Paris, October 19, 2006

First Half 2006 results

Sharp increase in revenues and profitability optimisation

Highlights of the first half

- **Revenues surge :** turnover x 3 (170% on a like-for-like basis)
- **Profitability optimisation:** recurring EBIT x3.8 and net income x7.2
- **Dynamic exploration prospects in an area with a very high potential:** first exploration successes
- **Active management of the mining portfolio:** acquisitions of new permits
- **Development program planned in Gabon**: 12,000 b/d on stream by end 2007/beginning 2008.

Sharp rise in financial indicators

In € millions	H1 2006	Like-for-like H1 2006	H1 2005	*Change*
Consolidated revenues	**309.6**	170.8	**103.2**	*+ 200%*
Recurring EBIT	**154.4**	89.2	**40.4**	*+ 281%*
Net income	**103.7**	63.0	**14.4**	*+ 620%*
Cash flow from operations	**159.5**	-	**40.6**	*+ 293%*
Other indicators				
Net earnings per share (€)	**0.90**	-	**0.13**	*+ 577%*
Operated production (b/d)	**91,065**	-	**40,228**	*+ 126%*
Sold production (b/d)	**33,490**	-	**15,313**	*+ 118%*

Development plan in Gabon

In Gabon, thanks to the successful drilling campaign with the ONAL well, the Company has filed an application with the Gabonese authorities to start production on the ONAL field scheduled for the end of 2007/beginning of 2008.

Geographical diversification continues

Maurel & Prom is studying new projects to extend its mining portfolio. The signing of two new exploration permits, in Syria and Gabon, is being finalised.

Jean-François Hénin, Chairman of the Management Board, declares:

"The first half of 2006 was in line with forecasts both in terms of financial and exploration results. ***Revenues were multiplied by 3 and the net income by 7.2 in comparison with the first half of 2005****, even though we wrote off €20.6 million, mainly due to the disappointing results of the exploration in Colombia.*
We should not forget that in Congo, drilling of the Loufika well ***revealed new shallow reserves and that the main objective, Vandji, is currently being drilled****.*
In Gabon, the positive results of the drilling campaign enabled us to submit a ***development plan*** *to the Gabonese authorities, with production scheduled to begin between the end of 2007 and the beginning of 2008.*
Maurel & Prom is negotiating new permits, in particular in Syria and Gabon.

With respect to drilling, our subsidiary Caroil was very active in the first half. It started operating two new rigs bringing our total number of rigs to seven. An eighth rig has been working since June 30, 2006.

With respect to the outlook for 2006, given the recent acquisitions & disposals in Columbia and Venezuela, the Group is maintaining its April 2006 estimates of annual revenues of €555 million."

Sharp increase in financial indicators

First half 2006 revenues came in at €309.6 million, up 200% over first half 2005 (€103.2 million). Like-for-like, excluding the acquisition of Hocol, there was a 65% increase in revenues. This increase is due to a 118% increase in volumes sold (including 4.4% for Congo, representing an increase of 680 b/d), consolidation of Hocol (17,493 b/d sold), a 32% increase in Brent prices and a reduction in the discount on sales prices as a result of the change in quality of Congo oil in relation to Brent (from US$-7.52 to US$-0.74 per barrel).

The €309.6 million of revenue was generated mainly (94.2%) by the oil production business in Congo for €152.9 million (or 49.4%), in Colombia for €132.8 million (or 42.8%) and in Venezuela for €6.1 million (or 2%). In first half 2006, the Group sold 6.06 million barrels at an average price of US$58.8 per barrel.
The oil production business therefore turned in revenues of €291.8 million. For the record, gross non-IFRS revenues posted by Maurel & Prom, i.e. before taxes in kind, amounted to €436.3 million. The difference of €144.5 million represents all the taxes paid in kind for the oil production business.

Caroil's contribution to the posted consolidated revenue is up 62% over first half 2005, **at €15.9 million**. This increase was driven in part by a rise in the number of active rigs (seven during the first half of 2006, against five at the end of 2005). Nevertheless, this revenue does not reflect Caroil's actual level of business, since the work that it carried out for Maurel & Prom was eliminated on consolidation.

