	**67,200**	**75,287**
Write-down to be deducted	0	0
Net value	**67,200**	**75,287**

The outstanding trade receivables for hydrocarbon sales mainly correspond to receivables from Socap (Total Group) and Sogara, to whom the production of the fields on the Omoueyi permit is sold (€63,496 K); receivables from Perenco, to whom the production of the Banio field is sold (€1,074 K), and receivables recognised in respect of gas sales from the Mnazi Bay field (€1,056 K).

Other current financial and non-financial assets consist of the following items:

In thousands of euros

Other current financial assets	**30/06/2013**	**31/12/2012**
Receivables on equity interests and joint ventures	17,767	18,955
Loans and other borrowings	2,048	6,390
Miscellaneous receivables	67,309	69,526
Gross value	**87,124**	**94,871**
Write-down to be deducted	-53,476	-54,445
Net value	**33,648**	**40,426**

Other current assets	**30/06/2013**	**31/12/2012**
Advances and down payments	17,062	16,882
Prepaid expenses	2,041	1,646
Tax and social security receivables (excluding corporation tax)	39,027	33,125
Other assets	282	8,920
Gross value	**58,412**	**60,573**
Write-down to be deducted	-	-
Net value	**58,412**	**60,573**

Receivables on investments and joint ventures:

As at 30 June 2013, this item consisted primarily of:

- the Ison Holding current account in the amount of €11,634 K, fully written off;
- non-Group current accounts of partners on the La Noumbi permit, in the amount of €4,554 K.

Loans and other borrowings:

The balance of this item is made up mainly of receivables from employees for €1,083 K (including €971 K in Gabon) and sundry guarantee deposits with maturities under 1 year for €758 K (including €372 K guarantee deposits relating to the former head office).

The change in this item over the first six months of the year was primarily due to the balance of the guarantee deposit relating to the drawdown of the RBL, which was fully repaid during January 2013.

Miscellaneous receivables:

As at 30 June 2013, the balance of miscellaneous receivables was primarily made up of the following items:

- the recognition of the Integra receivable as part of the sale of Maurel & Prom Venezuela in the amount of €37,500 K, fully written off;
- the balance of the receivable recognised in 2011 relating to the exploration financing commitment by Pacific Rubiales Energy as part of the sale of 49.99% of Colombia, in the amount of €12,169 K;
- various receivables held by Maurel & Prom Gabon Omoueyi in the amount of €11,040 K, of which €10,979 K relates to the reinvoicing of costs to the partner Tullow;
- various receivables recognised in the financial statements for Cyprus Mnazi Bay Ltd, relating to the Mnazi Bay permit, in the amount of €1,201 K.

Impairment of other current financial assets:

No significant events occurred over the first half of 2013.

The balance of write-downs of other current financial assets is mainly composed of:

- the provision for the whole of the Integra receivable as part of the sale of Maurel & Prom Venezuela in the amount of €37,500 K;
- the provision for the whole of the Ison Holding current account, in the amount of €11,634 K.

Advances and down payments:

The balance of this item mainly corresponds to advance payments made on orders for the investment requirements of fields in Gabon in the amount of €17,013 K.

Tax and social security receivables:

Group tax and social security receivables rose by €5,902 K. This is primarily due to an increase in VAT receivables on the Omoueyi permit in the amount of €5,251 K.

At 30 June 2013, this item is primarily composed of VAT receivables recognised:

- in Gabon for €25,736 K (including €21,596 K on Omoueyi);
- in Colombia for €7,399 K;
- in Sicily on the company Panther for €3,423 K;
- in Tanzania on the Mnazi Bay permit for €1,199 K.

8.5.8 NOTE 8: FINANCIAL INSTRUMENTS

In thousands of euros	30/06/2013			31/12/2012
	Current	Non-current	Total	Total
Financial instruments (assets)	**1,410**	**-**	**1,410**	**2,166**
Interest rate instruments	-	-	-	-
Exchange rate instruments	-	-	-	-
Hydrocarbon instruments	*1,410*	-	1,410	2,166
Financial instruments (liabilities)	**1,717**	**-**	**1,717**	**5,787**
Interest rate instruments	-	-	-	-
Exchange rate instruments	-	-	-	-
Hydrocarbon instruments	*1,717*	-	1,717	5,787
Total	**-307**	**-**	**-307**	**-3,621**

o/w Mark-to-Market assets	*1,410*	-	*1,410*	*2,166*
o/w Mark-to-Market liabilities	*-1,670*		*-1,670*	*-5,231*
o/w liquidation	*-47*	-	*-47*	*-556*
	-307	-	-307	-3,621

As part of its ongoing operations, the Group uses financial instruments to reduce its exposure to the risk of fluctuations in oil prices and, to a lesser degree, to foreign exchange rates.

Various instruments are used, including contracts on organised or over-the-counter markets for futures, forwards, swaps and options.

