

## Press release

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### 2012 ANNUAL RESULTS

- Net income MP Nigeria: €48 million (+167%)
- Cash and cash equivalents MP Nigeria: €182m
- Agreement in principle between SEPLAT and SHELL (SPDC) on the reallocation of production volumes

*The financial statements approved by the Board of Directors on 27 March 2013 are in the process of being audited. They will be available in the Annual Financial Report.*

<i>In millions of euros</i>	31/12/2012	31/12/2011 *
Sales	0	0
Operating income	(2)	(2)
Financial income	5	10
Income before tax	3	9
Income tax	(0)	(3)
Share of SEPLAT net income	45	12
<b>Net income - Company share</b>	<b>48</b>	<b>18</b>

<i>Per share (€)</i>	31/12/2012	31/12/2011 *
Basic earnings per share	0,41	0,15
Diluted earnings per share	0,40	0,15

<i>In millions of euros</i>	31/12/2012	31/12/2011 *
Cash and cash equivalents	182	178
Balance Sheet Total	296	259

\* : the figures presented as at 31/12/2011 have been restated using the equity method

## **CHANGE IN MPN'S CONSOLIDATION METHOD FOR SEPLAT**

In order to make the financial information sent to shareholders easier to read, the Group has opted to consolidate SEPLAT by the equity method from fiscal year 2012, in accordance with the treatment authorised by IAS31.

This change in method has no impact on MPN's control over SEPLAT, which remains a jointly controlled entity.

This decision leads the Group to reconstruct the financial data starting that historic year using the equity method. This reconstruction ensures the comparability of the financial statements due to the fact that the provisions of IFRS11 comes into effect in 2014.

Pursuant to IFRS8 and 31, this change in method has now been applied retrospectively by adjusting the Group's financial statements for previous fiscal years as if SEPLAT had been consolidated as an equity associate from the outset.

Consequently and in accordance with this method, SEPLAT's contribution to the Group's financial statements will now be recorded in the statement of financial position under "Equity associates", and in the comprehensive income statement under "Share of income from equity associates".

The key items in SEPLAT's financial statements restated in accordance with Group standards are disclosed in the notes to this document.

## **SEPLAT'S 2012 ACTIVITIES**

Production of OMLs 4, 38 and 41 continued to increase over the whole of fiscal 2012 despite longer production interruptions than planned. Production was partially or totally halted for 65 days in 2012 compared to SEPLAT's estimated 25 days of interruptions for maintenance of routing facilities.

In addition, SEPLAT and SPDC signed an agreement in principle to reallocate 2,384,943 barrels in favour of the NPDC-SEPLAT joint undertaking, specifically 1,005,224 barrels for SEPLAT for volumes produced up to the end of 2012. The Shell Petroleum Development Company (SPDC) had already made two initial adjustments (at 100%) of 297,133 and 440,000 barrels for activities prior to March 2012. Under the terms of this agreement, a third adjustment of 1,647,810 barrels was made and the principle of a maximum 8% discount on the production was negotiated.

Consequently, SEPLAT sales for fiscal 2012 amounted to US\$629 million, up 39% on 2011.

SEPLAT's year-end well output target of 50,000 boepd was reached in January 2013.

The Okporhuru field, the first field to be developed by SEPLAT, is expected to be connected during the first half of 2013 and enable well output to exceed 60,000 boepd by February 2013.

During the year, SEPLAT's joint venture implemented a steady investment programme required to meet its targets. 12 production and injection wells were drilled during the year at a cost of US\$185 million, major workovers were completed on 9 wells for US\$98 million, and US\$44 million of commitments were signed for investments for treatment facilities. These primarily relate to the

construction of a water-oil separation unit that is scheduled to become operational during the second quarter of 2013 and which will maximise the capacities for routing the oil produced whilst reducing the processing costs charged by SPDC. They relate mainly to the construction of an oil/water separation plant which should be commissioned in the second quarter of 2013 and will optimise oil routing while reducing the processing costs currently invoiced by SPDC.

## **2013 OBJECTIVE AND STRATEGY**

The MPN Group's objective is both to maximise its investment in SEPLAT by supporting the development of production from OMLs 4, 38 and 41 and backing SEPLAT in its decisions regarding acquisitions, while also grasping any opportunities to diversify its asset portfolio.