Recurring EBIT jumped 281% to €154.4 million, compared with the first half of 2005 (€40.4 million). Recurring EBIT accounted for 49.9% of revenues against 39.1% in the first half of 2005 and 44.5% for the whole of 2005. Like-for-like, recurring EBIT stood at €89.2 million, up 121%.

Net income, Group share, surged to €103.7 million, multiplied by 7.2, compared with the first half of 2005 (€14.4 million). This net income, Group share, of €103.7 million, is higher than that for the whole of 2005 (€100.2 million).
Like-for-like, excluding Hocol, net income came in at €63.0 million, up 337% over first half 2005.

The increase in results is stated after the following acquisitions and disposals:

- Acquisition of Hocol (Colombia, Venezuela) on August 4, 2005, but disposal of the Tello concession in Colombia on 14 February 2006.

- In Congo, disposal of 10% of rights on M'Boundi to *SNPC (Société Nationale des Pétroles Congolais)*, which took effect on January 1, 2006, and reduced Maurel & Prom's stake in the oilfield from 54% to 48.6%.

- Suspension of the contribution of Venezuela as from April 1, 2006 pending the results of ongoing negotiations for the changeover to *"Empresa Mixta"*.

Exploration expenditure for the first half of 2006 amounted to €43.3 million, €20.6 million of which were taken to income. Development expenditure amounted to €72.4 million.

Given the negative change in exchange rates, the Common equity, Group share, climbed from €458.6 million at December 31, 2005 (before appropriation of income) to €475.7 million at June 30, 2006.

Net debt stood at €233.6 million at June 30, 2006 compared with €235.7 million as of December 31, 2005.

The debt-to-equity ratio was 49.1% against 51.4% at December 31, 2005.

Cash assets stood at €226.7 million as of June 30, 2006.

Cash flow from operations came in at €159.5 million, up 293% over first half 2005.

Non-oil assets were not material to the Group's balance sheet and income. We are currently disposing of our gold-mining business.

Following the exercise of our redeemable share warrants (*BSAR*), the total number of Maurel & Prom shares was 120,128,087 as of September 4, 2006.

Outlook for the second half

Compared with the first half of 2006, the Group does not forecast it will achieve the same revenue levels in the second half in view of the following factors:

- full effect of the disposal of the Tello concession in Colombia;
- **temporary suspension** of Venezuela's revenues as from April 1, 2006 pending the results of ongoing negotiations with *PDVSA* (a state-owned Venezuelan company);
- unfavourable movement in the €/US$ exchange rate which stands at approximately 1.27 compared with 1.23 in the first half of 2006;
- a drop in the Brent price as compared with the average of US$65.7 per barrel recorded in the first half of 2006.

In the light of the above, the Group is maintaining its April 2006 forecasts of annual revenues of €555 million.

Activity and operational outlook

Buoyed by constantly improving financial results, the outlook for Maurel & Prom's exploration and production activities continue to be very bright.

The reorganisation of oil rights in Congo has now been completed; Maurel & Prom is present on the vast exploration areas of Kouilou (65% share) and Noumbi (49% share) for the search for the Vandji field.

This dynamic exploration program implemented in 2006 (a budget of €100 million) in Africa (Gabon, Congo, Tanzania) as well as in Colombia, has started to bear fruit.

On April 21, 2006, Maurel & Prom confirmed its exploration program for 2006 by identifying ten structuring wells for the Company.

To date, three of these wells have been drilled (one in Congo, one in Colombia and one in Gabon), of which one turned out to be positive (Gabon), one is being drilled and revealed a new field (Congo) and one was negative (Colombia).

Two other wells are being drilled (Colombia and Tanzania) and five are on the exploration program scheduled for the end of 2006 and the beginning of 2007 (Congo).

