

Tullow Oil plc

2011 FULL YEAR RESULTS

14 March 2012



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Whilst Tullow believes the expectations reflected herein to be reasonable in light of the information available to them at this time, the actual outcome may be materially different owing to factors beyond the Group's control or within the Group's control where, for example, the Group decides on a change of plan or strategy.

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Tullow Oil plc – 2011 full year results

Introduction – Aidan Heavey

Positioned to deliver next stage of growth



- Jubilee production drives record financial results
- Uganda farmdown transforms the balance sheet
- Exploration opens third major new basin
- Appraisal success drives TEN development towards sanction
- Material new acreage positions acquired



Tullow Oil plc – 2011 full year results

Finance – Ian Springett

Creating shareholder value



Consistent and repeatable strategy

- Sustainable long term value growth
- Balance exploration, major projects & funding
- Safety, environment, stakeholders & people

- High-impact exploration portfolio
- Ghana; Jubilee production, progressing TEN project
- Uganda: farm-down completed; new partnership Total/CNOOC
- Opened new basin French Guiana
- Nuon; EO acquisitions

Underpinned by financial strategy

- Strong, well funded balance sheet to enable growth
 - Debt and equity funding
 - Portfolio management
- Significant operational cash flow

- \$3.5bn RBL debt facility
- \$650m Corporate facility
- Proceeds Uganda farm-down
- Jubilee production ramp-up
- Managing mature production

2011 full year results summary

	2011	2010	Change
Sales revenue	2,304	1,090	+111%
Operating profit	1,132	262	+332%
Net profit	689	90	+670%
Basic earnings per share	72.5	8.1	+795%
Dividend per share	12.0	6.0	+100%
Capital investment ¹	1,432	1,235	+16%
Cash generated from operations ²	1,832	789	+132%
Net debt ³	2,854	1,943	+47%

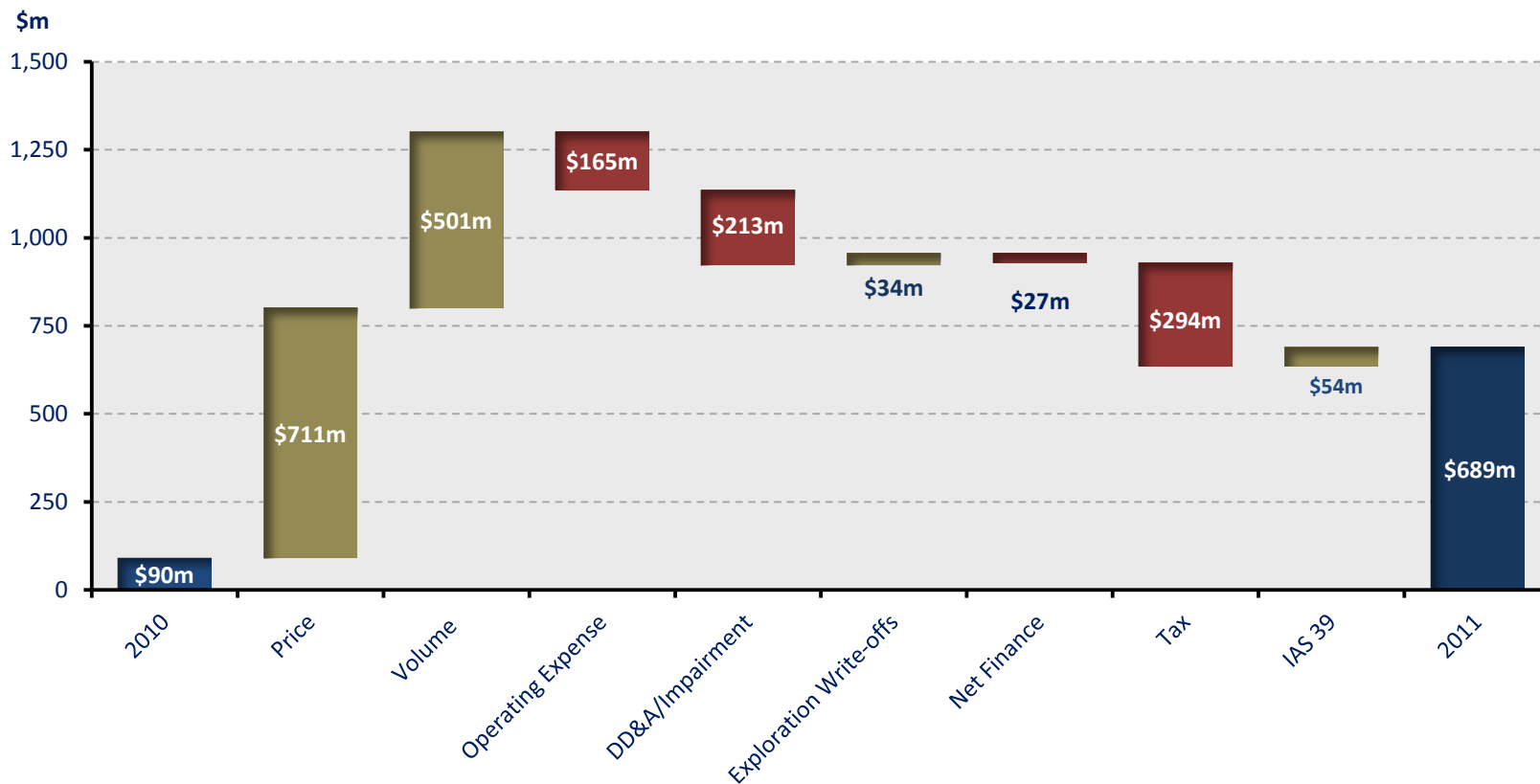
¹ 2011 excludes Nuon acquisition

² Before working capital movements

³ Net of all cash balances and before 2012 Uganda farmdown

Record financial results; transformed by higher production & increased commodity prices.
Balance sheet further transformed in February 2012 by Uganda farmdown.

