MAUREL & PROM NIGERIA

MPNG LISTED NYSE EURONEXT

Press release

30 March 2012
No. 04/12

2011 ANNUAL RESULTS

- **Production sold: average MPN share of 4,834 bopd**
- **Sales: €146 million**
- **Operating income: €59 million**
- **Net income: €18 million**
- **Cash at closing: €249 million**

Paris, 30 March 2012: MP Nigeria (NYSE - Euronext: FR0011120914 - MPNG), an independent player specialising in hydrocarbon exploration and production in Nigeria, announces its results for the fiscal year ended 31 December 2011. These accounts were approved by the Board of Directors on 29 March 2012.

In millions of euros	31/12/2011	31/12/2010
Sales	**146**	**28**
Operating expenses	(69)	(13)
Gross operating surplus	**77**	**15**
Amortisation of depletion	(18)	(4)
Operating income	**59**	**12**
Financial income	1	(3)
Income before tax	**60**	**9**
Income tax	(42)	(7)
Net income – Company share	**18**	**1**

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

2011 Activity

The MP Nigeria Group is composed of the parent company and a 45% stake in the Nigerian company, Seplat. Having joint control over Seplat, MPN has chosen the proportional consolidation method.

On 30 July 2010, Seplat acquired 45% of the mining rights for OMLs 4, 38 and 41 in Nigeria, with the remaining 55% being retained by the Nigerian National Petroleum Corporation (NNPC). The fields are operated by Seplat under a joint operating agreement with the NNPC.

Sales

MP Nigeria's sales for 2011 were €146 million in hydrocarbon sales (oil + gas). MP Nigeria's oil sales represented 1.8 million barrels sold at an average price of US$113.7/b in 2011, compared with 0.5 million barrels sold at an average price of US$86/b in 2010.

Please note that total production averaged 23,626 boepd for the 2011 fiscal year (365 days), compared with 17,632 boepd for the 2010 production period (128 days), a 34% increase.

These volumes (recognised entitlements, production sold) take into account technical adjustments and the fixed discount applied by the Shell Petroleum Development Company (SPDC) when reallocating the differences between its estimates and the quantities of crude effectively received after treatment at the Forcados oil terminal.

The installation of the fiscal accounting unit was completed on 1 November 2011, and it has been the subject of an approval procedure which is still ongoing. Having received the Authorities' authorisation based on fluid production, additional work with SPDC concerns the determination of the net amount (oil-water percentage). Once this fiscal year has been completed, discussions will be entered into with the aim of obtaining a retroactive adjustment, and should enable Seplat and its partners to be reallocated additional entitlements in 2012.

Operating income

The Group's operating income came to €58.7 million, compared with €11.5 million for the 2010 fiscal year. This operating income is the result of both an increase in activity and increased charges related to the operator's plans for growth and workover operations.

in € m	2011	2010
Sales	**146.1**	**28.5**
Operating expenses	*-36.2*	*-4.7*
Gross margin	109.8	23.8
Tax expense	*-30.9*	*-6.8*
Personnel expense	*-2.3*	*-1.6*
Gross operating surplus	**76.6**	**15.4**
Amortisation charges	*-17.7*	*-3.9*
Other	*-0.3*	*0.0*
Operating income	**58.7**	**11.5**

Consequently, the gross operating margins are relatively stable at 52%, despite an increase in personnel expenses due to the building of the workforce. Seplat had a workforce of 222 at the end of 2011 compared with 78 at the end of 2010. MP Nigeria has no employees to date.

Financial income

MP Nigeria's net financial income is positive and totalled €1.1 million at the end of 2011. This is partly based on interest expenses borne by Seplat on its borrowings and the profits paid to MPN coming from the shareholder advances. As at the end of December 2011, the balance of this shareholder loan totalled US$47.7 million (at 100%).

Net income

Income tax amounted to €41.6 million. The Group's net income amounted to €18.1 million for the 2011 fiscal year, compared with €1.4 million for 2010.

Cash and net debt

Group cash amounted to €248.4 million at the end of 2011, of which €186.2 million was attributable to MP Nigeria and €62.2 million represented the share of Seplat's cash belonging to MP Nigeria. This substantial level of cash should enable the Group to continue to develop and to take advantage of the growth opportunities that the Nigerian oil industry may offer.