Gabon

In Gabon, the positive results of the drilling campaign in the ONAL wells led the Company to file an **application to establish the commercial prospects of the discovery of the ONAL field** with the Gabonese authorities. In all, the development budget of the field is estimated at US$250 million with injection.
Maurel & Prom's share of production in Gabon could amount to between 9,000 and 10,000 b/d of 32° API oil. Production is scheduled to kick off between the end of 2007 and the beginning of 2008 depending on the technical progress of the project and the finalisation of transport and marketing agreements.

Congo

In Congo, after the Loufika 1D ST well revealed an accumulation of oil at a shallow depth, **Maurel & Prom decided to start the assessment of this new field by drilling five new wells** in the coming months.

Drilling is under way for Loufika Deep, La Hocha Deep and the Tanzanian well and results are expected by the end of November. For the record, these wells are said to be structuring because if the results turn out to be positive, they could have a significant effect on Maurel & Prom's reserves.

Geographical diversification and management of the mining portfolio

Syria
Maurel & Prom is currently negotiating with the Syrian authorities to sign an exploration permit on block XI, located in the west of Syria and covering an area of 8,400 km².

Gabon
Having assessed the ONAL field and bolstered by the success of its exploration program, Maurel & Prom continues its development strategy in Gabon and has announced the signature of a "Farm in" agreement on the Etekamba (Transworld) exploration permit as an operator with a 65% stake. This permit is located to the East of the Kari permit and is located near the discoveries made by Total Gabon and Shell Gabon.

Congo
Maurel & Prom has negotiated a 20% interest stake in the Tilapia and Marine III permits, jointly owned by the *SNPC* (35% on Tilapia and 25% on Marine III) and Prestoil (operator of the permits, 45% on Tilapia and 55% on Marine III).

Consolidated financial statements for the six months ended June 30, 2006

Income statement in € 000	1H 2006	1H 2005	Change
Revenues	**309,664**	**103,170**	***+200%***
Other operating income	46	58	*-21%*
Change in inventories	(1,013)	214	*-573%*
Other purchases and operating expenses	66,179	25,312	*+161%*
Taxes and duties	8,463	1,712	*+394%*
Payroll expenses	13,049	7,970	*+64%*
Depreciation/Amortisation expenses	60,700	9,561	*+535%*
Provisions	12	533	*-98%*
Other expenses	7,905	17,902	*-56%*
Recurring EBIT	**154,415**	**40,451**	***+282%***
Gains/losses from asset sales	(344)	605	*-157%*
Impairment		22,067	*-100%*
Operating profit	**154,071**	**18,989**	***+711%***
Cost of net financial debt	(14,474)	(11,733)	*+23%*
Other financial income and expenses	(231)	(7,463)	*-97%*
Income before tax	**139,364**	**(207)**	***n/s***
Income tax	33,273	(13,608)	*-345%*
Net income from consolidated companies	**106,091**	**13,401**	***+692%***
Share in equity affiliates	(2,341)	975	*-340%*
Consolidated Group net income	**103,750**	**14,276**	***+627%***

BALANCE SHEET IN € 000	6/30/2006	12/31/2005	*Change*
Assets			
Intangible assets	619,764	624,182	*-1%*
Plant, property and equipment	342,942	357,232	*-4%*
Long-term investments	7,547	4,389	*+72%*
Investment in associates	25,866	22,968	*+13%*
Deferred tax assets	18,830	28,890	*-35%*
Non-current assets	**1,014,949**	**1,037,661**	***-2%***
Inventories	8,923	6,884	*+30%*
Trade notes and accounts receivable	41,528	50,042	*-17%*
Other assets	74,250	43,978	*+69%*
Current tax assets	805	324	*+148%*
Financial instruments		6,870	*-100%*
Cash and cash equivalents	226,663	235,172	*-4%*
Current assets	**352,169**	**343,271**	***+3%***
Assets intended for sale	1,633	82	*+1,891%*
Total assets	**1,368,751**	**1,381,015**	***-1%***

