

## 2015 activity and sales

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- **A depressed oil market: sales down 50%**
  - **Consolidated sales: €276m**
    - Drop in the oil price: -51% to \$47.1/bbl
    - Oil sales down 51% to €248 million
    - Gas sales up 426% to €7 million
    - 50% reduction in drilling operations to €21 million
  - **M&P's total production (oil + gas) averaged 18,367 boepd in 2015**
    - Technical constraints evacuating oil in Gabon regarding the pipeline operated by a third party: oil production curbed to 17,078 bopd in 2015 (M&P working interest)
    - Increase in the share of gas: 15% in Q4 2015 versus 1% in 2014
    - Total M&P working interest production in Q4 2015 of 24,730 boepd, up 83% versus Q3 2015
  - **Favourable currency effect: USD/EUR parity + 20%**
- **Group's flexibility to current prices**
  - **Continued refocusing of the business on existing fields in Gabon and Tanzania**
    - Oil in Gabon: average of 28,000 bopd (100%) expected in 2016, up 30%
    - Gas in Tanzania: production stabilised at 70/80 MMcf/d (100%), the first stage of anticipated production
    - Shutdown or closure of operations in Congo, Peru, Mozambique and Syria
    - Winding up of operations in Canada
  - **Drastic reduction in the work programme in 2016 and 2017**
    - 2016 investments: \$45m, down 70% from 2015
    - 2016 exploration expenses: \$23m, down 63% from 2015
    - Postponement of exploration works in Myanmar, Colombia, and Tanzania
  - **Launch of CB 2021 for €115m**
  - **Merger with MPI at the end of December 2015**
- **\$295m in cash at 31/12/2015**

## 2015 ACTIVITY

### Sales

	Q1 2015	Q2 2015	Q3 2015	Q4 2015	2015	2014	Chg. 15/14
<b>Total production sold over the period</b>							
<i>barrels of oil</i>	1,378,825	1,569,899	1,077,793	1,810,293	5,836,810	6,918,181	-16%
<i>millions of BTUs - Tanesco</i>	95,438	102,420	102,890	104,929	405,677	325,486	+25%
<i>millions of BTUs - TPDC/Gasco</i>	0	0	471,526	1,946,457	2,417,984	0	n/a
<b>Average sales price</b>							
<i>OIL, in \$ per barrel</i>	48.8	57.6	43.8	38.7	47.1	96.7	-51%
<i>GAS, in \$ per million BTU - Tanesco</i>	5.36	5.36	5.36	5.36	5.36	5.36	-
<i>GAS, in \$ per million BTU - TPDC/Gasco</i>	3.00	3.00	3.00	3.00	3.00	-	n/a
<b>EUR-USD exchange rate</b>	<b>0.89</b>	<b>0.91</b>	<b>0.90</b>	<b>0.92</b>	<b>0.90</b>	<b>0.75</b>	<b>+20%</b>
<b>SALES in €m</b>							
<b>Oil production</b>	<b>60</b>	<b>82</b>	<b>44</b>	<b>69</b>	<b>255</b>	<b>505</b>	
<i>Gabon</i>	59	82	43	64	248	504	-51%
<i>Tanzania</i>	0	1	2	5	7	1	+426%
<b>Drilling activity</b>	<b>10</b>	<b>6</b>	<b>3</b>	<b>3</b>	<b>21</b>	<b>45</b>	<b>-53%</b>
<b>Consolidated sales (in: €m)</b>	<b>70</b>	<b>88</b>	<b>47</b>	<b>71</b>	<b>276</b>	<b>550</b>	<b>-50%</b>

The Group's consolidated sales for 2015 fell 50% to €276m. Sales were hit by the drop in oil prices with a 51% drop in the average price of a barrel of oil during fiscal year 2015 (\$47.1 per barrel versus \$96.7 for 2014). Moreover, oil production in Gabon was mainly limited to causes that were external to the Group:

- complete shutdown of oil production in September 2015 following notification of a force majeure situation by the operator of the pipeline, Association Coucal;
- technical restriction on the oil pipeline's capacity to evacuate oil in Gabon; and
- temporary interruptions in production to increase the capacity of surface facilities: the interruptions were initiated by Maurel & Prom to prepare for the connection of additional facilities (electricity generation, oil / water treatment, etc.) with a view to increasing oil production capacity levels for the various producing fields.

Improvement in the USD/EUR parity (+20%) partially offsets the combined effect of the fall in volumes sold and the drop in oil prices.

The share of gas in the Group's revenue in Q4 2015 increased to 7% of consolidated sales. It was less than 1% in 2014.

## Maurel & Prom working interest daily production data

<i>in barrels of oil equivalent per day</i>	Q1 2015	Q2 2015	Q3 2015	Q4 2015	2015
Gas	177	188	1,041	3,716	1,289
Oil	16,358	18,439	12,500	21,014	17,078
<b>TOTAL</b>	<b>16,535</b>	<b>18,627</b>	<b>13,541</b>	<b>24,730</b>	<b>18,367</b>

In 2015, the Group produced the equivalent of 18,367 barrels per day, working interest, broken down between conventional oil in Gabon (93%) and dry gas production in Tanzania (7%).

In Gabon, the Group, in 2015, had to deal with internal and external technical constraints. As a result, Maurel & Prom's average production in 2015 stood at 17,078 bopd (21,347 bopd at 100%) versus 20,014 bopd in 2014. In Q4 2015, production stood at 21,014 bopd (26,267 bopd at 100%), up +68 % versus Q3 2015.

In Tanzania, gas production from the Mnazi Bay field which started on 20 August 2015 stood at 43 MMcf/d in Q4 2015. This production level is expected to increase gradually to 70-80 MMcf/d in 2016, depending on local demand for gas.