Changes in the fair value of derivative instruments are posted under income or shareholders' equity in accordance with IFRS, specifically IAS 32 and 39.

The fair values of energy derivative instruments are classed at level 2, corresponding to the use of prices based on observable data.

Hydrocarbon derivative instruments

There are two types of derivatives used to reduce exposure to the risk of changes in the price of hydrocarbons:

- Crude oil sale swaps, setting the sale price per barrel for a given volume and period;
- More sophisticated products that combine sales of swaps and options so as to set the barrel sale price of crude while benefiting to a certain extent from favourable market conditions.

Although they are used for economic hedging, when these derivative products display certain optional characteristics they may be fully or partially ineligible for hedge accounting treatment under IFRS. For this reason, some derivative instruments in the hedging portfolio are classified as trading instruments.

The revaluation at market price of these various transactions as at 30 June 2013 led to the posting of an asset of €1.4 million and a liability of €1.7 million.

Fair value reserve in shareholders' equity

The impact on shareholders' equity of hedging derivatives is shown in the table below:

Impact of financial instruments on shareholders' equity		
In thousands of euros	**30.06.2013**	**31.12.2012**
Fair value reserve at the start of the period	**(3,885)**	**(10,704)**
Change in the portion of unexpired hedges (in existence the previous year)	1,726	122
Fair value of new hedges for the fiscal year recognised as shareholders' equity		
Fair value of the portion of hedges recycled in the income statement	675	6,666
Deferred tax		
Foreign exchange impact	24	32
Fair value reserve at the end of the period	**(1,460)**	**(3,885)**

Change in shareholders' equity during the period (excluding foreign exchange impact)	**2,400**	**6,788**

Closing rate at 31/12/2012	*1.3194*	
Average rate at 30/06/2013	*1.3133*	
Closing rate at 30/06/2013	*1.3080*	

8.5.9 NOTE 9: CASH AND CASH EQUIVALENTS

Cash equivalents include liquid assets and investments with a term of less than three months.

In thousands of euros	**30/06/2013**	**31/12/2012**
Liquid assets, banks and savings banks	59,757	37,980
Short-term bank deposits	172,158	29,391
Marketable securities	0	0
Total	**231,915**	**67,371**
Bank loans	506	131
Net cash and cash equivalents at the end of the period	**231,409**	**67,240**

At 30 June 2013, Maurel & Prom had net cash of €231.4 million, up €164.2 million from 31 December 2012, resulting from, in particular:

- payments linked to acquisitions of property, plant and equipment and intangible assets in the amount of €154 M;
- dividend payment in the amount of €46 M;
- cash flow generated by operating activities (+€212 M);
- proceeds from the facility set up in Gabon for US$350 M (€267.1 M);
- repayment of the reserve-based loan (RBL) of which $130 M (€98 M) was drawn down at 31 December 2012, and the BGFI credit line for €15 M.

8.5.10 NOTE 10: PROVISIONS

In thousands of euros	Site restoration	Employee benefits	Other	Total
Balance at 01/01/2012	**9,138**	**899**	**8,716**	**18,753**
Exchange gains/losses	(199)	(6)	(4)	(209)
Changes in consolidation scope	0	0	0	0
Provisions in the period	400	287	616	1,303
Use	(4)	0	0	(4)
Other provisions and reversals	621	0	(4,720)	(4,099)
Impact of accretions	405	0	0	405
Balance at 31/12/2012	**10,361**	**1,180**	**4,608**	**16,149**
Current portion	2,073	937	4,608	7,618
Non-current portion	8,288	243	0	8,531

In thousands of euros	Site restoration	Employee benefits	Other	Total
Balance at 31/12/2012	**10,361**	**1,180**	**4,608**	**16,149**
Exchange gains/losses	86	2	1	89
Changes in consolidation scope	0	0	0	0
Provisions in the period	11	91	2,676	2,778
Use	0	0	0	0
Other provisions and reversals	(4)	0	0	(4)
Impact of accretions	412	0	0	412
Balance at 30/06/2013	**10,866**	**1,273**	**7,285**	**19,423**
Current portion	2,300	762	7,285	10,347
Non-current portion	8,566	510	0	9,076

Site restoration

At 30 June 2013, the provision for site restoration in the Maurel & Prom financial statements mainly relates to Gabon in the amount of €9,480 K (including €9,419 K for the Omoueyi permit), €724 K for Sicily and €660 K for the Sabanero permit in Colombia.

Employee benefits

At 30 June 2013, the provision for retirement and other post-employment benefits mainly concerns the Maurel & Prom registered office (€963 K) and Maurel & Prom Colombia BV (€294 K). This liability is assessed annually by an independent actuary.

Other provisions

Other provisions for risks and contingencies are shown in the table below:

In thousands of euros	Dec 2012	chg.	June 2013	
Operating risks in the Congo	1,073	0	1,073	*(1)*
Risk on Hocol sale	0	2,676	2,676	*(2)*
Other	3,535	1	3,536	
Other provisions for risks and contingencies	**4,608**	**2,676**	**7,285**	

(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 financial statements in the amount of €1,073 K, awaiting final write-down.
(2) This provision covers the risk of call on the guarantee in connection with the sale of Hocol to Ecopetrol in 2009.

