MAUREL & PROM

- The first half results and third quarter sales lend credibility to the performance expected for 2004 and 2005

- CONGO
  - Rapid production growth
  - Launch of an intensive exploration program

- SPRINGBOARD FOR GROWTH
  - **Organic**: Cuba, Gabon, Tanzania
  - **External**: search for additional assets

- A favorable situation for independents

- CORPORATE
  - Conversion of the partnership
  - Division of par value

First half results 2004

- The major increase in income for the first half (+300%) shows performance for 2004 (€ 65 million + 170%) and 2005 (€ 150 million + 130%) growing strongly
- The combination of the high barrel price, the uncapped oil tax agreement and the intrinsic qualities of M'boundi are generating very high net profit in this field (50% in 2005)

First half 2004:
Major growth of all levels of income

In € millions Consolidated financial statements	30/06/2003 Recorded	 Economic*	30/06/2004 Economic*	 Recorded
Sales	**18.6**	**21.9**	**45.8**	**42.5**
Operating income	**4.8**	**7.0**	**17.5**	**15.8**
Net income	**3.6**	**3.6**	**14.0**	**14.0**

* Retaining pro rata the contribution of the interests in Pebercan in Cuba treated from an accounting standpoint using the equity method

> The growth in net consolidated income lends credibility to the 2004 forecast and the 2005 objective

First half 2004:
Growth with strong profitability

In € millions Oil financial statements	30/06/2003 Recorded	 Economic*	30/06/2004 Economic*	 Recorded
Oil sales	**14.8**	**18.0**	**43.6**	**40.3**
Oil operating income	**7.4**	**9.6**	**22.9**	**21.3**
Economic operating margin	***50%***	***53%***	***53%***	***53%***
Oil net income	**7.9**	**7.9**	**16.9**	**16.9**

Third quarter 2004 sales: +315% (excluding Cuba)

In € millions	2003	2004
Oil activities	9.0	44.2
Diversified activities	1.7	0.3
Total	10.7	44.5

> Congo performance excluding drilling: +515%

The features of the Congolese assets indicate outstanding performance in terms of income 2004 and 2005

M'Boundi or the ideal oil mix:

- **Very low cost**: operating cost of 4 USD/barrel as at 30/06/04.
  - Significant improvement expected due to amortization of fixed costs on increasing production.
  - Projected change of transit and trading conditions:

    . Issue: a total gain of 4 to 5 USD/barrel or **25-30% of the asset value after discounting** (crude selling price and transit costs reduced by two thirds with new terminal)

- **Intrinsic quality of assets**: light oil, shallow wells (1800 to 2000 m) investment limited to 1.5 to 2 USD/barrel.

- **Attractive oil contract** with oil at 40 USD per barrel: Net income/barrel: 22 USD before oil cost recovery and 11 USD after total recovery of past costs. No cap on price per barrel.

- **Price per barrel structurally high** relative to the discovery situation.

The features of the Congolese assets indicate outstanding performance in terms of 2004 and 2005 income

Assumptions:

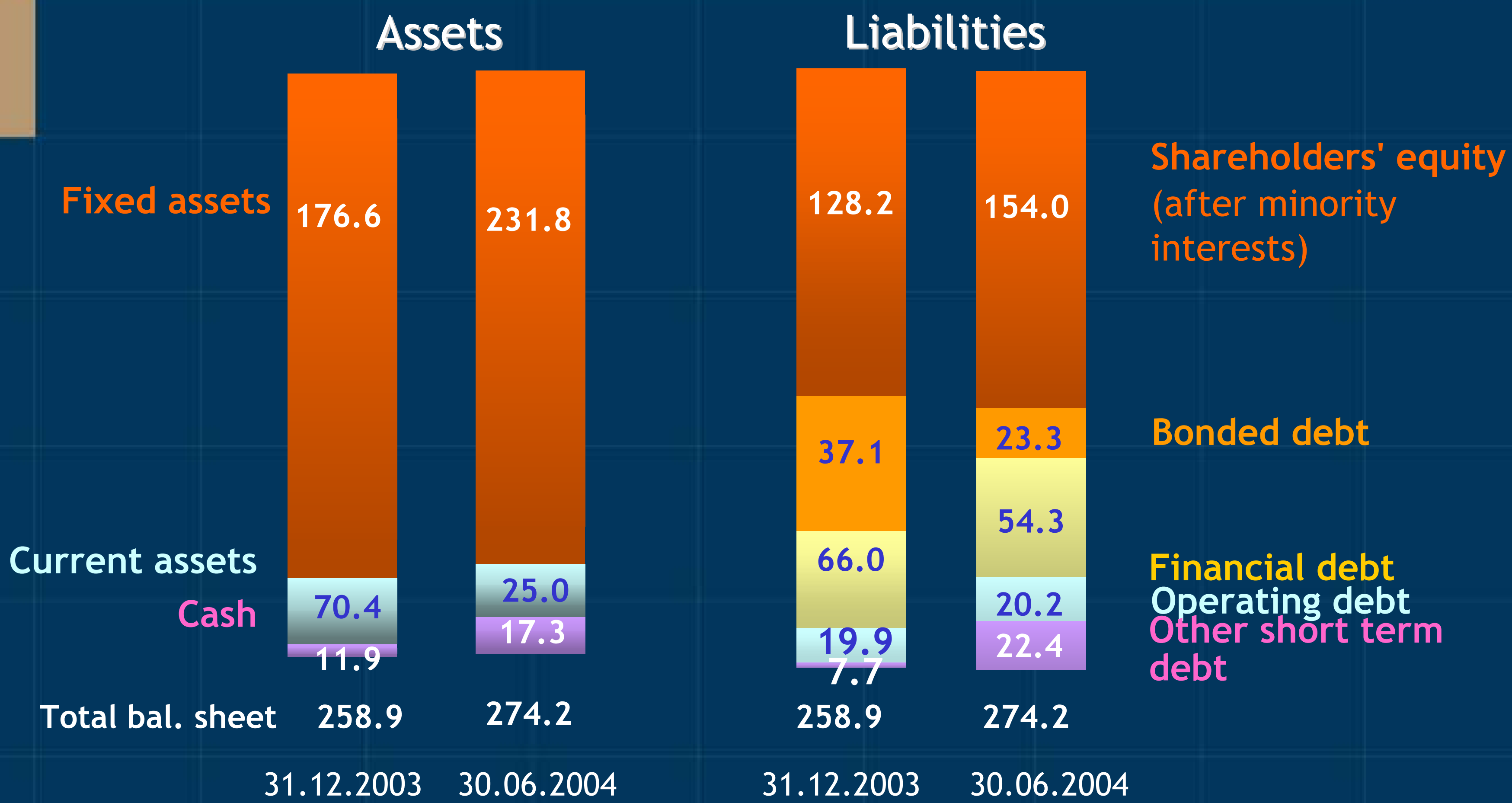
- Brent 2004: 39 USD
- Brent 2005: 30 USD / 40 USD / 50 USD