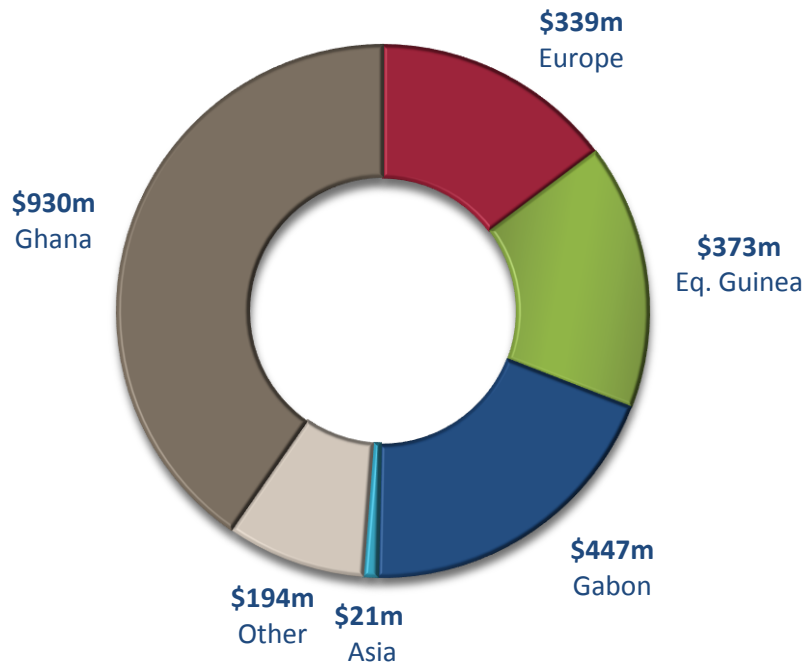
Net income 2011 v 2010



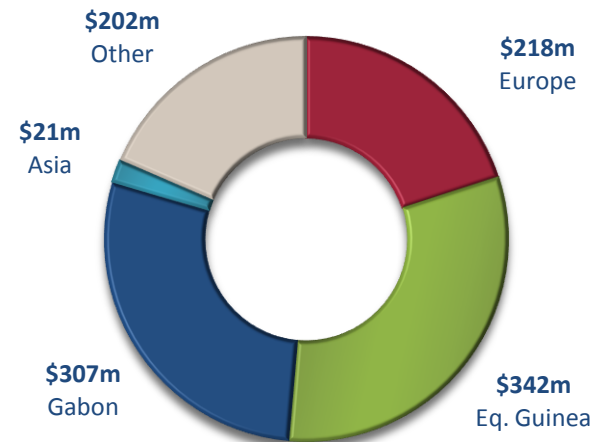
Net Income up 670%; higher prices and production volumes partially offset by related cost and tax increases.

Revenue 2011 vs 2010

2011 - \$2,304m



2010 - \$1,090m



2011 Revenues increased by 111%; production from the Jubilee field and higher commodity prices; significant contribution from existing fields.

Sources and uses of funds

Cash inflow \$2,870m

- Operating cash flow \$1,903m* (2010:\$818m*)
- Net loan drawdown \$880m (2010:\$886m)
- Share proceeds \$87m - Ghana share issue

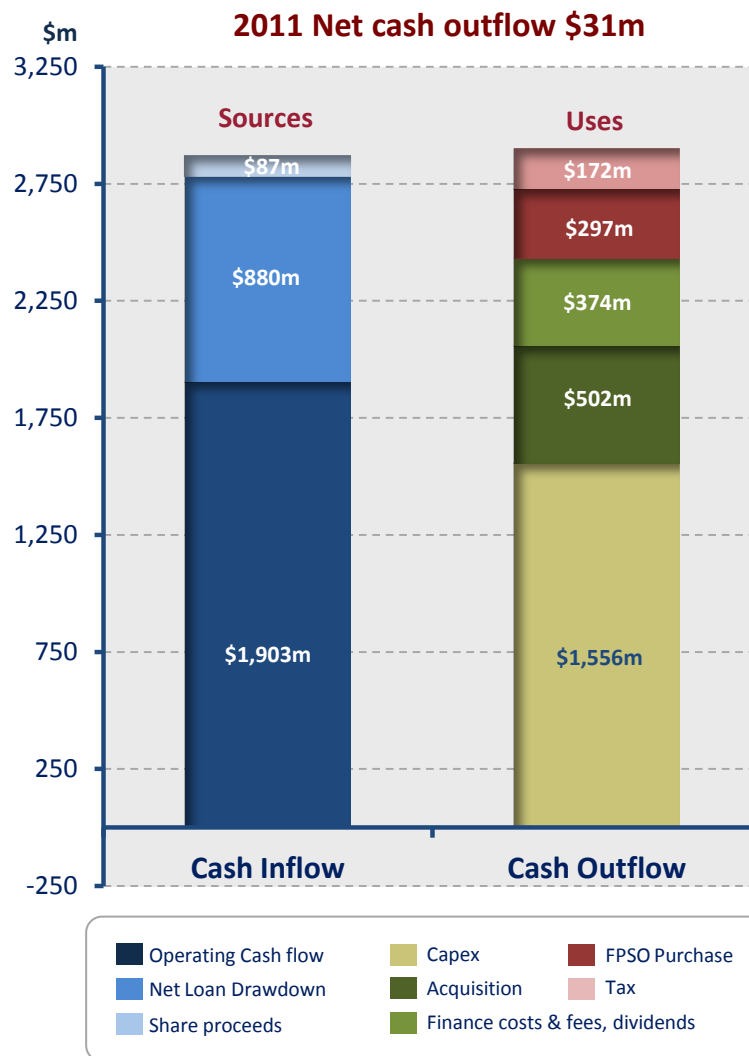
Cash outflow \$2,901m

- Cash Capex \$1,556m (2010:\$1,178m)
- Acquisitions \$502m - Nuon \$404m and EO \$98m
- Finance costs & fees and dividends \$374m (2010:\$178m)
- 2011 Ghana FPSO purchase \$297m
- Cash tax paid \$172m (2010:\$86m)