8.5.11 NOTE 11: BONDS, OTHER BORROWINGS AND FINANCIAL DEBT

Bonds, other borrowings and financial debt are detailed below:

In thousands of euros	Currency	30/06/2013			31/12/2012
		Current	Non-current	Total	Total
Bonds		**23,867**	**351,494**	**375,361**	**357,685**
Other borrowings and debts		**0**	**261,734**	**261,734**	**113,530**
BGFI - line of credit	EUR	0	0	0	15,000
BNP - RBL	USD	0	0	0	98,530
Gabon facility	USD	0	261,734	261,734	0
Debts on lease financing		**36**	**0**	**36**	**46**
Bank loans		**506**	**0**	**506**	**131**
Total other borrowings and financial debt		**542**	**261,734**	**262,276**	**113,707**

Bonds

The Group issued two OCEANE bonds in 2009 and 2010, maturing on 31 July 2014 and 31 July 2015, respectively.

The interest expensed during the reporting period is as follows:

- for the OCEANE 2014 bond: €14,646 K;
- for the OCEANE 2015 bond: €3,030 K.

Other borrowings and financial debt

The Reserve Based Loan (RBL) facility entered into on 29 May 2009 with a consortium of four banks comprising BNP Paribas, Calyon, Natixis and Standard Bank, of which US$130 million (equivalent to €98,530 K) was drawn down on 31 December 2012, was repaid in full in January 2013.

The same is true of the line of credit agreed with BGFI in April 2011 in the amount of €15 million, which was drawn down in full as at 31 December 2012.

These repayments occurred after Maurel & Prom Gabon SA had set up a new line of credit in the amount of US$350 million (Senior Secured Facility) with a consortium of seven international banks (Natixis, BNP Paribas, Crédit Agricole Corporate & Investment Bank, Standard Bank Plc, Standard Chartered Bank, Rand Merchant Bank, and Export Development Canada), approved by the Gabonese authorities in late January 2013.

This facility, recognised amortised cost, was drawn down in full at 30 June 2013.

The terms of this facility are outlined in Note 18 “Contingent assets and liabilities”.

8.5.12 NOTE 12: TRADE PAYABLES – OTHER CREDITORS AND MISCELLANEOUS FINANCIAL LIABILITIES

	30/06/2013			31/12/2012		
In thousands of euros	< 1 year	> 1 year	Total	< 1 year	> 1 year	Total
Trade payables and related accounts	**98,162**	**-**	**98,162**	**104,028**	**-**	**104,028**
Other creditors and miscellaneous liabilities	**46,752**	**83,958**	**130,710**	**93,678**	**-**	**93,678**
Social security liability	4,341	-	4,341	5,524	-	5,524
Tax liability	13,769	-	13,769	7,572	-	7,572
Miscellaneous creditors	28,642	83,958	112,600	80,582	-	80,582

Trade payables and related accounts

The balance of trade payables and related accounts at 30 June 2013 mainly consists of trade payables directly related to requirements generated in Gabon in the amount of €84,767 K, of which €79,301 K relates to the Omoueyi permit. This balance also includes M&P Colombia BV trade payables amounting to €7,308 K and trade payables relating to the Mnazi Bay permit amounting to €1,973 K.

The change in trade payables and related accounts over the course of the first half of 2013 was -€5,866 K, and this was primarily due to:

- the reduction of supplier positions in Colombia amounting to -€17,801 K. This reduction is mainly linked to the reduction in the balance of suppliers operating on the Sabanero permit (-€16,692 K);
- the increase in debt in Gabon in the amount of +€15,216 K (including €16,570 K to meet the requirements of the Omoueyi permit);
- the reduction in debts on the Mnazi Bay permit, in the amount of -€2,234 K.

Other creditors and miscellaneous liabilities

The €37,032 K increase in other creditors and miscellaneous liabilities is mainly due to:

- the increase in other Maurel & Prom Gabon creditors and miscellaneous liabilities from operating the Omoueyi permit (+€15,317 K), resulting primarily from the change in retrocessions of sales to its partner, Tulip Oil (+€2,348 K), the recognition of prepaid income of €7,993 K relating to the overlift position, and an increase in tax liabilities (+€6,649 K) due to the increase in debt relating to Sogara royalties. At 30 June 2013, the balance of retrocessions of sales on the Omoueyi permit amounted to €14,310 K;
- the increase in other M&P Colombia BV creditors and miscellaneous liabilities in the amount of +€21,445 K, which is mainly related to the financing by Pacific Rubiales Energy of the Sabanero and COR15 permits (+€21,695 K over the first half of 2013). At 30 June 2013, this non-current debt stood at €83,958 K.