In € millions	2004	2005 Sensitivity / barrel		
		Brent 30 USD	Brent 40 USD	Brent 50 USD
Sales	140	250	330	410
Cash flow	70	145	170	200
Net forecast income	65	125	150	180

> 2005 objective already secure at 40% or ≈ € 60 million net: 10 000 b/d hedged from 1/1/05 to 31/12/05 at 40 USD

> with Brent at 10 USD, Congo net income would then be some 100 million USD in 2005

Rapid reinforcement of the balance sheet gives the company the means to grow.



> Net gearing: 39% at 30 June 2004 and estimated 24% at 31 Dec. 2004
> Additional borrowing capacity over three years: 100 to 150 million USD
> Reinforcement of shareholders' equity: +20% at 30 June 2004 (+36% after conversion of Océanes)

Medium term Congo outlook

At constant reserves, M'Boundi ensures the company sustained growth for the next five years (from 2005 to 2009) with:

- Total cash flow of 1 140 million USD
- Total operating income of 1 860 million USD
- Total net income of 980 million USD

> Working assumption:
Brent at 40 USD in 2005 and 35 USD thereafter

Oil portfolio

- Congo: one of the biggest onshore discoveries in West Africa

  - Sustained and rapid production growth

  - Launch of an intensive exploration program

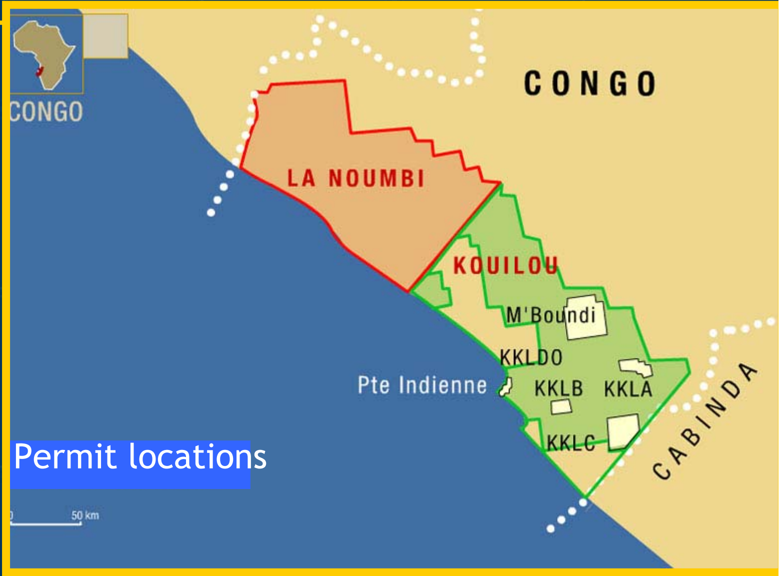
- Springboard for organic and external growth

Congo 2004/2005: rapid and sustained production growth

- **The target of 20 000 to 25000 b/d by end 2004 will be achieved on delivery of six to seven new wells** (Kouakouala being one)

- **2005 program: target of 35 000 to 40 000 b/d by year end:**
  - More than 20 wells developed/delineation
  - Launch of an additional pipeline (12 to 16 inch)
  - Offshore terminal being studied (launch end 2005)
  - Gas valuation
  - Production of water and gas injection pilot wells
  - Four simultaneous drilling rigs at M'Boundi

- **Total predicted Maurel & Prom investments in 2005: 150 million USD**



Permit locations

> **Peak production, natural depletion: 45 000 b/d in 2006**
> **Peak production after injection: 70 000 b/d in 2007/2008 (total of 130 wells of which 45 injectors)**

Congo 2004/2005: an ambitious exploration program

M'Boundi permit

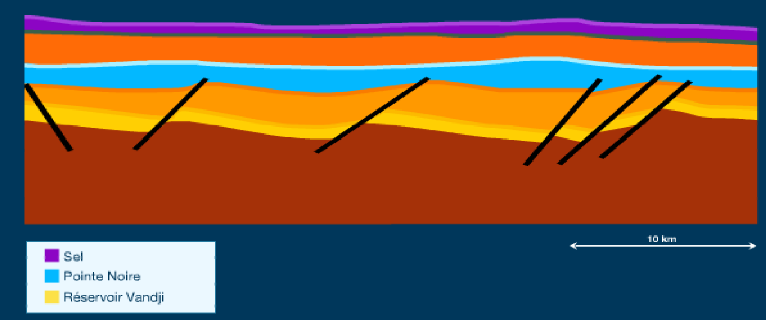
- 3D seismic campaign raised to 250 km² prepared by two 2D lines, north and south, with attractive results.
- Objectives: to drill two exploration wells, north and south, early 2005 to check the extent of the supposed extensions.