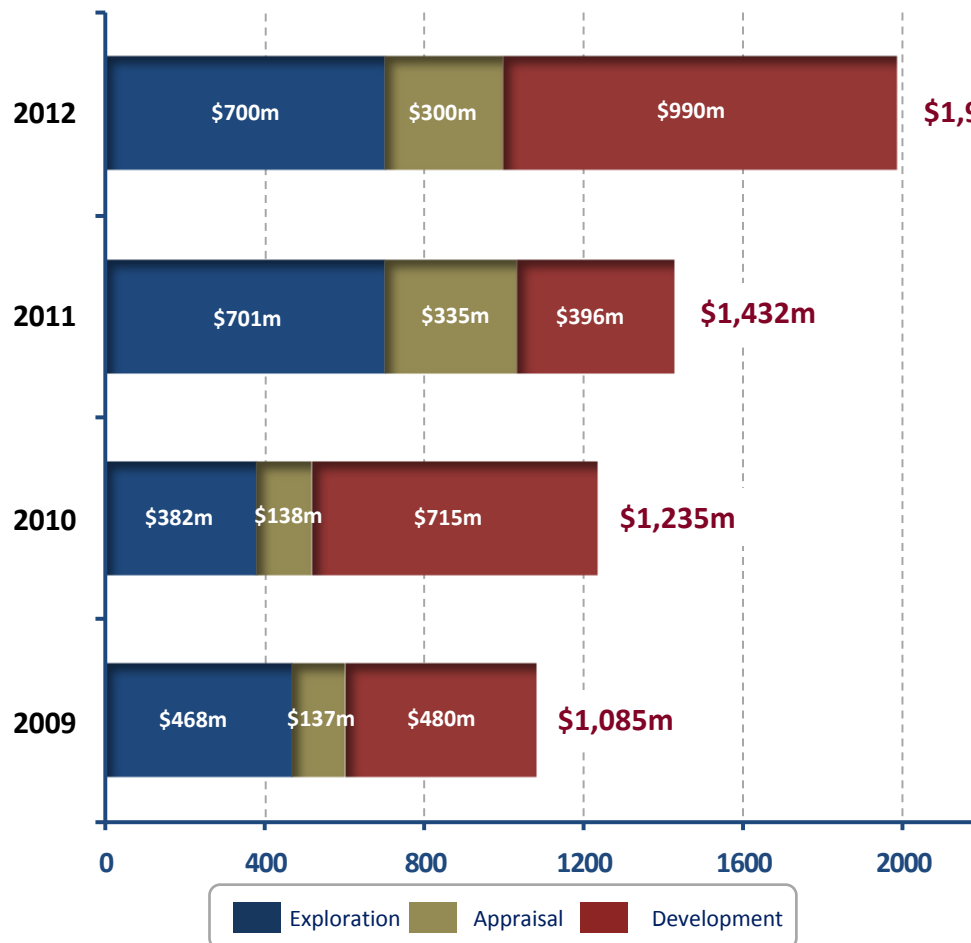
Net cash outflow \$31m

- Decrease in cash balances

* After working capital



2011 capital expenditure

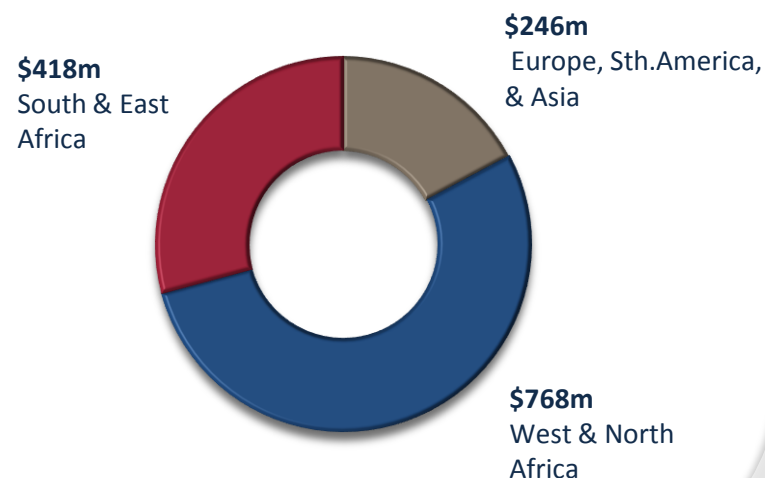


- **\$1,990m for 2012**

- Ghana: Jubilee remediation and phase 1A & TEN developments
- Uganda: Lake Albert
- Other Africa: WATM, Kenya
- ROW: South America, Europe

- **2011 capital split:**

- >57% Ghana & Uganda; >83% Africa



Notes:

- 2011 Capital Expenditure excludes the Nuon and Ghana EO acquisition expenditure .
- 2010 Capital Expenditure excludes the Heritage licence and Ghana FPSO lease acquisition expenditure

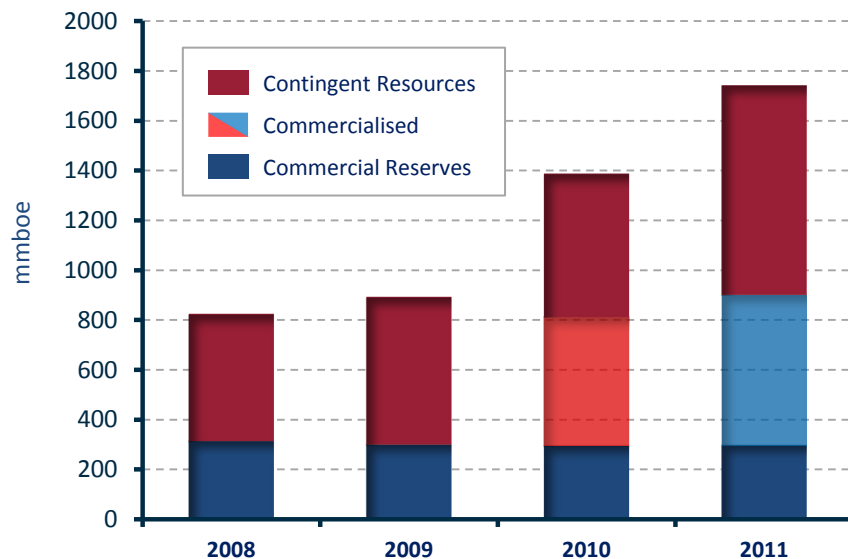
- Record results and Uganda farmdown have transformed Tullow's financials
- Strong, well funded balance sheet
 - Significant unused debt facilities
 - Step change in ongoing operational cash flow
- Significant value growth opportunities
 - Third material new basin opened; further opportunities being matured
 - Significant development projects: Phase 1A, TEN, Lake Albert
 - Appraise and develop future successes
- Drive funding strategy even harder in next phase of growth
 - Increased portfolio high grading / monetisation along value chain
 - More diversified funding strategy
 - Ensure healthy balance of Exploration vs. Developments vs. Funding



Tullow Oil plc – 2011 full year results

Development and Operations – Paul McDade

Commercialising Reserves and Resources

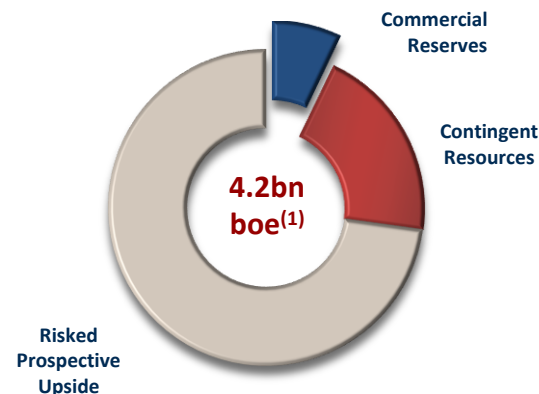
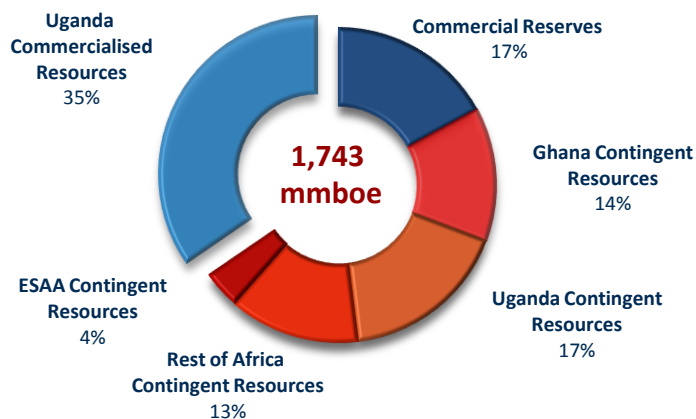