The change in cash flow of €238 million over the 2011 fiscal year is broken down as follows:

- Cash flow generated by Seplat's operating activities: +€63 million
- Interest on advances paid to Seplat: +€6 million
- Partial repayment of the shareholder loan granted by MPN to Seplat: +€48 million
- Investments: -€4 million
- Cash contribution: +€105 million
- Credit line drawn by Seplat: €83 million
- Repayment of the BNP Paribas loan (US$167 million): -€55 million
- Other: -€8 million

As at 31 December 2011, MP Nigeria held 1,997,548 treasury shares with a gross value of €3.983K.

Seplat has negotiated a 5-year credit line with a bank pool composed of Afrexim (lead lender), UBA, First Bank and Skie Bank. €275 million of this credit line was drawn down in 2011. Taking into account a first repayment made at the end of the year, the remaining capital owed as at 31 December 2011 amounted to US$257.7 million, i.e. €89.6 million for the Group.

Consequently, as at 31 December 2011, the Group presented positive net cash position of €167 million, which gives it substantial flexibility in order to pursue its development programme.

Investment programme

The initial investment programme planned for 2011 was adjusted to take into account the changes made to the availability scheduling of drilling units. A rental agreement has been entered into for a barge that could be used in marsh environments. Work began on 12 December 2011.

In addition to this barge, the manufacturing in the United States of two drillings units (1 "workover" and one onshore drilling unit) has been initiated by an affiliate of Seplat. These two pieces of equipment have been received and will be available for Seplat to use in the second quarter of 2012.

This redevelopment of work plans has not placed a burden on the Group's production growth objectives, with the intensification of the "workover" programme replacing the initial drilling programme.

2012 objectives and strategy

The primary strategic focus of the Company and its partners gathered within Seplat involves **maximising the current oil and condensate production capacities**, particularly in order to selffinance its development, to finance its exploration activities and to facilitate growth operations.

Based on its strengths, the Company confirms its objectives, namely to increase the output from its wells by 50,000 boepd by the end of 2012. This excludes any gas production.

The Company and its Partners are also seeking to **maximise Seplat's reserves**, particularly by conducting the necessary work to convert contingent resources into reserves. Starting from 2012, the target is to bring two new fields into production per year.

The Company and its Partners also intend to **develop the potential of Seplat** by:

- pursuing the exploration of OMLs 4, 38 and 41;
- equipping the existing production facilities with technical equipment enabling direct on-site water treatment;
- being active to catch any growth opportunity.

In parallel, the Group will focus its efforts in increasing the gas and condensates resources.
In 2012, the planned investments, totalling approximately US$300 million (US$61 million for MP Nigeria) will include a programme of well drilling so as to be able to reach the objectives including an alternative production evacuation system.

Jean-François Hénin, Chairman of the Board of Directors of MP Nigeria, says: ***"MP Nigeria's extremely healthy financial position, the cash generated through operations, barely 18 months after our fields were put into production, and the investment decisions taken at the end of 2011 have enabled us to confirm our objectives once again, namely the accelerated growth in production over the coming years."***

Statement of financial position

The audit procedures on the consolidated financial statements are in progress. The consolidated financial statements, stated at the Board hold on 29 March 2012, are available on the Company's website: www.mpnigeria.com

Assets

In thousands of euros	31/12/2011	31/12/2010
Intangible assets	60,352	62,724
Property, plant and equipment	82,300	72,351
Non-current financial assets	20,127	34,942
Deferred tax assets	0	1,818
Non-current assets	**162,779**	**171,835**
Inventories	3,791	0
Trade receivables and related accounts	738	14,403
Other current financial assets	16,618	52,612
Other current assets	1,803	907
Income tax receivable	0	0
Cash and cash equivalents	248,601	10,279
Current assets	**271,551**	**78,201**
Total assets	**434,330**	**250,036**