Kouakouala permit

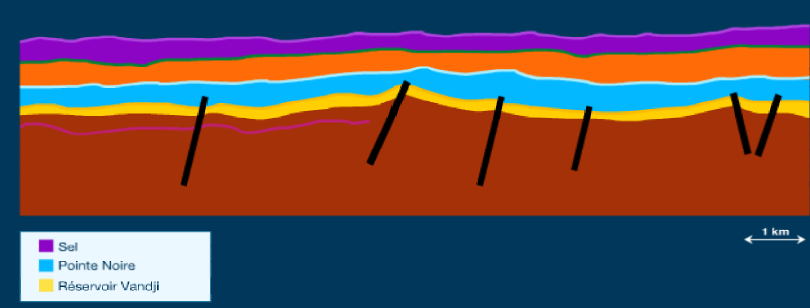
- One north panel exploration well and one potential exploration well in the eastern part by end 2004.

> One rig mobilized full time for exploration

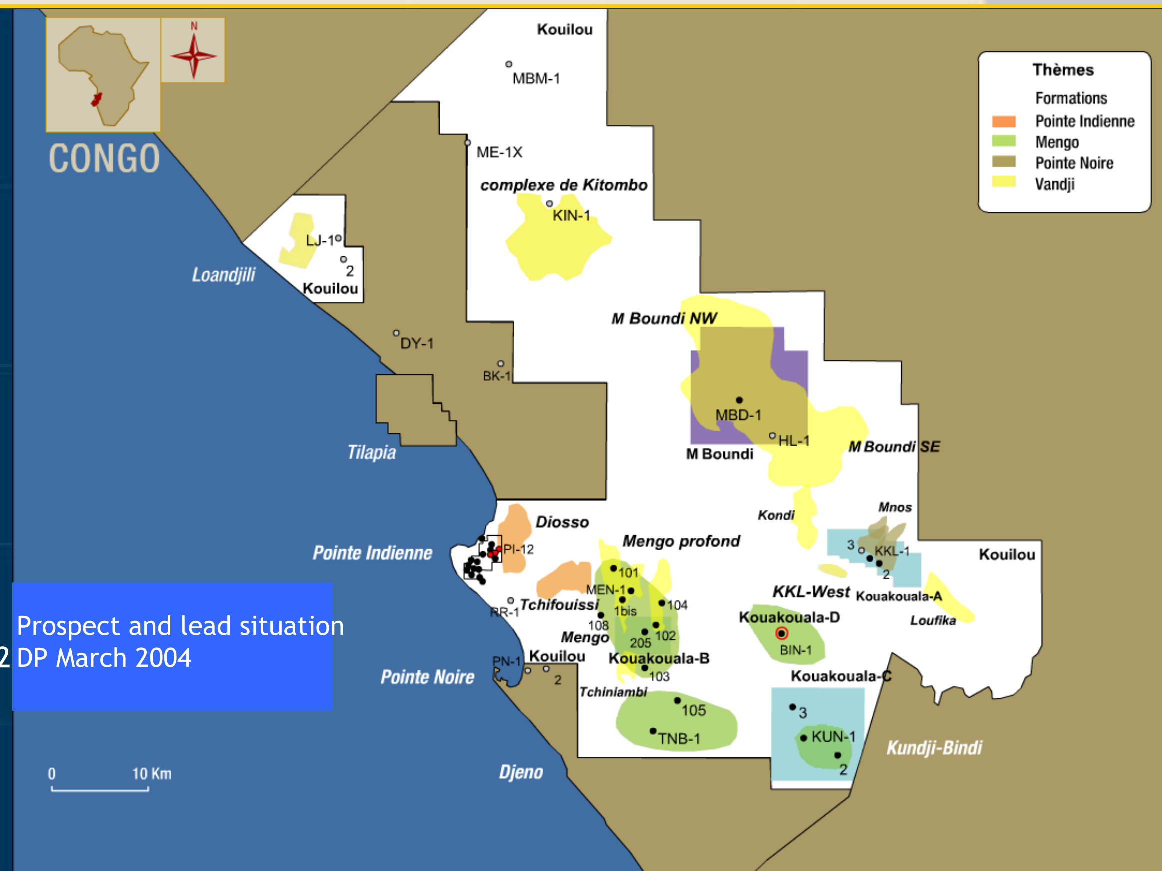
CONGO
2D seismic North



CONGO
2D seismic South



Congo 2004/2005: an ambitious exploration policy



Kouilou permit

- Two to three exploration wells on the possible prospects (Diosso, Tchiniambi, Kitombo)

- 2D seismic campaign in progress to reinterpret 250 km²

La Noumbi permit

- One exploration well on the Doungou prospect in first half 2005

> Objective: to reveal the Vandji oil reservoir beyond M'Boundi and Kouakouala (6 300 km² of permits of which M'Boundi represents only 50 km²)

Congo 2004/2007: outstanding performance expected

Assumptions: average selling price per barrel: 37.2 USD in 2005

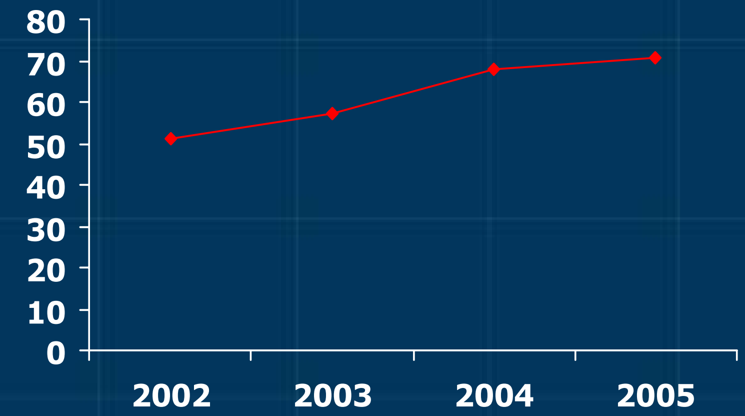
Parity: €/USD = 1.25

USD mill.