8.5.13 NOTE 13: OPERATING INCOME

In thousands of euros	**30/06/2013**	**30/06/2012**
Sales	270,337	225,900
Gross margin	219,651	182,424
Gross operating surplus	193,878	163,799
Amortisation and depreciation of depletion and other impairment	(55,035)	(34,620)
Income from production activities	***138,843***	***129,179***
Depreciation of exploration and production assets	(28,343)	(30,037)
Income from production and exploration activities	***110,500***	***99,142***
Income from asset disposals	0	0
Other operating items	640	(13,032)
Operating income	**111,140**	**86,110**

Gross margin corresponds to 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 income tax) and personnel expenses.

These two indicators provide a good overview of the performance from production activities.

The improvement in income from production activities is mainly due to increased production in Gabon, which rose from 16,491 boepd in the first half of 2012 to 22,455 boepd over the first half of 2013 (production at 100%). However, environmental factors were less favourable, with an average price per barrel of US$107.50 in the first half of 2013 compared to US$113.40 in the first half of 2012 (-5%). At the same time, the US dollar has depreciated against the euro with an average rate of 1.3133 over the first half of 2013 compared to 1.2972 in the first half of 2012 (-1%).

Itemised exploration expenses (in €K):

Etekamba (Gabon)	9,460
Kola 1 and Kola 2 – Noumbi (Congo)	9,250
SSJN9 (Colombia)	9,528
Other	105
	28,343

The change in gross operating surplus is shown in the table below:

	2013			2012		
	Sales	Gr. Op. Surplus		Sales	Gr. Op. Surplus	
*Gabon**	*266*	202	*76%*	*227*	154	*68%*
Other (Colombia – Mnazi Bay)	6	-1	*-17%*	8	-8	
Hydrocarbon production	272	201	*74%*	236	146	*62%*
Hedges	-1	-1		-10	-10	
Structures		-5			27	
	270	**194**	*72%*	**226**	**163**	***71%***

* Omoueyi and Nyanga Mayombé

Amortisation and depreciation charges primarily break down as follows:

- Depletion of assets in Gabon: €51,350 K including the amortisation of mining permits;
- Depletion of Sabanero in Colombia: €2,490 K.

8.5.14 NOTE 14: INCOME FROM DISCONTINUED ACTIVITIES

Income from discontinued activities corresponds to the provision covering the risk of call on the guarantee in connection with the sale of Hocol to Ecopetrol in 2009 for €2,676 K (see Note 18 "Contingent Assets and Liabilities") .

8.5.15 NOTE 15: FINANCIAL INCOME

In thousands of euros	**30/06/2013**	**30/06/2012**
Interest on overdrafts	(23)	(90)
Interest on OCEANE bonds	(17,676)	(17,300)
Interest on other borrowings	(5,332)	(1,535)
Gross cost of debt	**(23,031)**	**(18,925)**
Income from cash	516	443
Net gains and losses on derivative instruments	599	8,328
Net cost of debt	**(21,916)**	**(10,154)**
Other net financial income and expenses	**(94)**	**4,538**
Net foreign exchange differences	1,928	14,619
Other	(2,022)	(10,081)
FINANCIAL INCOME	**(22,010)**	**(5,616)**

Interest expenses on the OCEANE 2014 and 2015 bonds amounted to €17,676 K. This amount breaks down as follows:

- Interest expenses calculated at the nominal borrowing rate and paid at each annual maturity: €12.9 M;
- "Debt readjustment" technical charge: €4.7 M.

Income from derivatives transactions amounting to €0.6 million relates to the revaluation at fair value through income of hedges recognised as trading hedges in the Group's financial statements (hydrocarbon derivative instruments entered into to limit the Group's exposure to barrel price fluctuations) in the amount of €1.5 million, and to the liquidation of positions over the fiscal year in the amount of -€0.9 million.

Net foreign exchange gains (€2 million) were linked primarily to the revaluation of the Group's currency positions at the closing rate.

The impact on consolidated financial income at 30 June 2013 of a 10% rise or fall in the €/US$ exchange rate on that date is shown below:

	Impact on pre-tax income in €K	
	10% rise in €/US$ rate (i.e. drop in US$ value)	10% fall in €/US$ rate (i.e. rise in US$ value)
USD	-22,854.6	25,616.2
Total	-22,854.6	25,616.2

Other elements of financial income mainly comprise the amortisation of residual deferred charges relating to the RBL.

8.5.16 NOTE 16: INCOME TAX

Breakdown of the charge for the fiscal year

The corporation tax payable corresponds mainly to the recognition of the government's share of profit oil on the Omoueyi and Nyanga Mayombé permits in Gabon in the amount of €18,021 K and on the dividend withholding tax borne by Etablissements Maurel & Prom in the amount of €1,388 K.

The deferred tax charge (€37 million) reflects the posting of taxes based on the difference between the recognition of the recoverable costs, on a tax base, and the recognition of these costs in the consolidated financial statements under the Omoueyi permit.