Reserves and Resources 1,743 mmboe

- Commercial reserves - 298 mmboe
- Contingent resources - 841 mmboe
 - 2011 additions - 235 mmboe
- Uganda resources commercialised - 604 mmboe

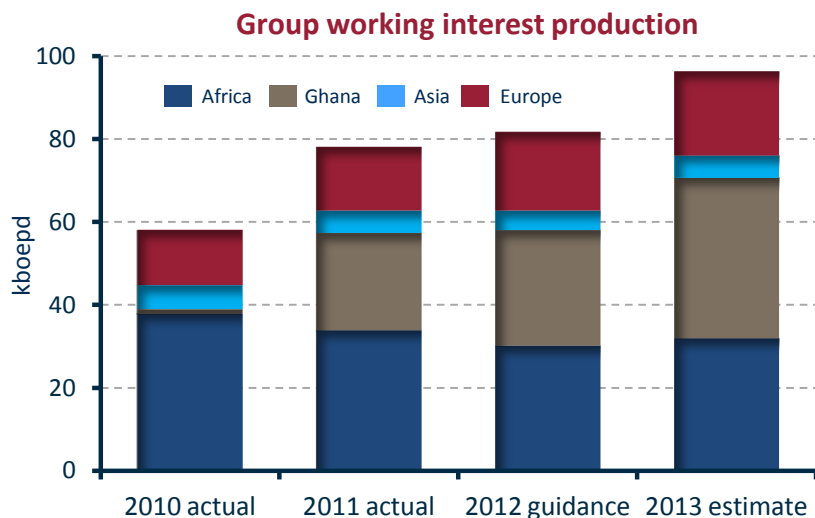
Total resource potential 4.2 billion boe

- Commercial Reserves - 7% of total
- Reserve and Resource life - >35 years
- Risked Prospective Upside increased to c.3.1bn boe



(1) Adjusted reserves and resources based on Uganda sale of 66.67% (604mmboe)

Strong production growth in 2011

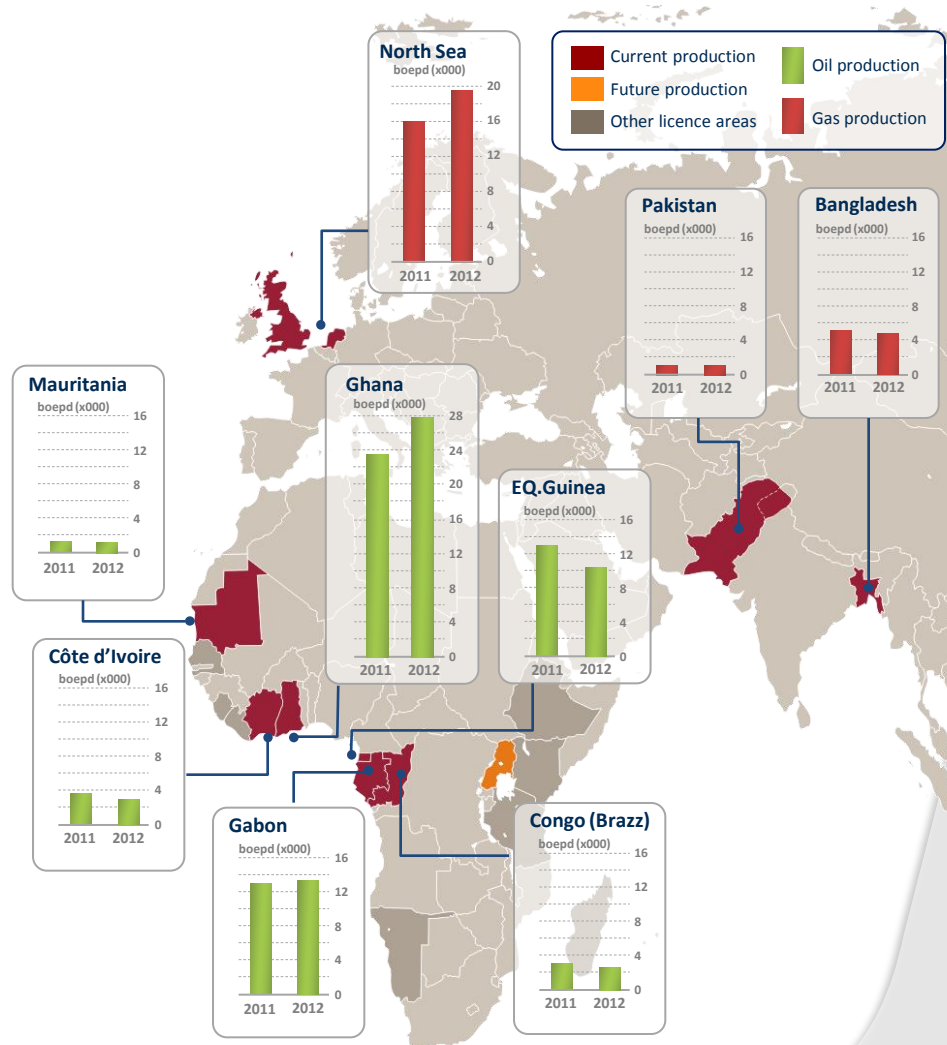


2011 Production: 78,200 boepd (+35%)

- Strong performance across UK, Africa & Asia
- Jubilee Phase 1 ramp up delayed
- 2012 guidance 78-86,000 boepd

Significant medium term production growth

- 2012 exit production will be > 90,000 boepd
- 2013 will benefit from full Jubilee potential
- Commercialising through sale or development portfolio potential of >200,000 boepd



Jubilee Phase 1 activity continues

• Current performance:

