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N° 03-25

Signing of a letter of intent for the acquisition of a 40% operating working interest in the Sinu-9 gas licence in Colombia

- **Producing and development-ready onshore operated gas asset, strategically located with key infrastructure in-place**
 - Located in the Sinu San Jacinto basin and connected into the Promigas pipeline with direct access to the coastal urban and industrial areas in the north of Colombia
 - High quality asset with recently developed facilities
 - First gas achieved in November 2024 as part of the ongoing long term test
 - Current infrastructure in place for gross production of up to 40 mmcfd (16 mmcfd net to the acquired 40% working interest) with further development expected to increase production well beyond this initial level
- **Proven reserves with considerable exploration and appraisal upside**
 - Prolific basin, with multiple producing fields in the area and strong geological continuities
 - Gross proven plus probable (2P) and proven plus probable plus possible (3P) reserves of respectively 158.8 bcf and 340.8 bcf as of 31 December 2023 (respectively 63.5 bcf and 136.3 bcf net to the 40% acquired working interest)
 - Multiple prospects, of which several ready to be drilled over the next 18 months
- **Very strong fundamentals for the Colombian domestic gas market**
 - Strategic gas resource for a Colombian market that is structurally short in supply, projected to be short 30% of demand by 2026
 - Spot domestic gas prices in excess of \$8/mmBtu as of Q4 2024
 - Supply shortfall situation expected to last at least for the next five years, whilst identified new gas resources in the country will come with high development costs (offshore fields)
- **Strategic opportunity for M&P to expand in Colombia**
 - M&P has been present in the country for over 20 years
 - Cash flow diversification: non-Brent linked revenues in a stable OECD oil and gas jurisdiction
 - \$150 million acquisition consideration (as of effective date of 1 February 2025), fully funded from M&P's existing cash resources and available facilities
 - M&P will have a 12-month option from closing to acquire an additional 5% working interest in Sinu-9 from NG Energy under the same terms (\$18.75 million consideration with the same effective date)

Etablissements Maurel & Prom S.A. ("M&P", the "Group") is pleased to announce that it has entered into a letter of intent with NG Energy International Corp. ("NG Energy"), listed on the TSX Venture Exchange of Toronto, to acquire a 40% operated working interest in the Sinu-9 gas licence in Colombia for a consideration of \$150 million as of the effective date of 1 February 2025. Pursuant to the letter of intent, the parties have agreed to use their best endeavours to expeditiously enter into a definitive agreement consistent with the letter of intent.

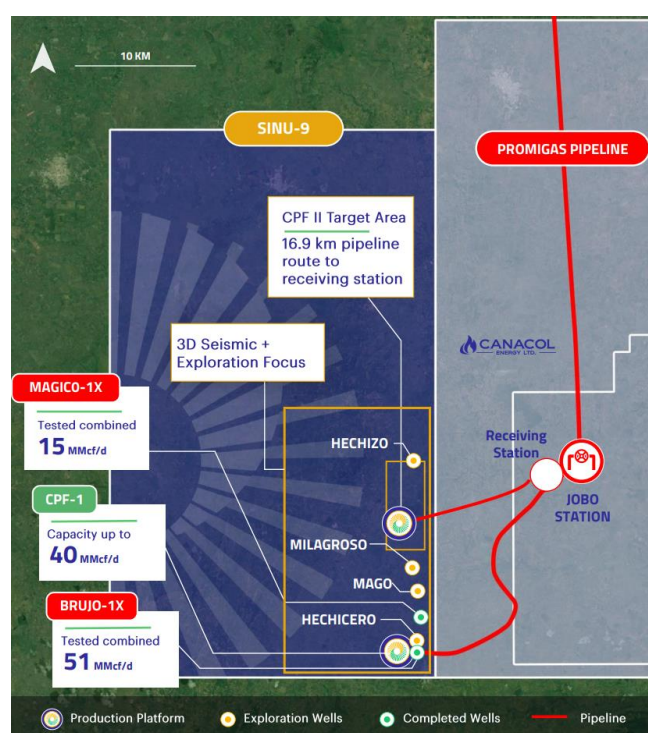
Olivier de Langavant, Chief Executive Officer of M&P, declared: *"This acquisition represents a key step in M&P's growth, bringing the Group an operating stake in a prolific and highly prospective gas licence. The asset is at an early stage of development, which allows us to leverage our operational expertise to develop all the resources in place and bring a domestic source of gas to the Colombian market. This marks a significant milestone in our history in Colombia, re-establishing M&P as an operator in the country with significant organic growth potential. NG Energy has done a great job at bringing this asset to first gas, and we look forward to growing the relationship as partners on Sinu-9".*

Asset description

The Sinu-9 gas block lies in the Lower Magdalena Valley, 75km from Colombia's Caribbean coast, and covers an area of approximately 1,260 square kilometres in the department of Córdoba. The Sinu-9 gas block is located in the Sinu San Jacinto basin, adjacent to producing gas blocks held by Canacol and Hocol. NG Energy is currently the operator of the block and owns a 72% working interest in the licence, alongside Desarrolladora Oleum, S.A. DE C.V (15%), Clean Energy Resources S.A.S. (7.8%), and FG Oil & Gas Inc. (5.2%).