In thousands of euros	30/06/2013	30/06/2012
Tax charge payable for the fiscal year	19,411	12,360
Deferred tax income or charge	37,055	35,603
TOTAL	**56,466**	**47,964**

Change in current tax

In thousands of euros	30/06/2013	31/12/2012
Income tax receivable	419	290
Income tax payable	2,737	2,506

Origin of deferred taxes

In thousands of euros	30/06/2013	31/12/2012
Tax deficits	3,837	4,966
Temporary difference in the valuation of Gabon oil inventories	820	1,785
TOTAL DEFERRED TAX ASSETS	**4,657**	**6,751**
Goodwill on property, plant & equipment	212,758	175,009
OCEANE equity component	3,837	4,966
TOTAL DEFERRED TAX LIABILITIES	**216,595**	**179,975**
Net	**211,938**	**173,224**

The initial deferred taxation between the taxable base of recoverable costs and consolidated assets at Omoueyi was measured on 31 December 2009. At 30 June 2013, this base difference generated a deferred tax liability of €213 million.

Deferred tax assets relating to losses carried forward are not recognised beyond deferred tax liabilities if there is not sufficient probability of future taxable profits on which the tax losses could be charged.

Reconciliation of the tax expense and income before tax

In thousands of euros	30/06/2013	30/06/2012
Income before tax from continuing operations	50,640	80,392
- Net income from equity associates	-38,490	-102
Income before tax excluding equity associates	**89,130**	**80,494**
Distortion of the Gabon tax base	**-160,070**	**-159,253**
Non-taxable gains – France		
Taxable income before tax	**-70,940**	**-78,758**
Theoretical tax charge of 33.33%	-23,644	-26,250
Reconciliation		
- In-kind liquidated tax		
- Tax rate discrepancy	-3	0
- Tax difference on Gabon recoverable costs	37,055	35,604
- Profit oil tax/Notional sales	18,021	14,506
- Activation of prior deficits		
- Non-activated deficits and other	25,037	24,104
Actual tax charge	**56,466**	**47,964**

Tax rate discrepancies are mainly due to the taxation applied to entities or establishments that have an oil activity in African countries.

Non-activated deficits correspond to the unactivated share of tax on subsidiaries or establishments whose recovery prospects are not proven. This is particularly the case, structurally, for the Maurel & Prom parent company, or in Tanzania, due to the exploration costs posted to expenses during previous fiscal years.

8.5.17 NOTE 17: RELATED PARTIES

Commercial and financial transactions

30/06/2013 ***In thousands of euros***	**Income**	**Expenses**	**Amounts due from related parties (net)**	**Amounts due to related parties**
1) Equity associates				
- Tuscany International Drilling	-	-	216	2,040
2) Other related parties				
- Pacifico	111	181	133	43
31/12/2012 **In thousands of euros**	**Income**	**Expenses**	**Amounts due from related parties (net)**	**Amounts due to related parties**
1) Equity associates				
- Tuscany International Drilling	76	-	205	2,825
2) Other related parties				
- Pacifico	226	362	66	22

Equity associates

Tuscany International Drilling has been an equity associate since 15 September 2011. It conducts drilling operations through its subsidiary, Caroil, on behalf of Maurel & Prom Group companies, mainly in Gabon on the Omoueyi permit.

Other related parties

Transactions with Pacifico were conducted on normal terms and relate to rentals and support services.

Accordingly, Maurel & Prom signed a premises sub-leasing agreement with Pacifico, which is a 23.66% shareholder. Pacifico also provides Maurel & Prom with technical and financial support services. The service agreement with Pacifico was the subject of an amendment approved by the Maurel & Prom Supervisory Board on 29 May 2007 and signed on 11 June 2007 (effective 1 February 2007). This amendment relates solely to fee adjustments for services rendered.

Compensation of senior executives

“Senior executives” refers on the one hand to directors (department heads) and on the other to members of the Board of Directors and to the Chairman & Chief Executive Officer.

In thousands of euros	**30/06/2013**	**30/06/2012**
Short-term benefits	1,429	1,366
Severance indemnities	-	-
Post-employment benefits	219	240
Payment in shares	107	197
	1,755	**1,803**

8.5.18 NOTE 18: CONTINGENT ASSETS AND LIABILITIES

Maurel & Prom Gabon SA credit facility

On 5 November 2012, Maurel & Prom Gabon entered into an agreement with a consortium of seven international banks (Natixis, BNP Paribas, Crédit Agricole Corporate and Investment Bank, Standard Bank Plc, Rand Merchant Bank, Standard Chartered Bank and Canada's export agency (Export Development Canada) for a senior loan facility in the amount of US$350 million (the "Credit Agreement").

Under the terms of the Credit Agreement, Maurel & Prom Gabon can draw the entire amount available under this agreement until 30 June 2014. At the end of this period, the amount available under the Credit Agreement will decrease in accordance with a predetermined schedule.
At 30 June 2013, the amount was drawn down in full.