Liabilities

In thousands of euros	31/12/2011	31/12/2010
Share capital	11,534	133,434
Additional paid-in capital	226,900	0
Consolidated reserves	1,486	(1,696)
Treasury shares	(3,983)	0
Group income	18,114	1,445
Net equity, Group share	**254,051**	**133,183**
Non-controlling interests	0	0
Total equity	**254,051**	**133,183**
Non-current provisions	2,008	0
Other non-current borrowing and financial debt	71,696	0
Non-current derivative instruments	0	8,163
Deferred tax liabilities	2,643	1,688
Non-current liabilities	**76,347**	**9,851**
Current bond borrowing	0	0
Other current borrowing and financial debt	18,098	71,223
Trade payables and related accounts	10,630	6,873
Income tax payable	36,540	5,531
Other creditors and sundry liabilities	27,237	23,376
Current derivative instruments	11,428	0
Current liabilities	**103,933**	**107,003**
Total liabilities	**434,330**	**250,036**

Consolidated Comprehensive Income Statement

Net income for the period

In thousands of euros	**31/12/2011**	**31/12/2010**
Sales	**146,077**	**28,480**
Other income	0	0
Purchases and changes in inventories	1,001	(1,294)
Other operating purchases and expenses	(37,245)	(3,386)
Tax expense	(30,914)	(6,758)
Personnel expense	(2,341)	(1,598)
Amortisation charges	(17,653)	(3,910)
Gain (loss) on asset disposals	(2)	0
Other expenses	(256)	(2)
Operating income	**58,667**	**11,532**
Gross cost of debt	*(3,718)*	*(6,036)*
Income from cash	*813*	*0*
Net gain (loss) on derivative instruments	*(2,786)*	*(1,925)*
Net cost of debt	(5,691)	(7,961)
Other financial income and expenses	6,763	5,307
Financial income	**1,072**	**(2 654)**
Income before tax	59,739	8,878
Income tax	(41,625)	(7,433)
Net income from consolidated companies	**18,114**	**1,445**
Earnings per share		
Basic	0.15	0.09
Diluted	0.15	0.09

Total income for the period

In thousands of euros	31/12/2011	31/12/2010
Net income for the period	**18,114**	**1,445**
Other elements of comprehensive income		
Currency translation adjustment	1,862	(1,694)
Total income for the period	**19,976**	**(249)**
- Group share	*19,976*	*(249)*
- Non-controlling interests	*0*	*0*

MAUREL & PROM NIGERIA

Cash Flow Statement

In thousands of euros	31/12/2011	31/12/2010
Consolidated net income	**18,114**	**1,445**
Tax expense	41,625	7,433
Consolidated income before tax	**59,739**	**8,878**
- Net increase (reversals) of amortisation, depreciation and provisions	17,761	3,933
- Unrealised gains (losses) due to changes in fair value	2,786	1,925
- Other calculated income and expenses	(124)	
- Other financial items	3,832	6,036
Cash flow before taxes	**83,994**	**20,772**
Payment of tax due	(10,164)	(1,988)
Change in working capital requirements for operations	66,470	(66,102)
- Customers	13,134	(14,508)
- Suppliers	3,361	6,921
- Inventories	(3,524)	0
- Other	53,499	(58,515)
NET CASH FLOW FROM OPERATING ACTIVITIES	**140,300**	**(47,318)**
Disbursements for acquisitions of tangible and intangible fixed assets	(18,819)	(139,985)
Proceeds from disposals of tangible and intangible fixed assets	0	
Disbursements for acquisitions of financial assets (unconsolidated securities)	0	
NET CASH FLOW FROM INVESTMENT ACTIVITIES	**(18,819)**	**(139,985)**
Amounts received from shareholders as part of capital increases	105,000	133,397
Proceeds from loans	14,936	71,738
Interest paid	(3,832)	(6,036)
Treasury share acquisitions	(3,983)	
NET CASH FLOW FROM FINANCING ACTIVITIES	**112,121**	**199,099**
Impact of exchange rate movements	4,546	(1,555)
CHANGE IN NET CASH	**238,148**	**10,241**
Cash and cash equivalents at start of period	10,279	38
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**248,427**	**10,279**

About MP Nigeria

A limited company headquartered in Paris, MP Nigeria is the result of separating the Nigerian assets of Etablissements Maurel & Prom. 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.

***

PRESS CONTACTS, INVESTOR AND SHAREHOLDERS RELATIONS

*New***Cap**
Axelle Vuillermet/ Emmanuel Huynh
mpng@newcap.fr
Tel: +33 1 44 71 94 94

For more information: **www.mpnigeria.com**

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