The area has established infrastructure with access to the Promigas pipeline, the northern natural gas trunk line of Colombia, at the Jobo connection point.

Map of the Sinu-9 block:



Source: NG Energy company presentation, December 2024

Sinu-9 achieved first gas production in November 2024, under the ongoing long term test of the Magico-1X and Brujo-1X wells. There is infrastructure in place for gross production of up to 40 mmcfd (16 mmcfd net to the acquired 40% working interest), and further development will considerably increase production beyond this initial level.

The block had gross 2P and 3P reserves of 158.8 bcf and 340.8 bcf, respectively, as of 31 December 2023 (63.5 bcf and 136.3 bcf of 2P/3P reserves net to the 40% acquired working interest), based on NG Energy's latest certified reserves report prepared by Sproule International Limited ("Sproule"), an independent qualified reserve evaluator, which report was prepared using guidelines outlined in the Canadian Oil and Gas Evaluation Handbook.

Sinu-9 has considerable exploration and appraisal upside, in a very prolific gas basin with multiple producing fields in the area. Multiple leads and prospects are ready to be drilled over the next 18 months and are expected to significantly increase the resource base.

Sinu-9 is fully permitted with environmental approval granted by Colombia's National Authority of Environmental Licences ("ANLA") to drill 22 wells from 11 locations. Infrastructure is fully in place for the first phase of the development, with 40 mmcfd of gross treatment and export capacity.

M&P's experience in Colombia

The Group has been active in Colombia for over 20 years, and this transaction marks its return as an operator of producing assets in the country. M&P has successfully invested close to \$1 billion in Colombia to date, yielding very strong returns. Colombia is a stable and established oil and gas jurisdiction, well known to M&P, which strategically complements our other operations across Africa and Latin America. With near-term growth and development of the asset, the envisaged transaction positions M&P to build size and scale in Colombia leveraging its operational capabilities.

As a result of the decline of its large mature fields, Colombia's natural gas market is currently facing imbalances between local production and demand, leading to high prices and a reliance on imports of liquefied natural gas. Spot domestic gas prices have been constantly rising and are in excess of \$8 per mmBtu as of Q4 2024. This supply shortfall is expected to last until at least 2030, with the development of possible additional production capacity will come at a high cost.

Financing

The consideration of \$150 million will be funded from M&P's existing cash resources and available credit facilities (\$260 million as of 31 December 2024).

Conditions

Closing of the transaction is subject to negotiation and execution of a definitive agreement between the parties, the receipt of regulatory approvals, including the approval of the Colombian National Hydrocarbons Agency ("ANH"), and the satisfaction of other customary closing conditions.

M&P will have a 12-month option from closing to acquire an additional 5% working interest in Sinu-9 from NG Energy under the same terms: \$18.75 million consideration, with the same effective date of 1 February 2025.

Advisors

Hannam & Partners is acting as exclusive financial advisor to M&P. Herbert Smith Freehills LLP, Torgs LLP, and Martínez Quintero Mendoza González Laguado & De La Rosa are acting as legal advisors to M&P.

About NG Energy

NG Energy International Corp. is growth-orientated natural gas exploration and production company listed on Toronto's TSX Venture Exchange, and focused on delivering long-term shareholder and stakeholder value through the discovery, delineation and development of large-scale natural gas fields in developing countries, supporting energy transition and economic growth. NG Energy's team has extensive technical and capital markets expertise with a proven track record of building companies and creating significant value in South America. To date, over \$100 million has been invested in the exploration and development of its two main gas assets in Colombia, Sinu-9 and Maria Conchita. For more information, you can visit NG Energy's website (www.ngenergyintl.com).

Glossary

French		English	
pieds cubes	pc	cf	cubic feet
millions de pieds cubes par jour	Mpc/j	mmcf	million cubic feet per day
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
millions de barils	Mb	mmmbbls	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
millions de barils équivalent pétrole	Mbep	mmboe	million barrels of oil equivalent

For more information, please visit www.maureletprom.fr/en/

Contacts

Maurel & Prom

Shareholder relations
Tel.: +33 (0)1 53 83 16 45
ir@maureletprom.fr

NewCap

Investor/media relations
Tel.: +33 (0)1 44 71 98 53
maureletprom@newcap.eu

This document may contain forecasts regarding the financial position, results, business and industrial strategy of Maurel & Prom. By their very nature, forecasts involve risk and uncertainty insofar as they are based on events or circumstances which may or may not occur in the future. These forecasts 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 rates and the related costs, operational problems, political stability, legislative or regulatory reforms, or even wars, terrorism and sabotage.

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