### Merger with MPI

On 17 December 2015, the general meetings of MPI and Maurel & Prom voted in favour of merging the two companies. This has retroactive effect to 1 January 2015. In the Group's consolidated accounts, the SEPLAT stake of 21.37% will be consolidated using the equity method as from the date on which control was actually taken, i.e. 17 December 2015.

SEPLAT'S 2015 production<sup>1</sup> stood at 43,372 barrels of oil equivalent per day (67% oil, 33% gas), up 41% from 2014. SEPLAT'S management is forecasting annual sales of between \$550m and \$600m. In addition net debt at the end of 2015 stood at \$537m.

<sup>1</sup> this information was taken from SEPLAT'S press release of 25 January 2016.

## FINANCIAL STRUCTURE

The Maurel & Prom Group's liquidity position was \$295m at 31 December 2015.

The Group to-date has two fully-drawn lines of credit:

- a line in the form of RCF amounting to \$400m; and
- a \$33m line from Crédit Suisse.

Under the \$400m loan, the Group must specifically comply with a minimum production ratio. In Q4 2015, this could not be less than 19,000 bopd on average in Gabon (Maurel & Prom working interest). The corresponding daily production for Q4 2015 was 21,014 bopd.

Also, the RCF banking consortium accepted a deferral of the period for the calculation of a minimum production level liable to represent a case for the accelerated reimbursement of the RCF that would lead to the amortisation of the loan from 1 April 2016 instead of 1 January 2017; this level must not be below 27,500 bopd, or 22,000 bopd on average for Maurel & Prom working interest, for the period from 1 December 2015 to 29 February 2016.

Under the terms of these bank loans, the Group must, at 31 December 2015, comply with the net debt/EBITDAX<sup>2</sup> ratio, which must be lower than 4.2 over a 12-month period preceding 31 December 2015 (arrangement granted by the RCF banking consortium and Crédit Suisse for the calculation of the ratio at 31/12/2015). As at 30 June 2016, this ratio must be lower than 3, without taking account new terms according to the special market situation.

The Group also has two convertible bonds worth €253m and €115m maturing respectively in July 2019 and July 2021.

## OUTLOOK FOR 2016

For 2016, the Group's oil production is expected to increase markedly versus 2015. The Group plans to stabilise production from producing oil fields to 28,000 bopd (22,400 bopd for M&P share), for investments valued at \$42m (M&P's share). This amount also includes connection to the Addax-Shell network to southern Gabon in the first half of 2016.

Maurel & Prom will continue efforts to cut costs by renegotiating contracts and reducing the work programme. Based on this production level and a Brent price of \$45 throughout 2016, expected operating costs and taxes<sup>3</sup> should be around \$17.5/bbl, 45% of which is fixed direct costs, versus \$20.4/bbl in 2015 in Gabon, a 14% drop.

The relative share of revenue from gas sales is expected to increase to about 10% of the Group's total revenue, versus 3% of revenue (and 7% of production) in 2015. The sale price was set at \$3.07/Mcf and increases depending on inflation. 2016 production level is expected to increase to 70-80 MMcf/d, depending on calls for the supply of gas from TPDC, the national oil and gas company, and expected investments are \$2 million.

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<sup>2</sup> EBITDAX is equal to profit before interest, tax, amortization and depreciation and before the impact of exchange gains and losses.

<sup>3</sup> Operating costs = direct operating costs + transportation costs + royalties and other taxes. Royalties and other taxes are defined in the production sharing contract and are in proportion to sales.

Due to the low price of oil, the Group reduced its exploration programme to minimum contract commitments. \$23m to-date has been budgeted for this activity, down 63% from 2015. A similar drop is expected in 2017. In addition, Maurel & Prom closed, or is currently closing, subsidiaries or offices. The prevailing context of low prices could also lead the Group to depreciate or establish provisions for certain assets in its balance sheet.

**Mr Hénin, Chairman of Maurel & Prom's board of directors, said:**

*"Maurel & Prom's situation in this disrupted environment is sustainable. The rise in oil and gas production, the reduction in the work programme, the closing of some subsidiaries and the cutting of running costs will enable the Group to sail through this turbulent period. Following the successful merger with MPI, our strategy is to continue examining possible partnerships in order to expand the cash flow-generating asset base. In this context, Maurel & Prom's activity will focus on oil and gas production with high-quality growth drivers in the event that the price of oil increases".*

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**Next publication**

31 March 2016 before trading: **2015 Full Year Results**

Français		English		
pieds cubes	pc	cf		cubic feet
pieds cubes par jour	pc/j	cfpd		cubic feet per day
milliers de pieds cubes	kpc	Mcf		1,000 cubic feet
millions de pieds cubes	Mpc	MMcf		1,000 Mcf = million cubic feet
milliards de pieds cubes	Gpc	Bcf		billion cubic feet
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baril	b	bbbl		barrel
barils d'huile par jour	b/j	bopd		barrels of oil per day
milliers de barils	kb	Mbbl		1,000 barrels
millions de barils	Mb	MMbbl		1,000 Mbbl = million barrels
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barils équivalent pétrole	bep	boe		barrels of oil equivalent
barils équivalent pétrole par jour	bep/j	boepd		barrels of oil equivalent per day
milliers de barils équivalent pétrole	kbep	Mboe		1,000 barrels of oil equivalent
millions de barils équivalent pétrole	Mbep	MMboe		1,000 Mbbl = million barrels of oil equivalent

For more information: [www.maureletprom.fr](http://www.maureletprom.fr)

MAUREL & PROM

Tel.: +33 (0)1 53 83 16 00

Press, shareholder and investor relations

Tel.: +33 (0)1 53 83 16 45

[ir@maureletprom.fr](mailto:ir@maureletprom.fr)

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