Sales

%

Gross margin



USD mill.

Net income before financial expenses

Springboard for organic and external growth

Need to diversify the drilling business to weight Congo

- Organic growth: exploration in mature areas in Cuba, Tanzania, Gabon, Senegal and Peru
- External growth: need to shorten the exploration cycle three to five years with one or more acquisitions

> Objective: to reduce Congo to 50% of reserves and production to 5 years

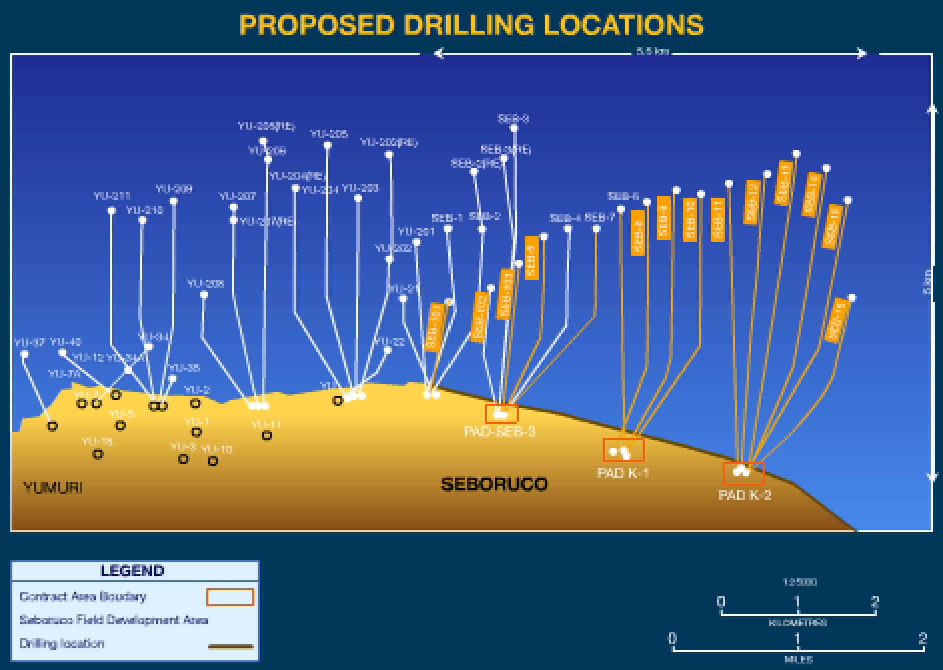
Cuba: new exploration phase

Refocus on block 7

- Canasi: Major incursions of water and gas should generate a sharp reduction in the recovery rate (1 to 2% in the end)

  Development of Canasi would be limited to two new potential wells before a rapid decline (unless there is a contribution from the matrix)

  2 500 b/d Pebercan share today and 1 500 to 2 000 b/d in 15 months



- Seboruco: sustained production with 2500 b/d

  Major development potential, 10 to 12 new wells

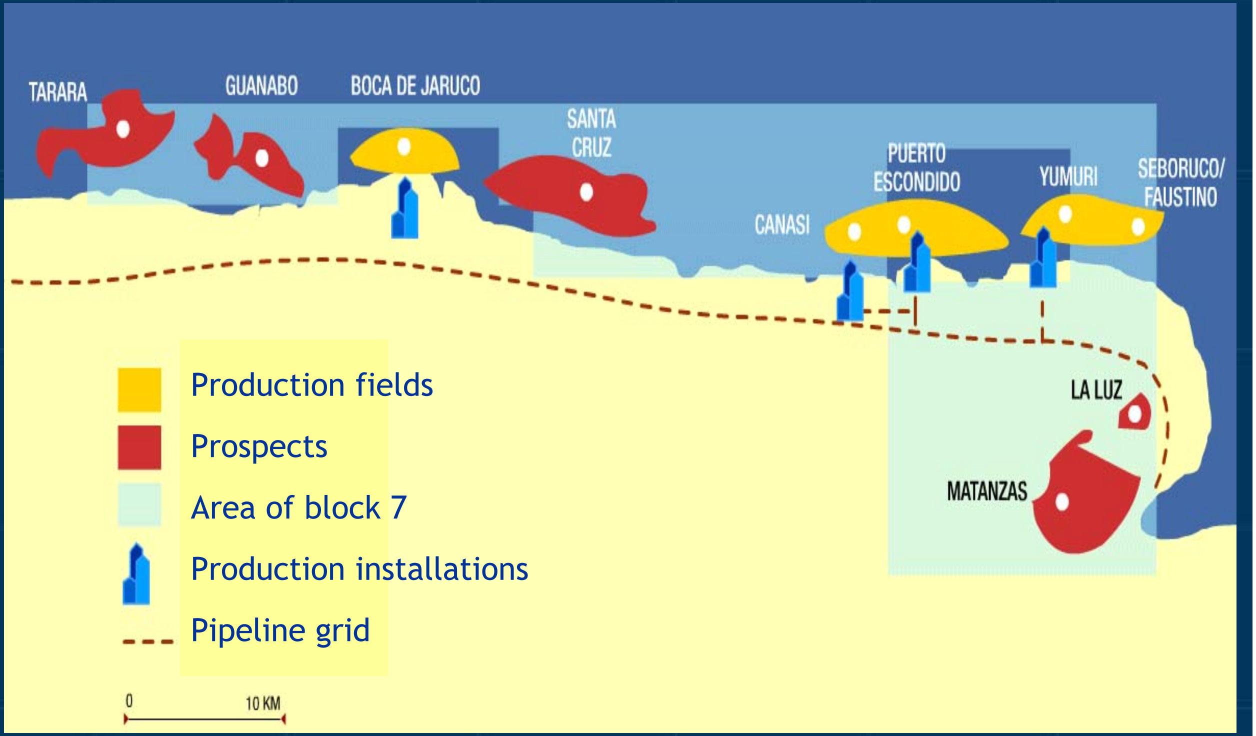
  Objective, Pebercan share: peak production of 7 000 b/d to 8 000 b/d by end 2005