In addition to the standard market conditions that may lead to the cancellation of the facility, the amount available under the Credit Agreement may be reduced if Maurel & Prom Gabon sells all or some of its interests in the production sharing contract on the Omoueyi permit, including the Onal, Omko, Omgw, Ombq, Omoc and Omoc-N fields in Gabon (the "Underlying Assets"), and as a consequence, does not achieve the minimum production level set out in the Credit Agreement.

This Credit Agreement is guaranteed by the Company and Maurel & Prom West Africa. The following sureties have also been granted as part of the Credit Agreement:

- a pledge of the entitlements held by Maurel & Prom Gabon under the "Contract for the Sale of Rabi Light Crude Oil" concluded between Maurel & Prom Gabon and Socap International Limited on 25 July 2008 (as amended);
- a pledge of the receivables held by Maurel & Prom Gabon as part of the intra-Group loans granted by Maurel & Prom Gabon to the Company under the cash pooling agreements;
- a pledge of certain bank accounts held by Maurel & Prom Gabon, the Company and Maurel & Prom West Africa;
- a pledge of the entitlements held by Maurel & Prom Gabon under the "Contract for the Sale of Crude Oil" concluded between Maurel & Prom Gabon and Société Gabonaise de Raffinage on 4 February 2011;
- a pledge of the Maurel & Prom Gabon shares held by Maurel & Prom West Africa;
- a pledge of the Maurel & Prom West Africa shares held by the Company; and
- the transfer, in the form of a guarantee, of the respective entitlements held by Maurel & Prom Gabon, the Company and Maurel & Prom West Africa under any (i) hedge agreement, (ii) insurance policy and (iii) future oil sale contract on the Underlying Assets concluded between Maurel & Prom Gabon and any party authorised to carry out extractions.

The sums made available under the Credit Agreement must be used to:
- lend the Company the necessary funds to repay the RBL;
- finance Maurel & Prom Gabon's investments in the Underlying Assets; and
- finance Maurel & Prom Gabon's general requirements, including granting loans to any member company of the Group.

The Credit Agreement comes with an amortisation schedule that stipulates that the final repayment should be made on 31 December 2017. Maurel & Prom Gabon will have to pay interest on the loan, on predetermined due dates, at a rate equal to LIBOR plus mandatory costs as well as a margin of between 3.5% and 4% per year. This margin varies depending on the credit usage ratio (3.50% when the usage ratio is less than or equal to 50%, 3.75% when more than 50% and less than or equal to

75%, and 4% when more than 75%). Interest will be calculated per three-month period, unless specified otherwise.

Maurel & Prom Gabon undertakes to respect certain financial ratios as at 30 June and 31 December of every year:

- the ratio of Group consolidated current assets/current debt is to be at least 1.10:1.00;
- the debt ratio (Group consolidated debt/income [before interest, taxes, amortisation, depreciation and impairment excluding the impact of foreign exchange gains and losses]) calculated over the 12-month period preceding the observation period must not exceed 3.00:1.00.

In addition, the debt service coverage ratio must be at least equal to 1.30:1.00 for each six-month period. Maurel & Prom Gabon's entitlements on oil production from the fields included in the Omoueyi production sharing contract must not be less than the net production level set out in the Credit Agreement, and Maurel & Prom Gabon must not cease to hold the majority of the entitlements in the Omoueyi production sharing contract.

As at 30 June 2013, all covenants were complied with.

Under the terms of the Credit Agreement (subject to certain exceptions), Maurel & Prom Gabon and Maurel & Prom West Africa are not authorised to (i) issue a guarantee on their assets; (ii) bear additional financial debt; or (iii) take out new loans. Maurel & Prom Gabon also undertakes not to (x) issue guarantees to any person or entity, nor to (y) sell all or some of its Underlying Assets with the consequence that production falls below the threshold set in the Credit Agreement. In terms of guarantees, a subordinated guarantee may be granted for issues of debt securities or bonds made by the Company provided that such a guarantee is expressly subordinated to the debt of the Credit Agreement lenders and that the maturity date of said borrowings or bonds is later than the final repayment date of the Credit Agreement.

Commitments received

As part of the sale of its subsidiary Hocol to Ecopetrol in 2009, a price adjustment clause was agreed allowing Maurel & Prom to receive a price supplement of up to US$50 million, based on the valuation of the reserves at the Niscota field in Colombia, which were part of the transaction.

The valuation of the Niscota field reserves should in principle have taken place by 31 December 2012 and been validated by an independent expert appointed jointly by Maurel & Prom and Ecopetrol.

In its financial statements dated 31 December 2011, Ecopetrol recorded a debt in the amount of US$27.3 million to reflect this price adjustment. Maurel & Prom asked Ecopetrol for the basis on which it calculated this valuation and for any information contained within the Hocol sale contract that may enable the change in reserves at the Niscota field to be assessed and to ascertain their level at 31 December 2012.

