

## Completion of Angola Transaction

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Maurel & Prom is pleased to announce that it has completed the acquisition of AJOCO's 20% interest in two producing and development blocks in shallow waters offshore Angola. This marks the beginning of the full involvement of M&P in the activities conducted on these two blocks.

- **M&P is one of first movers to enter Angola following regulatory changes**
    - Regulatory and political developments in Angola support new wave of investment
    - This acquisition underlines M&P's strengths to deliver its growth strategy in Africa and Latin America
    - Builds a third pillar of production and cash flow for M&P in Africa's second largest oil producing country, alongside Gabon and Tanzania
  - **Established assets with upside potential, and in-country growth**
    - Adds material production to M&P's portfolio: for illustration, H1 2019 production estimated by M&P for the 20% working interest was c.4,600 bopd (not included in M&P's reporting as effective consolidation starts on completion date)
    - Builds upon M&P's extensive successful experience across the Congo Basin
    - Potential for further transactions in the country to consolidate position and further strengthen portfolio
  - **Purchase consideration of US\$80 million adjusted for working capital and cash flows since effective date (1 January 2018)**
    - Adjusted consideration of US\$35 million paid on completion
    - Payment funded with M&P's existing cash resources
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**Etablissements Maurel & Prom (Euronext Paris: MAU, ISIN FR0000051070, "M&P")** is pleased to announce the completion of the acquisition of the 20% working interest owned by Angola Japan Oil Co., Ltd. ("AJOCO"), a majority owned subsidiary of Mitsubishi Corporation ("Mitsubishi"), in two blocks offshore Angola, Block 3/05 and Block 3/05A as planned (the "Transaction").

Michel Hochard, Chief Executive Officer of M&P, commented: *"The completion of this transaction represents an important new country entry for M&P and a significant milestone in the company's growth strategy. The new regulatory and institutional landscape in Angola offers exciting opportunities for value creation going forward. As the first independent E&P to enter Angola since these changes came into effect, we are well positioned to capitalise on this growth potential in the region."*

## **Adjusted completion payment**

As per the sales and purchase agreement, the purchase consideration of US\$80 million (less a deposit of US\$2 million paid at the announcement of the Transaction) has been adjusted by US\$43 million for working capital and cash flows received and disbursed by AJOCO on behalf of M&P since the contractual economic effective date of 1 January 2018.

As a result, the net cash paid to AJOCO by M&P on completion of the Transaction is US\$35 million, funded by M&P's existing cash resources.

The consolidation of these assets in M&P's production and financial reporting will start from Q3 2019.

## **Strong strategic rationale for M&P**

The Transaction fits M&P's strategy of development through value creative M&A:

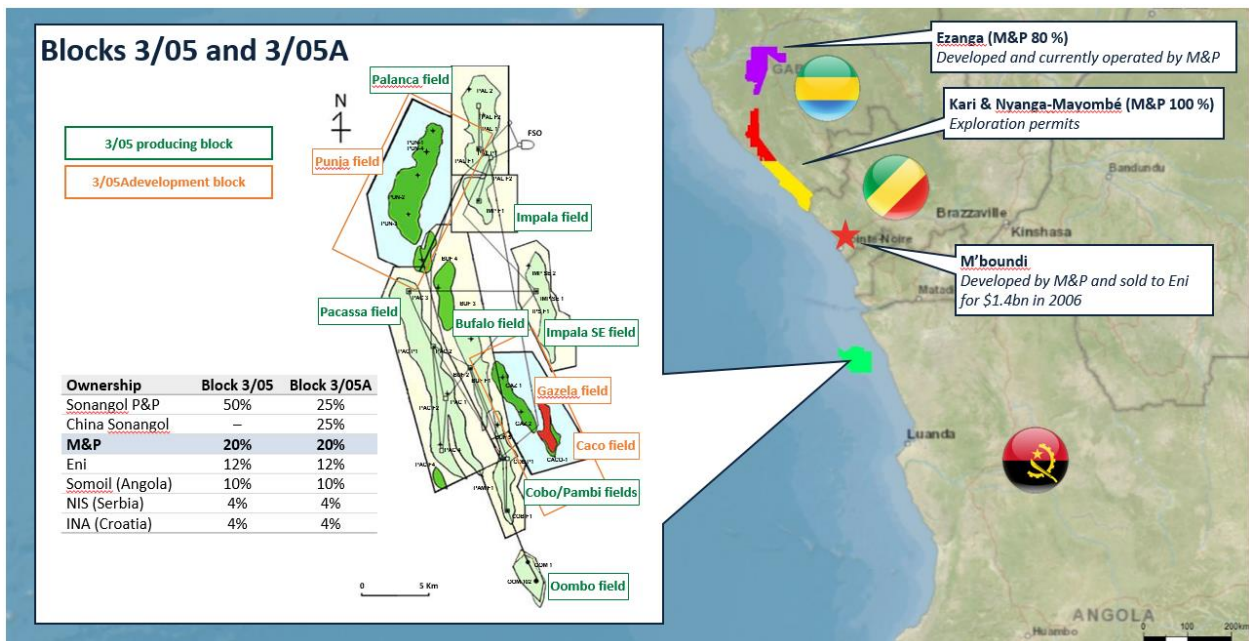
- **Marks the entry of M&P into Angola, Africa's second largest oil producer, where it is well positioned to capture significant growth opportunities**
  - Expands M&P's position in the lower Congo Basin, a successful, historical region of expertise
  - Potential for further transactions to consolidate a material portfolio in Angola
- **Complements M&P's portfolio with proven, producing assets**
  - Long track record of production in a prolific basin
  - Cash flow generative assets with access to immediate production
- **Upside potential through field optimisation and resources development**
  - Development drilling and water injection optimisation expected to support production in the short to medium term
  - Longer-term optionality through potential development of contingent resources (Punja)

**Established assets with long track record of production and upside potential**

Blocks 3/05 and 3/05A are located in shallow water (c.100m depth) in the lower Congo Basin, a region where M&P has extensive current and historical presence. The two blocks are located c.30km from the Angolan shore and operated by national oil company Sonangol Pesquisa e Produção (“Sonangol P&P”). The blocks are contiguous and share processing and export facilities.

**Block 3/05** has been producing since the mid-1980s and consists in eight mature fields (Bufalo, Cobo, Impala, Impala SE, Oombo, Pacassa, Palanca, and Pambi). Production net to the 20% working interest was c.4,600 bopd in H1 2019 based on M&P’s estimates. Current licence runs until June 2025, with a possibility to extend.

**Block 3/05A** includes two commercial fields (Caco and Gazela), and offers optionality through the Punja field, a large discovery in pre-development stage.



French		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
baril	b	bbl	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
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, visit [www.maureletprom.fr](http://www.maureletprom.fr)

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