> Peak production Canasi / Seboruco by end 2005 beginning 2006, 10 000 to 11 000 b/d

Cuba: new exploration phase

Launch of an intensive exploration campaign

Reservoirs operated by Pebercan



Potential discoveries on the basis of the 3D seismic campaign

Targets:

- Santa Cruz: being drilled
- Guanabo, Tarara: to be drilled in 2005
- Matanzas: to be drilled after 2005

Success in Santa Cruz could mean installing 15 additional wells to double the expected production potential (20 000 b/d in two years) and slow the decline of Canasi

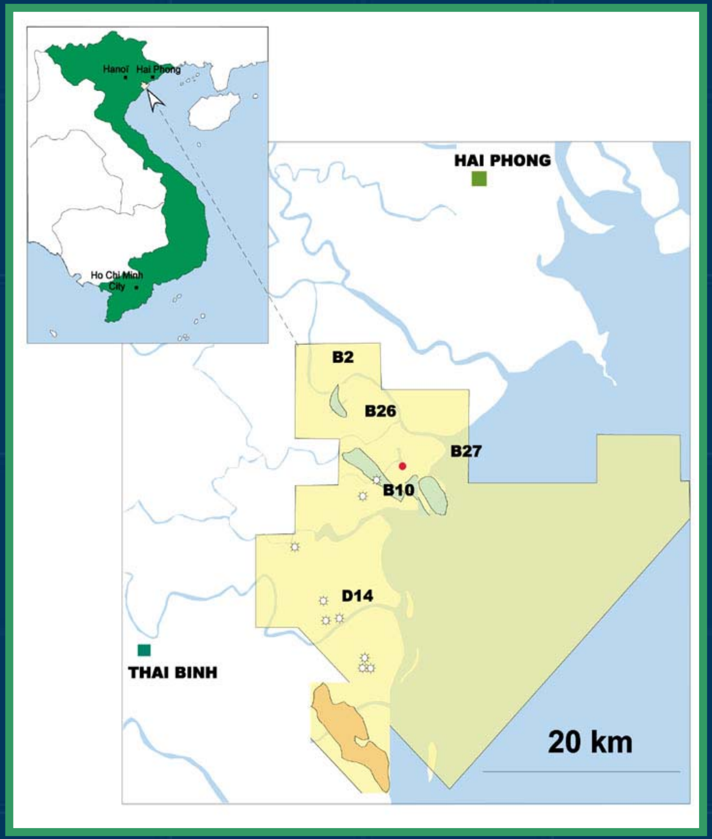
> Cuban receivables: 180 days' payment

Vietnam: production test in progress

- Well D14 has been producing since July in line with predictions, that is approximately 2 mcf/d.

- The purchase price of gas (2.40 USD/mcf) correlated with the production profile legitimizes the capitalized value at this stage and may in time lead to potential reclassifying of the reserves from possible to 2P.

- At this rate, cash flow at end 2005 should be 3.8 million USD.



VIETNAM - HANOI PERMIT

VIETNAM - HANOI PERMIT

Gabon: Broad exploration campaign soon to be launched

- **Partnership with South Africa's Rockover Oil & Gas on the exploration / development permits:**
  - **MT 2000 (50%)** in the extension of the Congolese permit of La Noumbi: search of Vandji reservoir revealed in Congo + reservoirs based on salt and carbonates in la Toca shallow. M&P operator
  - **Ofubu in the north (50%)**: production start-up in 2005 (2nd half) after drilling a test well of less than 600 m on the basis of the well discovered by Conoco in 1992 (76m of impregnated reservoir).

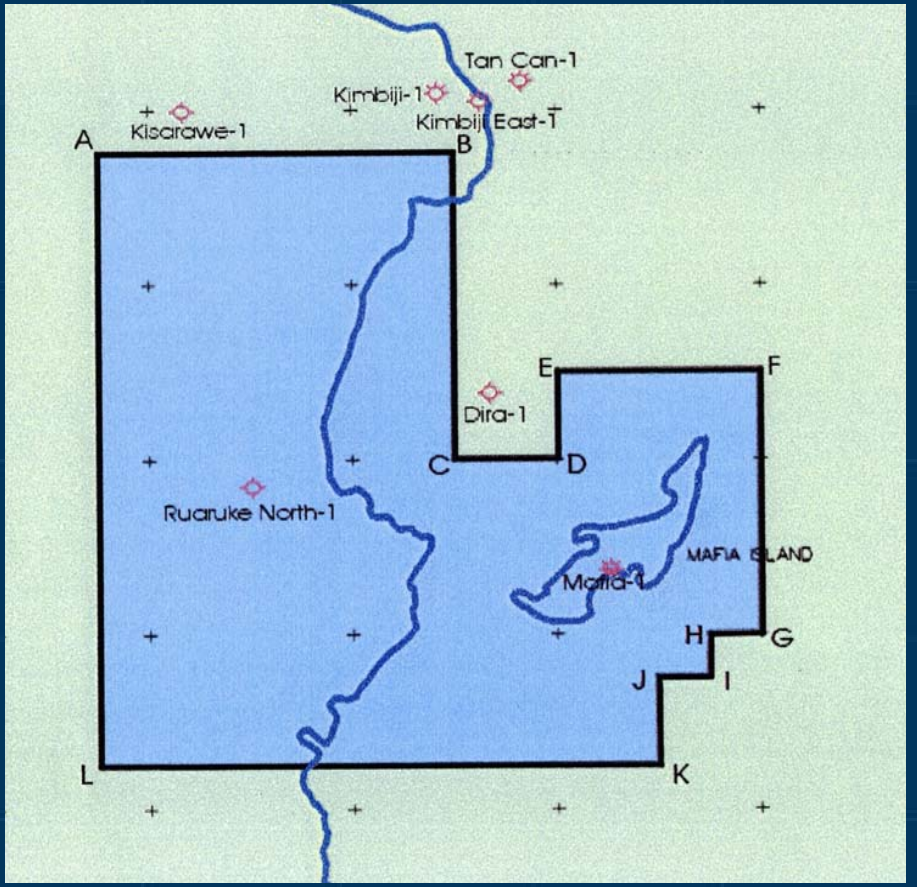
- **Banio** in the south (25%), operating permit that will be cut out on MT 2000. Possible production start-up of a well tested with oil (> 1 000 b/d in 1976) early 2005