The information belatedly received from Ecopetrol did not enable Maurel & Prom to assess the level of reserves at the Niscota field until the end of 2012, or to appoint an independent expert as specified in the Hocol sale contract. In December 2012, Maurel & Prom initiated arbitration proceedings against Ecopetrol at the International Chamber of Commerce in order to have an arbitral tribunal appoint an expert whose role will be to decide the amount of the potential receivable corresponding to the price adjustment mentioned above.

Other commitments given

Cyprus Mnazi Bay Limited

The contract for Wentworth to buy Cyprus Mnazi Bay Limited signed on 26 July 2012 provides for the payment to Wentworth of up to US$5 million if gas production exceeds 100 million cubic feet per day over a period of 30 consecutive days.

Rockover

The Rockover purchase agreement in February 2005 included a 10% snap-back clause for former shareholders in the event of a discovery at any of the permits sold (Ofoubou/Ankani, Omoueyi, Nyanga Mayombé, Kari) and a 50% snap-back on the Banio permit.

At the initiative of Maurel & Prom, an agreement to buy out this clause was signed on 13 July 2007. This agreement specified the payment by Maurel & Prom to the former shareholders of US$55 million (paid to date) plus a royalty of 2% when total 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 total production of this field exceeds 3.9 million barrels.

In addition, the following commitments have been maintained:

- Maurel & Prom will be required to pay the sellers a total royalty amounting to US$1.30 for every barrel produced from the date that total production across all permits exceeds 80 Mboe;
- Maurel & Prom will be required to pay one of the two sellers a royalty equivalent to 2% of the total available production up to a threshold of 30 Mboe, and 1.5% for any production beyond that amount, from the MT 2000-Nyanga Mayombé exploration permit.

Transworld

Following the purchase of Transworld's residual rights to the Etekamba permit on 18 March 2008, a net profit interest agreement was signed, whereby Maurel & Prom must transfer 10% of the profit oil and 8% of the profit gas to Transworld Exploration Ltd.

Omoueyi CEPP (exploration and production sharing agreement)

From the start of production at the Onal field, the Gabonese government is automatically entitled to 15% of the rights and obligations under the Omoueyi CEPP contract relating to the development and operation of the Onal exploitation zone, unless it expressly waives this interest within 120 days of the permit's production start date. On 13 December 2006, an exclusive operation authorisation was granted for the Onal zone on this permit. As part of this, the Gabonese government sold its entire 15% stake in the Onal field to Tulip Oil, as well as its stake in the Omko field, which was put into production on 28 September 2009 and in which the government automatically held a 15% stake under the same terms and conditions.

The Gabonese government automatically benefited from this right of entry across all fields on the Omoueyi permit under the same terms as those set out for Onal and Omko, as well as all permits held by Maurel & Prom in Gabon, under the terms and conditions set out in each CEPP.

Maurel & Prom also owes a 5% duty on exploration and production assets that have so far been exempt from tax. These customs duties were paid in 2009, when production from the Onal and

Omko fields had exceeded 10,000 tonnes (approximately 75,000 barrels). On this permit, any investment in a new well is liable to a 5% customs duty.

Ecopetrol

As part of the sale of Hocol Colombia to Ecopetrol, Maurel & Prom gave the latter a guarantee of liabilities in this matter. As part of this, Maurel & Prom recognised a provision in the amount of €2,676 K at 30 June 2013 (see Note 14 “Income from Discontinued Activities”).

Litigation

Messier Partners dispute

Due to the appeal by Maurel & Prom to the Court of Cassation in November 2011, this dispute was still ongoing at 30 June 2013.

Agri-Cher–Transagra dispute

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 collapse of the Agri-Cher cooperative. The Company deems this action of €33 million to be 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 the Court ordered that these proceedings be withdrawn in 2009. The ad hoc attorney appointed in this case requested that the case be re-entered for 2011. The case will be heard on 7 February 2013 at Bourges District Court. The ruling dated 21 March 2013 dismissed all of the claimant’s claims.

No other governmental, legal or arbitration proceeding exists, including any proceeding of which the Company is aware, whether pending or threatened, that could have or that has had a significant effect on the financial position or profitability of the Company and/or the Group over the course of the last twelve months.

8.5.19 NOTE 19: OPERATING SEGMENTS

In compliance with IFRS 8, in effect since 1 January 2009, segment information is reported according to the same principles as internal reporting, reproducing the internal segment information defined in order to manage and measure the Group's performance. Maurel & Prom's activities are divided into two segments: exploration and production.

The other activities mainly cover the holding companies' support and financial services.
Operating income and assets are broken down for each segment from the contributing entity statements that include consolidation restatements.

Information by activity

The data presented below come from the IFRS statements.

