MAU LISTED NYSE EURONEXT

MAUREL & PROM

Paris, 31 March 2016
No. 06-16

2015 Annual Results

Key financial items

in € M	2015	2014
Sales	**276**	**550**
EBITDA	107	352
in % of sales	*39%*	*64%*
Current operating income	**9**	**265**
Write-offs, depreciation, provision and exploration expenses	-256	-113
Badwill resulting from the merger with MPI	140	-
Net income	**-95**	**13**
Operating cash flow (after taxes and before change in WC)	92	311
Capex	178	331
Changes in cash flow	+44	+39
Cash flow at 31/12/2015	**274**	**229**

- 47% drop in the oil prices
    - direct impact on sales, down 50%, and on current operating income
    - depreciation of €256 million, including €39 million related to drilling activity
    - continued efforts to reduce costs and limit capex
- MPI merger
- Refinancing of the bank debt from December 2014, followed in May 2015 by the issuance of convertible bonds (€115 million in CB 2021 bonds)
- Stability of Group reserves of 205 MMboe at 01/01/2016 (78% oil – 22% gas; 75% P1 – 25% P2)

Outlook for 2016

- Significant increase in oil production in Gabon: approximately 28,000 bopd (at 100%, or 22,400 bopd, M&P working interest)
- Gradual increase in gas production in Tanzania to 80 MMcf per day (at 100%, or approximately 38 MMcf per day, M&P working interest) in mid-year
- Adjustments to the work programmes in the current environment: expected capex of $43 million for production and $17 million for exploration.

Jean-François Hénin, Chairman of the Board of Directors of Maurel & Prom, said:

"When oil prices began to fall in summer 2014, Maurel & Prom took a series of measures intended to give the Group the most robust profile in this volatile environment. This policy was implemented on an accelerated basis throughout 2015. We made major decisions to close subsidiaries and offices, systematically reduce the exploration risk, and merge with our former subsidiary, MPI. Today, while all companies in the sector are suffering, our actions allow us to present an attractive profile to investors.

To date, thanks to the vigilance and responsiveness of our teams, Maurel & Prom takes advantage from a solid balance sheet, strengthened by significant and diversified future cash flow. Our Gabon asset Ezanga is very high quality and its execution risk is low. In addition, 2015 gas production in Tanzania provided the Group with the certainty of additional cash flow, as the sale price of gas is fixed. In addition, the rescheduling of the Group's debt has postponed maturity dates beyond the current crisis in our industry.

In this difficult period for all operators in the oil industry, Maurel & Prom appears to be a solid company in this sector. The current market environment should allow it to participate in the inevitable concentration of the sector under good condition and to calmly plan the necessary strategic changes."

Activity in 2015

The actions and steps the Group took in 2015 to position itself in a long-term low-price environment are reflected in a variety of items in our financial statements, the balance sheet, and cash flow.

The drop in oil prices – down 47% compared to 2014 – directly impacted Group sales, which stood at €276 million compared to €550 million in 2014, and on the operational profitability of the consolidated entity. As a result, the gross margin stood at 39% in 2015 compared to 64% of sales in 2014.

In addition to the decline in oil prices, the Group experienced the impacts of shutdowns and pressure limitations on the pipeline, leading to reduced production in Gabon's producing fields. Maurel & Prom's working interest totalled 17,078 bopd in 2015 compared to 20,014 bopd in 2014.

In addition with oil production in Gabon, gas production began on 20 August 2015 in Tanzania and reached 43 MMcf per day during Q4 2015.

Since that date, Maurel & Prom has thus benefited from two complementary sources of cash flow. Despite the sharp decline in oil prices, 2015 current operating income was positive, at €9 million.

In addition to focus on production activities and in response to the current low-price environment, Maurel & Prom decided to abandon most of its exploration activity. This resulted in the shutdown or definitive closing of activities in the Congo, Mozambique, Syria, and Peru and in the postponement of the work programmes including in Canada and Colombia. As result, depreciation charged to expenses totals €217 million.

Drilling operations have also been put on hold as a result of declining oil prices. The drilling assets were therefore adjusted to the fair value of €22 million, representing a non-current expense of €39 million in 2015.

These actions, particularly the decision to abandon most of the exploration projects and the corresponding infrastructure, accelerated in late 2015.

Finally, the merger with the former subsidiary MPI, will conduct to a sharp reduction in overall operating costs and provides MPI with the technical support it needed and with an opportunity to invest in safe, high-quality assets. The merger also strengthened Maurel & Prom financially, creating an attractive entity from which neither of the two companies benefited itself.

The Group's refinancing, initiated in December 2014 with a bank loan drawn in the amount of US$400 million, followed in May 2015 by the issuance of a €115 million convertible bond and the repayment of the existing OCEANE 2015 bonds, allowed the Group to reduce the interest expense by €7 million compared to 2014 and extend the major payment dates to 2019.

The Group's consolidated net income for the 2015 fiscal year was thus -€95 million.

The Group's activities generated after-tax operating cash flow of €92 million. The impact of cash timing differences, the drop in oil prices, and a lower activity resulted in a negative working capital adjustment in the amount of €99 million. The Group's capex stood at €178 million in 2015, compared to €331 million in 2014, a significant drop of 46%. Taking account of the actions carried out in 2015, the Group's cash position at 31 December 2015 stood at €274 million.

Update on the debt at 31 December 2015

At 31/12/2015, the Group had two lines of credit:

- A line in the form of a US$400 million RCF (+ an accordion of US$250 million); and,
- A US$33 million line from Crédit Suisse.