- Maximum investment over the year: 3 to 5 million USD

> Issue: reveal new major oil reservoirs on the Congo model

Tanzania: 12 000 km² onshore and offshore to be explored

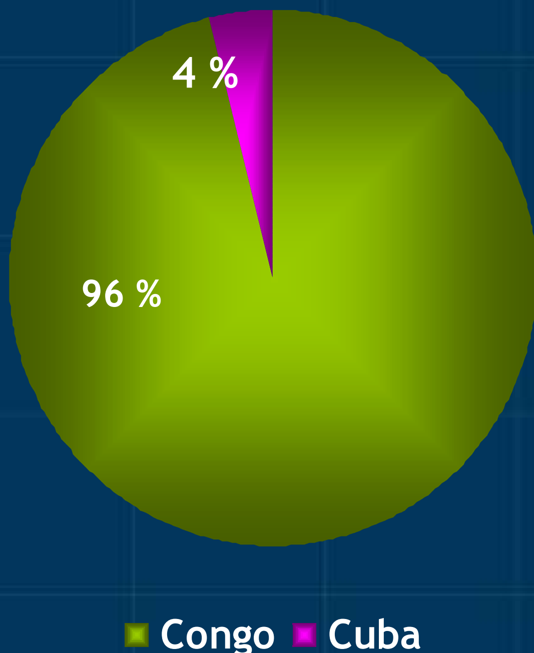
- **Production-sharing contract on onshore and offshore blocks of Bigwa-Rufiji and Mafia**
- **Maurel & Prom holds 60% and Petroquest 40%**
- **Investments**: two wells in four years. Potential seismic
- **Tax situation**:
  - Cost Recovery: 60% to 40% depending on production
  - Profit Oil: 40% to 65% depending on production
  - IS: 25 to 30%



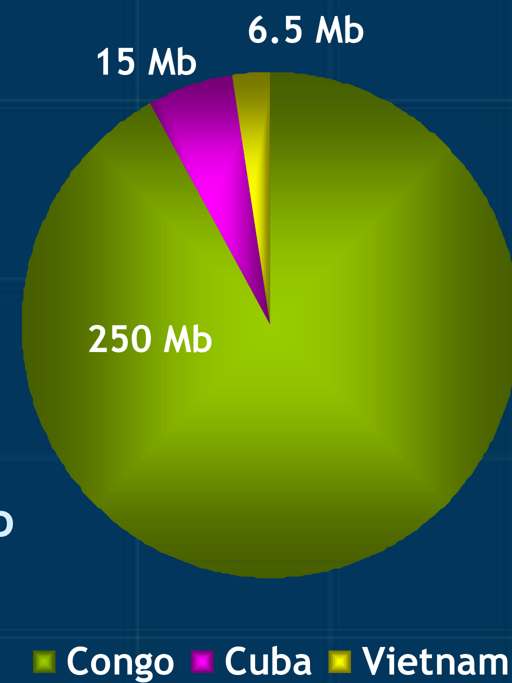
> Exploration in semi-mature zone

Reserves: balance between development reservoirs and prospective reserves

Proven and probable reserves (2P) = 279 Mb



Possible reserves (3P) = 271 Mb



Total (3P) = 550 Mb

> Visibility: Maurel & Prom has approximately 15 years of production at 50 000 b/d and great capacity to renew and grow its reserves

Springboard for organic and external growth

Need for rapid external growth

- Faster diversification than exploration
- Acquisition of critical mass to absorb more complex projects (engineering, offshore, assisted recovery, gas, etc.)
- Two to three quoted and unquoted targets being studied:
  - Significant existing production (> 10 000 b/d)
  - Great growth potential (development and exploration)
  - Mainly Africa, Latin America, Caribbean and North Sea
- Payment mainly in paper / formation of a stable group of shareholders

Strategy:

A favorable situation for the development of a significantly sized independent oil player

Strategy: A favorable situation for forming a significantly sized independent oil player

Maurel & Prom will benefit from enhanced investor interest in independents

- **Diminishing share of the majors:** sharp reduction in exploration investment and major discoveries, depletion steeper than predicted, rising operating costs, many returns before 3D seismic, profitability preferred to growth
- **Competitive advantages of independents:** responsiveness suited to small and medium-sized fields, lower Opex / Capex, no downstream activities, high ROI >40%, ability to reconcile growth with return
- **Buoyant situation in terms of price**: market fear of being physically short (limited capability to increase production in Middle-East, refining industry saturated) 15 times more financial than physical oil products, high price sustainable for western investors, high political premium, necessary for developing deep offshore and non-conventional oils
- **Two growth vectors:**
  - first recovery with 3D seismic (even 4D) on mature fields
  - second recovery with intelligent wells and injection