In thousands of euros

30/06/2013	Exploration	Production	Other activities	Intra-Group adjustments and eliminations	Total
Inter-segment sales			(330)	330	0
Sales	**5,653**	**266,149**	**(1,465)**		**270,337**
Write-off of intangible assets	(28,343)	0	0		(28,343)
Write-off of property, plant and equipment	0	0	0		0
OPERATING INCOME	**(28,438)**	**149,338**	**(9,760)**		**111,140**
Intangible assets (gross)					
Investments in the period	43,887	0	0		43,887
Total investments at period-end	451,200	124,667	2		575,869
Property, plant & equipment (gross)					
Investments in the period	388	109,076	468		109,932
Total investments at period-end	8,915	1,183,485	1,982		1,194,381

Details of write-offs are given in Note 4 "Intangible Assets".

In thousands of euros

30/06/2012	Exploration		Production	Intra-Group adjustments and eliminations	Total
Inter-segment sales			-199	199	0
Sales	**8,013**	**227,715**	**-9,828**		**225,900**
Write-off of intangible assets	-30,037	0	0		-30,037
Write-off of property, plant and equipment	0	0	0		0
OPERATING INCOME	**-31,670**	**148,464**	**-30,684**		**86,110**
Intangible assets (gross)					
Investments in the period 30/06/2012	43,601	0	0		43,601
Accumulated investments 31/12/2012	354,732	134,048	2		488,782
Property, plant & equipment (gross)					
Investments in the period 30/06/2012	24,244	68,459	69		92,772
Accumulated investments 31/12/2012	8,527	1,064,401	1,525		1,074,453

Sales by geographic region

	Congo	Gabon	Colombia	Tanzania	Other	Total
Income statement as at 30/06/2013						
Oil sales	0	265,561	5,653	587	(1,464)	270,337
Services	0	0	0	0	853	853
Inter-zone sales	0	0	0	0	(853)	(853)
Total sales	**0**	**265,561**	**5,653**	**587**	**(1,464)**	**270,337**

	Congo	Gabon	Colombia	Tanzania	Other	Total
Income statement as at 30/06/2012						
Oil sales	0	227,314	8,013	401	-9,828	225,900
Services	0	0	0	0	239	239
Inter-zone sales	0	0	0	0	-239	-239
Total sales	**0**	**227,314**	**8,013**	**401**	**-9,828**	**225,900**

The Group’s two main customers are customers of M&P Gabon, i.e. Socap and Sogara, to whom the production from the fields on the Omoueyi permit is sold.

8.5.20 NOTE 20: POST BALANCE SHEET EVENTS

Partnership between Maurel & Prom, MPI and Petrolia

In early July 2013, Petrolia and Saint-Aubin Energie (1/3 owned by Maurel & Prom, 2/3 owned by MPI) signed a 50/50 partnership agreement for the development of thirteen hydrocarbon research permits on the Gaspé Peninsula. The partners are also in discussions to extend their collaboration to other areas in Quebec that will be added to existing permits. These cover an area of 1,892 km^2 on the Gaspé Peninsula.

(see Note 1 “General information”)

Investment in the capital of Deep Well Oil & Gas and in blocks in Alberta (Canada)

In late July 2013, Saint-Aubin Energie signed an agreement with Deep Well Oil & Gas, relating to the acquisition of a 20% stake in Deep Well Oil & Gas as well as the sale of half of the equity interests held by Deep Well Oil & Gas in 12 blocks in the Peace River oil sands region in Alberta and an option covering a further 56 blocks for which Deep Well Oil & Gas is the operator. A sum of US$22 million was paid to Deep Well Oil & Gas as part of this agreement.

(see Note 1 “General information”)

9 STATUTORY AUDITORS' REPORT

To the Shareholders,

In compliance with the assignment entrusted to us by your general meeting and in accordance with the requirements of article L. 451-1-2 III of the French monetary and financial code (Code monétaire et financier), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Etablissements Maurel & Prom, for the period from January 1 to June 30, 2013;

- the verification of the information contained in the interim management report.

These condensed half-yearly consolidated financial statements are the responsibility of the board of directors. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the condensed half-yearly consolidated financial statements are not prepared in all material respects in accordance with IAS 34 – standard of the IFRSs as adopted by the European Union applicable to interim financial information.

Without qualifying our conclusion, we draw your attention to:

- note 4 "Intangibles assets" to the condensed half-yearly consolidated financial statements, which gives the breakdown of intangible assets and the main estimates used by the company for the valuation of the intangible assets relating to the licenses held in Tanzania and Columbia;

- note 6 "Investments accounted by equity method" to the condensed half-yearly consolidated financial statements which describes the principles and methods adopted for calculating the value of your company's interests in Tuscany.

2. Specific verification

We have also verified the information presented in the interim management report in respect of the condensed half-yearly consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and its consistency with the condensed half-yearly consolidated financial statements.

Paris and Paris-La Défense, August 28, 2013

The statutory auditors
French original signed by

Daniel DE BEAUREPAIRE	ERNST & YOUNG Audit François Carrega Patrick Cassoux