SEPLAT's objectives include achieving well output of around 65,000 boepd by the end of 2013 (at 100%), and gas output in the order of 130 million cubic feet of gas per day. SEPLAT is paying particular attention to external growth in Nigeria and to setting up a dedicated team for this purpose.

At the same time, MP Nigeria's teams are examining investment opportunities outside Nigeria to allow it to diversify its assets.

## **COMMENTS ON SEPLAT'S 2012 FINANCIAL STATEMENTS**

SEPLAT sales for fiscal 2012 amounted to US\$629 million.

Operating income of US\$308 million is improving in line with production and sales increases. It represents 49% of sales.

Financial expenses correspond to the interest expense on borrowing: a line of credit and a shareholder loan granted by MPN.

Net book income amounted to US\$130 versus US\$40 million in 2011.

At 31 December 2012, SEPLAT posted a cash position of US\$112 million, including a short-term advance received from MPN in the amount of US\$98 million. This advance was reimbursed in January 2013.

## **COMMENTS ON MPN'S 2012 FINANCIAL STATEMENTS**

The main aggregates of MP Nigeria's financial statements are financial income amounting to €4.4 million and the share of the equity associate SEPLAT's income, totalling €45million.

Financial income includes €2.6 million paid on the US\$47 million shareholder advance paid to SEPLAT and €1.8 million in interest accruing from cash investments made during the year.

At 31 December 2012, MP Nigeria posted a cash position of US\$182 million including an advance of US\$98 million (€76 million) as part of the offer to sell Conoco Phillips' Nigerian assets. It was reimbursed in early 2013.

## STATEMENT OF FINANCIAL POSITION

The financial statements approved by the Board of Directors on 27 March 2013 are in the process of being audited. They will be available in the Annual Financial Report.

### APPENDIX 1: SYNTHETIC MPN FINANCIAL ITEMS USING THE PROPORTIONAL CONSOLIDATION METHOD

In € millions	MPN
	IP
Intangible assets	55
Property, plant and equipment	99
Other non-current assets	51
Equity associates	76
Current assets	126
Cash and cash equivalents	144
<b>Total Assets</b>	<b>551</b>
Shareholders' equity	294
Liabilities	257
<b>Total Liabilities</b>	<b>551</b>
Sales	220
Income from continuing operations	96
Income from equity associates	
<b>Net income</b>	<b>48</b>

## APPENDIX 2: SYNTHETIC MPN FINANCIAL ITEMS USING THE EQUITY METHOD

In € millions	MPN
	MEE
Intangible assets	
Property, plant and equipment	
Other non-current assets	36
Equity associates (SEPLAT)	76*
Current assets	78
Cash and cash equivalents	106
<b>Total Assets</b>	<b>296</b>
Shareholders' equity	294
Liabilities	2
<b>Total Liabilities</b>	<b>296</b>
Sales	0
Income from continuing operations	3
Income from equity associates	45
<b>Net income</b>	<b>48</b>

## APPENDIX 3: SYNTHETIC SEPLAT ITEMS (IN US\$ MILLIONS)

In US\$ millions	SEPLAT
	100%
Intangible assets	160
Property, plant and equipment	291
Other non-current assets	44
Equity associates	
Current assets	287
Cash and cash equivalents	112
<b>Total Assets</b>	<b>894</b>
Shareholders' equity	220*
Liabilities	674
<b>Total Liabilities</b>	<b>894</b>
Sales	629
Income from continuing operations	267
Income from equity associates	
<b>Net income</b>	<b>130</b>

\* : €76 M = US\$220 M x 45% x €/€ rate

#### **About MP Nigeria**

A *société anonyme* (public limited company) headquartered in Paris, MP Nigeria is the result of the separation of Etablissements Maurel & Prom's Nigerian assets. MP Nigeria owns 45% of SEPLAT, a Nigerian oil and gas exploration and production company that operates Nigerian Oil Mining Licenses 4, 38 and 41. These oil licenses present a balanced combination of producing fields, fields to be developed and exploration opportunities. Thanks to its association with top-rank Nigerian partners, MP Nigeria benefits from strong local involvement by both state authorities and local communities. On the strength of its assets and this high-quality partnership, MP Nigeria is well positioned to ensure its development and benefit from numerous growth opportunities. You can find more information about the company on its website, [www.mpnigeria.com](http://www.mpnigeria.com).

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