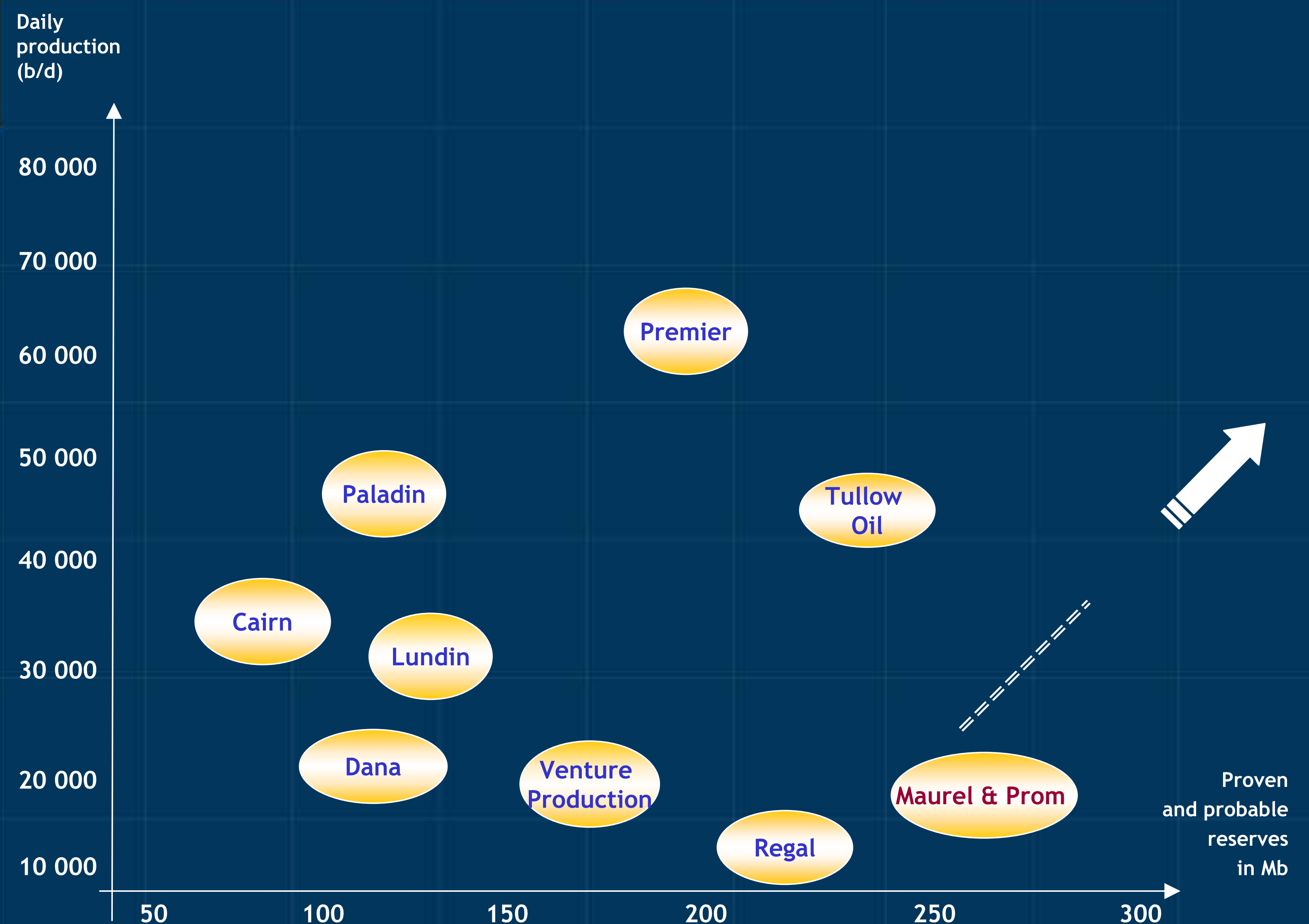
Strategy: A favorable situation for forming a significantly sized independent oil player

Maurel & Prom's main advantages

- Assets very sensitive to the lever effect of price per barrel
- 25 to 30 % of additional value to be created in Congo on existing reserves via transit and trading conditions
- Broad exploration potential
- Value of technical and managerial capabilities independent of assets
- Five to seven years' rapid and sustained growth
- Attractions of West Africa for investors and oil companies
- Ability to use its action to diversify rapidly
- Critical mass achieved in terms of reserves

> Maurel & Prom should benefit from a favorable judgment of the increasing number of investors attracted by the independent segment

In terms of reserves and capacity to grow production, Maurel & Prom is now one of Europe's leading quoted independent companies



Growth capacity still undervalued in view of the four-year outlook

Independents' average PER on 2005 Net Income is 15

$$\text{That is} = \frac{\text{€ 2 250 million}}{\text{11.5 million shares}} = \text{€ 195}$$

> Analysts' consensus: € 151
(Raymond James, KBC Securities, Fideuram Wargny, CM-CIC)

Conversion of the partnership

Future registered capital

Conversion of the partnership to SA

Objectives

The conversion reflects a strategic policy:

- Diversification of assets by organic or external growth
- Need to be able to use Maurel & Prom shares to grow

Conversion of the partnership to SA

- Reduction of the *intuitu personae* (with respect to persons) character of the company
- Greater transparency for the market
- Increased expected liquidity
- Confidence of the general partner in the future of the company / payment in Maurel & Prom shares

Conversion of the partnership to SA

Modalities

- Merger by absorption of Aréopage (holding general partner rights) by Maurel & Prom