BALANCE SHEET IN € 000	6/30/2006	12/31/2005	*Change*
Liabilities			
Capital stock	89,591	89,502	*0%*
Additional paid-in capital	202,059	200,190	*+1%*
Consolidated reserves	88,475	72,355	*+22%*
Treasury stock	(8,175)	(3,707)	*+121%*
Net income, Group share	103,750	100,234	*+4%*
Equity, Group share	**475,700**	**458,574**	***+4%***
Minority interests	**14**	**199**	***-93%***
Total equity	**475,714**	**458,772**	***+4%***
Non-current provisions	13,680	16,532	*-17%*
Non-current bonds	333,441	328,577	*+1%*
Other non-current borrowings and financial debt	56,900	74,455	*-24%*
Deferred tax liabilities	189,045	209,572	*-10%*
Non-current liabilities	**593,066**	**629,136**	***-6%***
Current bonds	6,507		
Other current borrowings and financial debt	63,447	67,842	*-6%*
Accounts payables	65,394	84,505	*-23%*
Current tax liabilities	10,798	64,164	*-83%*
Other payables and liabilities	147,470	66,037	*+123%*
Financial instruments		1 397	*-100%*
Current provisions	6 355	9 161	*-31%*
Current liabilities	**299,971**	**293,106**	***+2%***
Total liabilities	**1,368,751**	**1,381,015**	***-1%***

Cash flow statement in € 000	1H 2006	1H 2005	*Change*
Consolidated income before tax	137,023	782	*+17,422%*
Adjustment for:			
Net depreciation and amortisation expense (reversals)	60,753	40,518	*+50%*
Unrealised gains and losses on changes in fair value	6,870	16,950	*-59%*
Calculated expenses and income linked to stock options	815	3,713	*-78%*
Other calculated income and expenses	32,089	(3,535)	*-1,008%*
Capital gains and losses on asset sales	690	(558)	*-224%*
Share of earnings of equity affiliates	2,341	(1,022)	*-329%*
Free cash flow before taxes	**240,581**	**56,848**	***+323%***
Tax paid	**(84,124)**	**(1,280)**	***+6,472%***
Change in working capital from operating activities	**3,027**	**(14,956)**	***-120%***
Cash flow from operations	**159,484**	**40,612**	***+293%***
Payments for purchase of PPE and intangible assets	(115,671)	(101,861)	*+14%*
Proceeds from sales of intangible assets and PPE	168	11,872	*-99%*
Payments for purchase of long-term assets (non-consolidated securities)		(5,876)	*-100%*
Proceeds from sale of long-term non-consolidated investments		334	*-100%*
Purchase of subsidiaries	(22,790)	(1,523)	*+1,396%*
Change in loans and advances granted	(6,222)	(6,228)	*0%*
Other cash flow from investing activities	11,871	(4,142)	*-387%*
Net cash flow from investing activities	**(132,644)**	**(107,424)**	***+23%***
Receipts from shareholders following capital increases	1,143	4,078	*-72%*
Dividends paid			
Receipts from new loans		420,689	*-100%*
Loan repayments	(15,072)	(25,403)	*-41%*
Other transactions (treasury stock)	(4,468)		
Net cash flow from financing activities	**(18,397)**	**399,364**	***-105%***
Impact of exchange rate fluctuations	(14,708)	(3,323)	*+343%*
Change in cash and cash equivalents	**(6,265)**	**329,230**	***-102%***
Cash and cash equivalents brought forward	232,059	31,941	*+627%*
Cash and cash equivalents carried forward	**225,794**	**361,171**	***-37%***

This press release may contain forward-looking statements with respect to the financial condition, results of operations, business, strategy and plans of Maurel & Prom. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that will or may occur in the future. These forward-looking statements are based on assumptions which we believe are reasonable but that could ultimately prove inaccurate and are subject to a number of risk factors, including but not limited to price fluctuations in crude oil; exchange rate fluctuations; uncertainties inherent in estimating quantities of oil reserves; actual future production rates and associated costs; operational problems; political stability; changes in laws and governmental regulations; wars and acts of terrorism or sabotage.

Maurel & Prom is listed on Eurolist of Euronext Paris – compartment A - CAC mid 100 Index
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