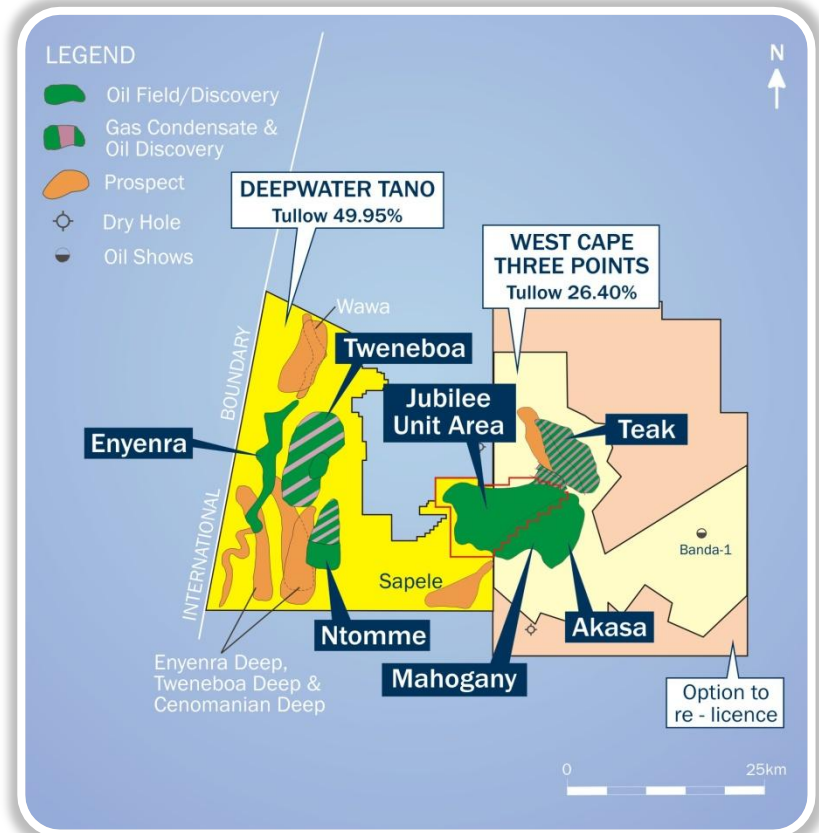
- Oil production at c.70,000 bopd
- > 30m barrels (30 cargos) safely produced & exported
- Water or gas injection support seen at all wells
- FPSO purchased end 2011; over 95% uptime

• Remedial work:

- Underway to rebuild production rates toward capacity
- J-07 sidetrack completion being monitored
- Acid stimulations being tested
- Alternative completion designs under review
- Additional Capex expected to be c.\$400m
- Recoverable resource estimates remain unchanged

Jubilee Phase 1A development commences

- POD approved by Government of Ghana in early 2012
- Development commenced in Feb 2012 with first well spud
- 5 producers; 3 water injectors; subsea expansion planned
- Estimated \$1.1bn budget; 18 month project
- First oil on stream late in second quarter 2012
- **2012 Production average 70 – 90,000 bopd**



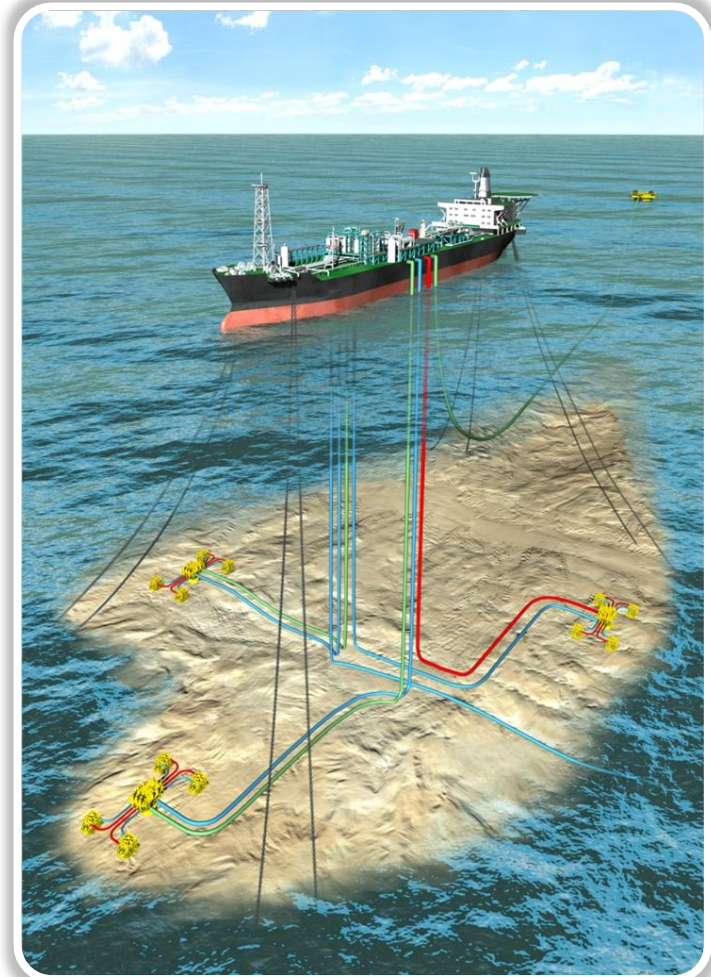
**Working towards Jubilee achieving FPSO
production capacity of 120,000 bopd**

Appraisal and testing supports field commerciality

- Appraisal drilling confirms oil at Ntomme-2A
- Successful Owo-1 flow test: combined rates of 20,000 bopd
- Successful Tweneboa-2 & 4 flow tests
- Final appraisal well Enyenra-4 currently drilling
- Complete final Ntomme & Enyenra-4 well tests end Q2 2012

Development design progressing towards sanction

- Design competition underway with 3 FPSO contractors
- Subsea FEED being complete; tenders planned for April
- Design based on:
 - 100,000 bopd
 - 200 mmscfd gas handling
 - 175,000 bpd water injection
- ~30 injection and production wells planned
- PoD to be submitted in 2H 2012
- First oil forecast ~30 months after PoD approval



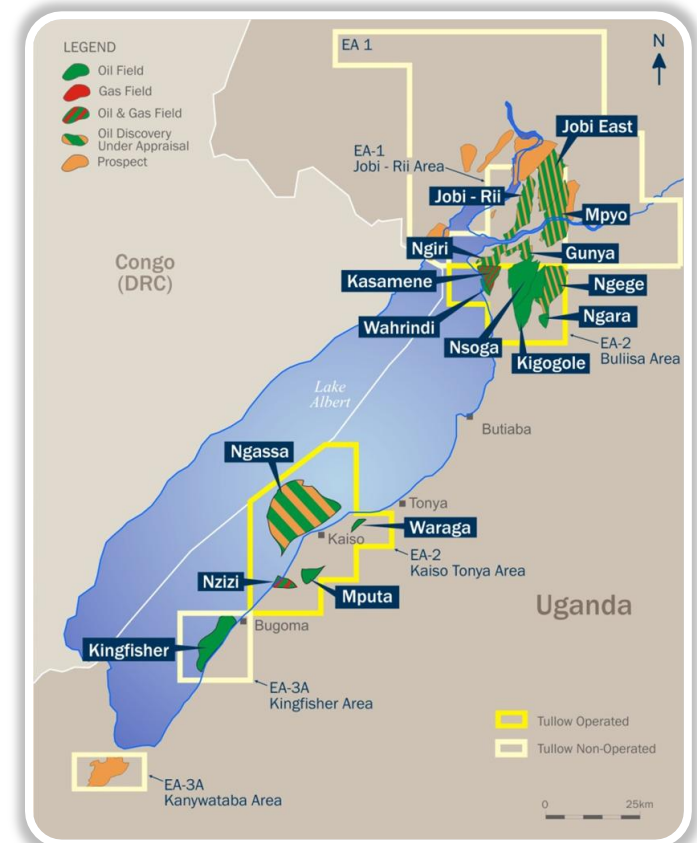
Uganda – next phase of activity

Farmdown deal completed

- MoU & SPAs signed in March 2011
- New PSA's signed by the GoU in February 2012
- \$2.9bn farmdown completed in February 2012