- The value of Maurel & Prom consists in the share value (all dilutions included: stocks, BSAR (exercisable stock warrants), Océanes (convertible bonds), etc.) and value of the general partners' rights

Conversion of the partnership to SA

Statutory clauses concerning the rights of general partners

- Statutory financial rights:
  (net income including extraordinary – 10% shareholders' equity) x 20%

- Non-financial rights:
  Control versus responsibility

Value of the partnership rights

- Two ratios commissioned:
  - D. Ledouble for limited partners / Maurel & Prom
  - African Merchant Bank for Aréopage

- Methodologies:
  - Financial rights:
    - Payment of general partners discounted relative to Maurel & Prom business plan
    - Simplified theoretical method / search for neutrality of transaction for limited partners
  - Non-financial rights:
    - Control / operability
    - General partner responsibility
    - Transferability of rights

Conversion of the partnership to SA

Value of general partner rights
(percentage of total capital of the company held by the general partners after inclusion of the value of the partnership)

- African Merchant Bank ratio: 19.2%
- D. Ledouble ratio: 18%

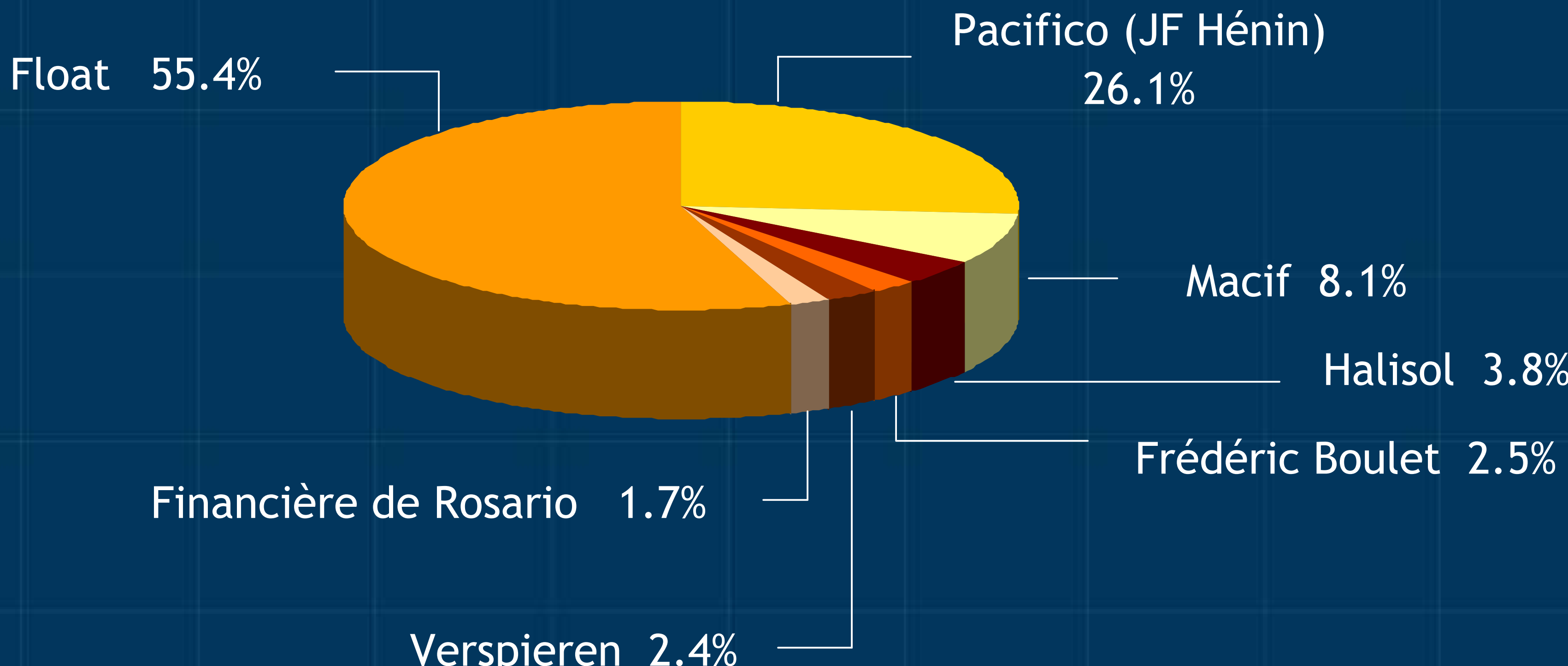
Conversion of the partnership to SA

Proposal to the Extraordinary General Meeting of shareholders: 17.5%

- The transaction remains neutral in terms of "relution" / dilution with 0.1% average annual dilution for the period 2004-2007
- Reflects the level of economic liquidation value

Conversion of the partnership to SA

Main shareholders after the transaction



Resolutions proposed to the Extraordinary General Meeting

- Divide par value by 10
  - unit value made to suit the 13 000 individual shareholders
  - expected increase in liquidity

- Early repayment of the latest Océanes (319 699 in circulation as at 30/09/2004)

> Shareholders' equity with all dilutions (including stock options, BSARs and general partners' rights) before division of par value: 11.5 million shares

Stockmarket data

Isin code	FR 0000051070
Reuters code	MAU FP
Bloomberg code	MAUP.PA
Market compartment	Premier Marché
Number of shares end September 2004	8 350 360
Price at 26 October 2004	€ 133.6
Stockmarket capitalization at 26 October 2004	€ 1 115.6 million
Float (TPI May 2004)	66.01%

	Maurel & Prom	CAC 40	SBF 250
2002	+ 31.8%	- 31.9%	- 29.4%
2003	+ 94.7%	+ 11.4%	+ 13.1%
2004	+ 235.73% (at 26/10/04)	+ 1.73%	+ 2.90%

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