For the US$400 million draw on the RCF, the Group was subject to a production test calculated between 1 December 2015 and 29 February 2016. The minimum production level likely to constitute accelerated repayment of the RCF stood at 27,500 bopd, or 22,000 bopd (Maurel & Prom working interest). Maurel & Prom met that minimum production threshold over the period.

The Group was also required to comply, at 31 December 2015, with the net debt/EBITDAX[1] ratio, which must be lower than 4.2 over the 12-month period preceding 31 December 2015 (adjustment granted by the RCF banking consortium and Crédit Suisse for the calculation of the ratio at 31 December 2015). On that date, Maurel & Prom complied with the ratio.

At 30 June 2016, this ratio must be lower than 3, without taking into account new terms based on the special market situation.

The Group also has two convertible bonds in the amount of €253 million and €115 million, maturing, respectively, in July 2019 and July 2021.

[1] EBITDAX is equal to income before interest, taxes, foreign exchange gains and losses, amortization and depreciation and other non-recurring items.

Group reserves on 1 January 2016

The Group's reserves correspond to the volumes of recoverable hydrocarbons from fields currently in production plus those revealed by discovery and delineation wells that can be operated commercially. The oil reserves were certified in Gabon by DeGloyer and MacNaughton on 1 January 2016. The gas reserves were certified in Tanzania by RPS Energy on 31 December 2015.

P1+P2 reserves net of royalties[2]	Oil (million barrels)	Gas (Bcf)	**MMboe**
	Gabon	Tanzania	
01/01/2015	171.6	212.9	207.1
production	*-5.8*	*-2.4*	*-6.2*
revision	*-6.4*	*62.0*	*3.9*
01/01/2016	**159.5**	**272.5**	**204.9**
of which P1 reserves net of royalties	*126.6*	*134.2*	*153.5*
or	*79%*	*49%*	*75%*

The P1+P2 reserves (2P) net of royalties, Maurel & Prom working interest, on 1 January 2016 stood at 205 MMboe.

In Gabon, the 2P reserves net of royalties stood at 159.5 million barrels, or a downward adjustment of 4% compared to the reserves certified on 1 January 2015 (171.6 million barrels), taking into account annual production net of royalties of 5.8 million barrels in 2015.

By encouraging the optimisation of the water injection programme, the adaptation of the multiannual capex programme in the fields under development in Gabon has already produced results. This adjustment to the initial programme allowed the Group to consolidate its reserves despite current low oil prices and, thus, to benefit from significant cash flow over the long term.

At 31 December 2015, the Group's gas reserves totalled 272.5 Bcf, or the equivalent of 45.4 MMboe. This 28% increase in P1+P2 reserves in Tanzania, compared to the same period in 2014, reflects the results of the MB-4 well drilled in June 2015 and the start of gas supply at the processing centre in August 2015.

These gas assets provide the Group access to fixed and stable long-term revenue. The sale price is US$3.07/Mcf and increases depending on inflation. Maurel & Prom has thus ensured additional major cash flow, unaffected by oil price fluctuations.

For information, SEPLAT’s 2P reserves at 1 January 2016, of which M&P owns 21.37%, stood at 480 MMboe, of which 44% in oil.

[2] Royalties payable under the Production Sharing Agreement are paid by TPDC (Tanzanian Petroleum Development Corporation) in accordance with the agreements established.

Outlook for 2016

For 2016, the Group's oil production is expected to increase compared to the level of 2015. The Group plans to stabilise production from the Gabon fields at approximately 28,000 bopd (at 100%, or 22,400 bopd, M&P working interest), excluding of the constraints on evacuation, for capex of approximately US$40 million (M&P working interest). This amount also includes connection to the Addax-Shell network to southern Gabon in the first half of 2016.

Maurel & Prom will also continue efforts to reduce costs by renegotiating contracts and reducing the work programme. Based on this production level and assuming a Brent price of $40 throughout 2016, operating cash flow in Gabon should be around US$13/barrel in 2016.

The relative share of revenue from gas sales is expected to increase to approximately 10% of the Group's total revenue, compared to 3% (and 7% of production) in 2015. The sale price was set at US$3.07 Mcf and increases depending on inflation. Production in 2016 is expected to increase to a level of 80 MMcf per day, depending on calls for the supply of gas from TPDC, the national oil and gas company. Expected capex for this purpose total US$3 million.

Due to the low oil prices, the Group reduced its exploration programme to minimum contractual commitments. This activity is currently budgeted at US$17 million for 2016, or a reduction of 46% compared to 2015. This trend is expected to continue in 2017.

Audit process is still underway. The consolidated financial statements at 31 December 2015, approved by the Board of Directors on 30 March 2016, are available on the Company's website at www.maureletprom.fr.

To listen to the audiocast of Maurel & Prom's 2015 annual results, click on the following link after 10 a.m. on Thursday, 31 March 2016:
http://edge.media-server.com/m/p/e3adtpbw

Next publication:

28 April 2016: **First quarter 2016 sales**, press release after the closure of the financial markets

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
Maurel & Prom
Tel: 01 53 83 16 00

Press contacts, shareholder and investor relations
Tel: 01 53 83 16 45
ir@maureletprom.fr

Maurel & Prom is listed for trading on Euronext Paris
CAC® mid 60 – SBF120® – CAC® Mid & Small – CAC® All-Tradable – CAC® All-Share – CAC PME – EnterNext© PEA-PME 150
Isin **FR0000051070** / Bloomberg **MAU.FP** / Reuters **MAUP.PA**