Partnership poised for delivery

- Operating framework and JV structure agreed
- Tullow: CNOOC: Total three-way partnership creates alignment
- Operatorship defined; Total EA-1, Tullow EA-2 and CNOOC EA-3
- New exploration periods; 6 mths EA-3A (Kanyawataba); 1 year EA-1
- E&A and testing re-commenced at Ngege-3; 4 rigs available
- Partners progressing development plans & engagement with GoU
- Small scale production expected to start in late 2012
- Working towards sanction of Ugandan refinery & export pipeline
- Major production ~36 mths after sanction building to over 200k bopd



Significant development investment activity in 2012

Current development activities

- **Gabon**

- Onshore infill drilling continues at Niungo, Echira and Onal fields
- Offshore 3 well development campaign at Tchatamba, Turnix & Limande

- **Equatorial Guinea**

- Successful completion and tie back of Akom North to Okume facilities
- Campaign of 3 workovers and 8 infill wells commenced on Ceiba field
- Major infill campaign planned for Okume complex commencing 2013

- **Côte d'Ivoire**

- 8 well infill campaign (Espoir Phase III) commencing Q3 2012

- **UK and Netherlands**

- Ketch-10 infill well being drilled; Schooner-11 well to spud in Q3 2012
- JDA area campaign of 4 infill wells and up to 25 workovers underway

Future development opportunities

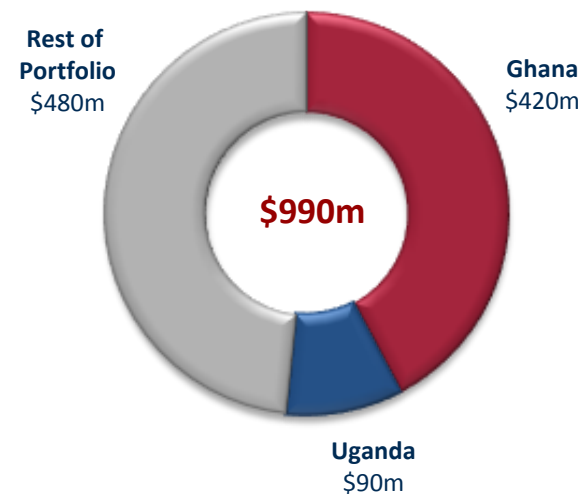
- **Mauritania**

- Banda oil: subsea tieback to Chinguetti under review
- Banda gas: working with GoM on gas to power

- **Namibia**

- Commercial negotiations for Kudu gas sales continue
- Development concept complete; FEED to follow commercial agreements

2012 D&O capex spend



Progress to commercialise resources continues in 2012

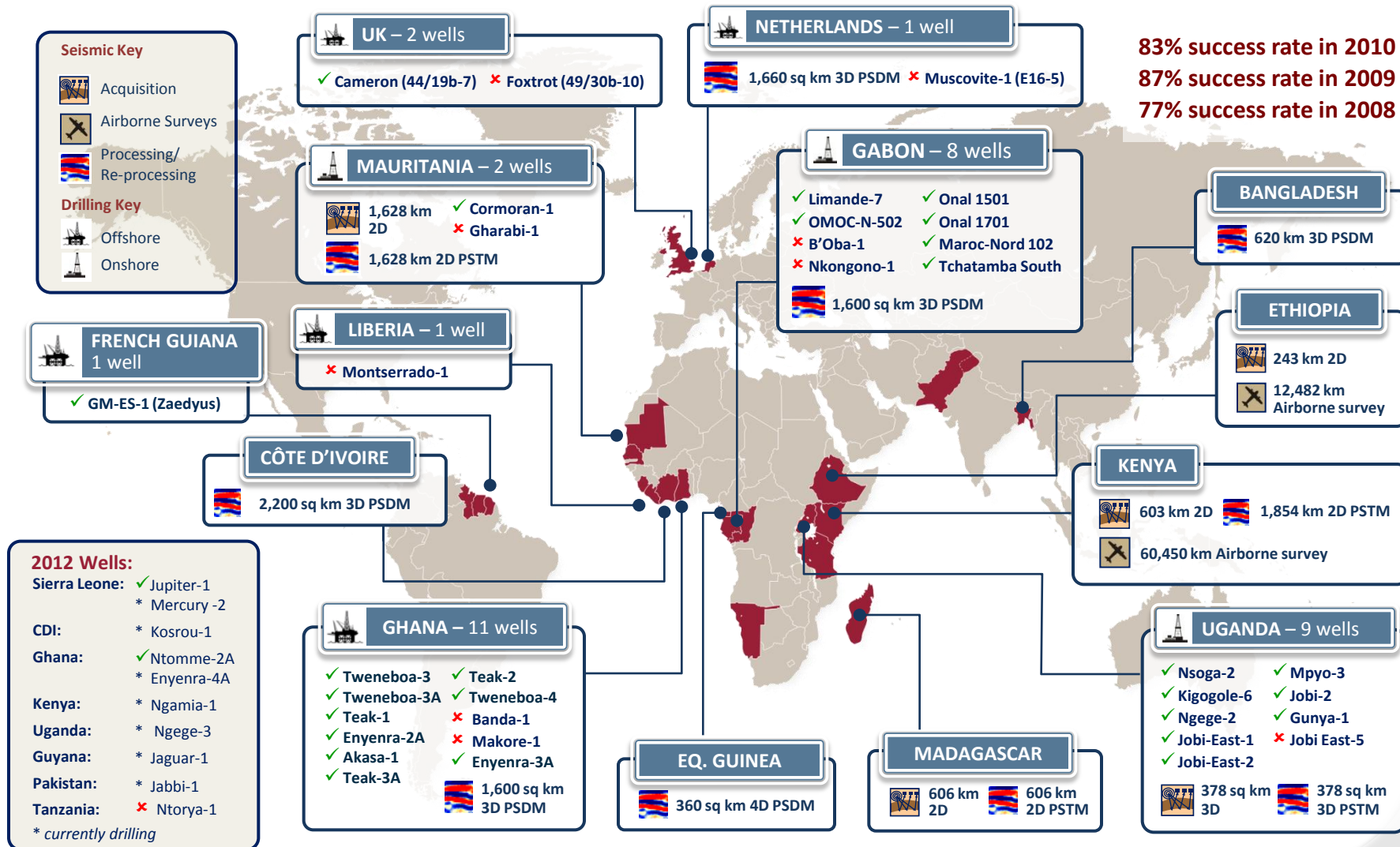


- Uganda resources commercialised through sale; focus now on development
- Building Jubilee production through Phase 1 remediation and Phase 1A
- TEN project progressing towards PoD submission in Q3 2012
- Development portfolio opportunities being progressed
- Commercialising portfolio (>200k boepd) through sale or development

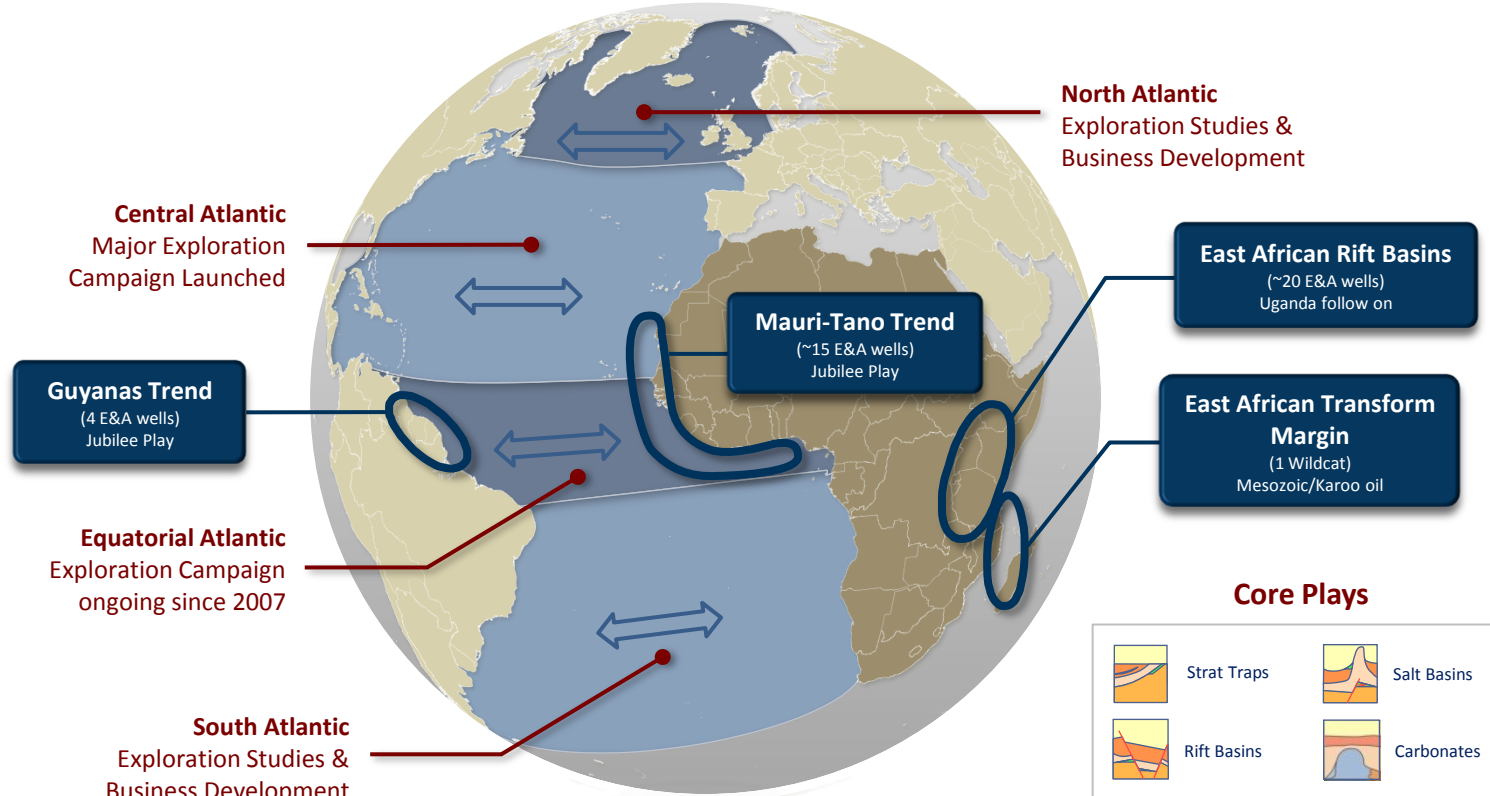
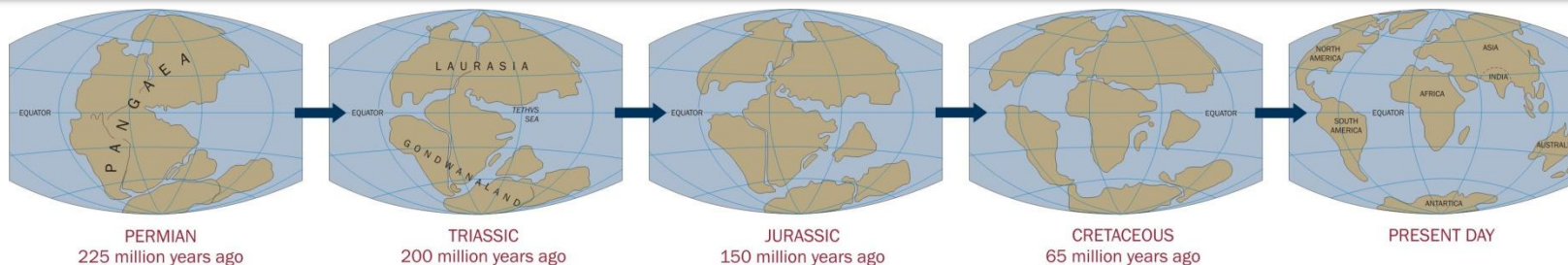


Tullow Oil plc – 2011 full year results

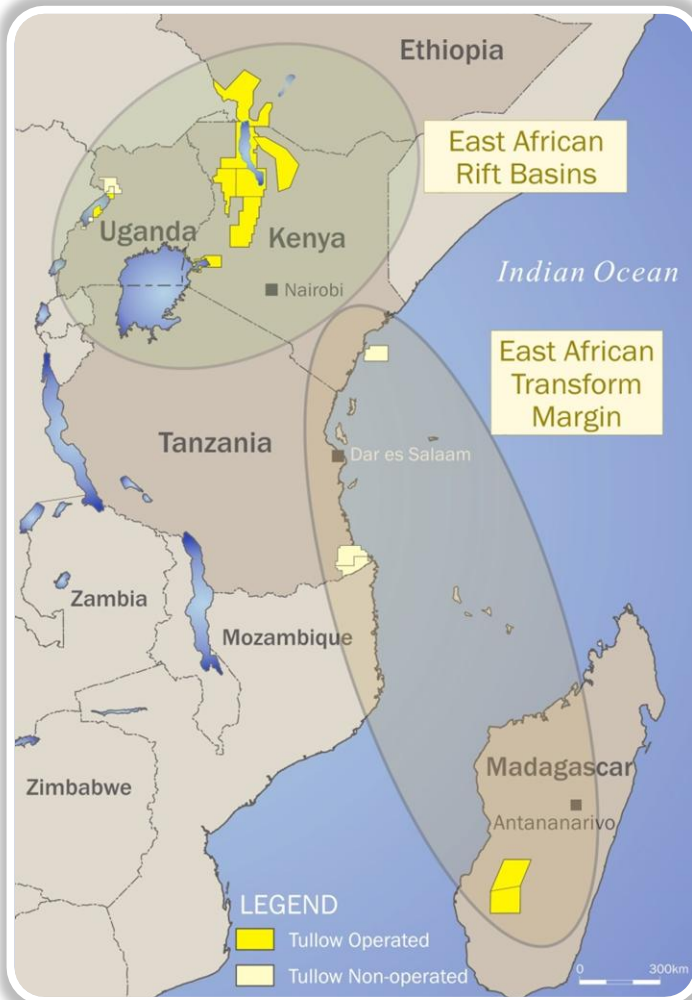
Exploration and Appraisal – Angus McCoss



Exploration campaigns gather momentum over next 12 months







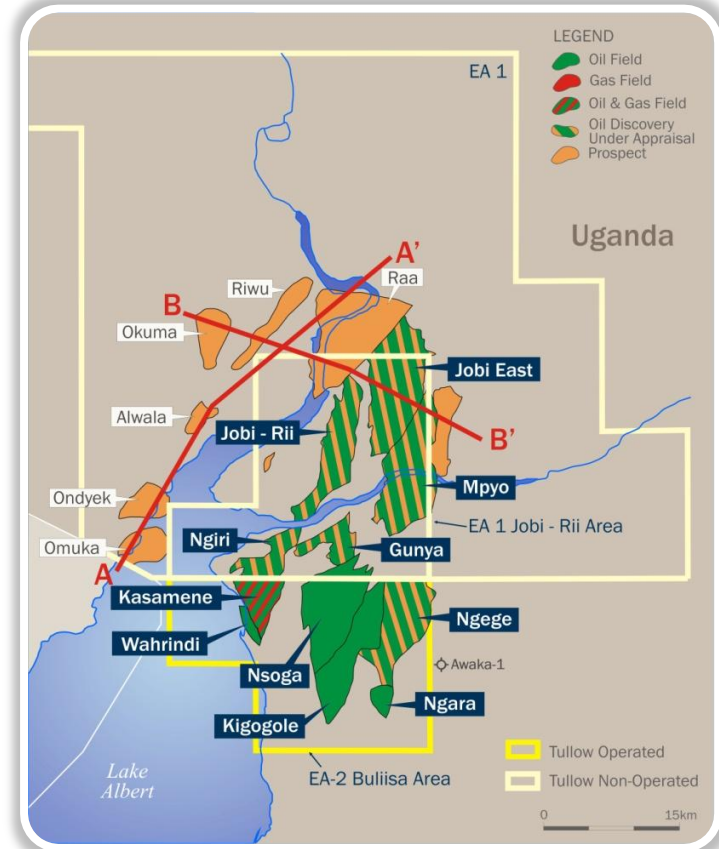
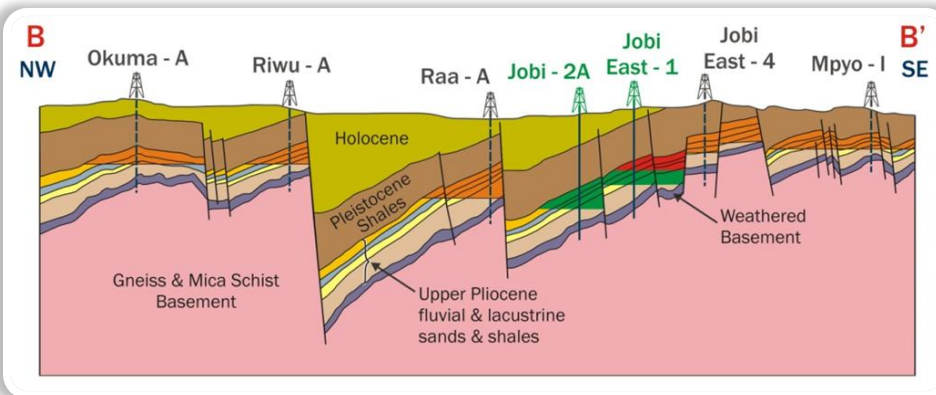
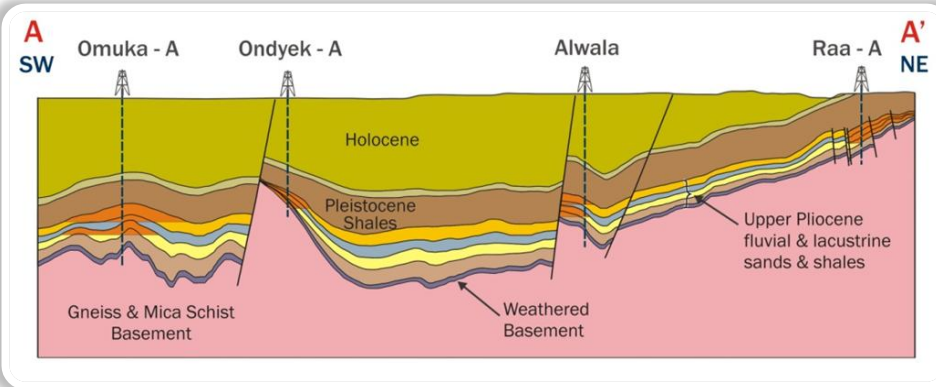
East African Rift Basins

- Lake Albert Rift Basin in Uganda
 - 1.1 Bbo discovered
 - High impact West of Nile & Kanywataba campaigns
 - Accelerated appraisal in support of basin development
- Kenya – Ethiopia Rift Basins
 - Seven rift basins analogous to the Lake Albert Rift Basin
 - 100,000 sq km of acreage
 - World's largest FTG survey reveals scores of leads
 - Drilling campaign commenced

East African Transform Margin

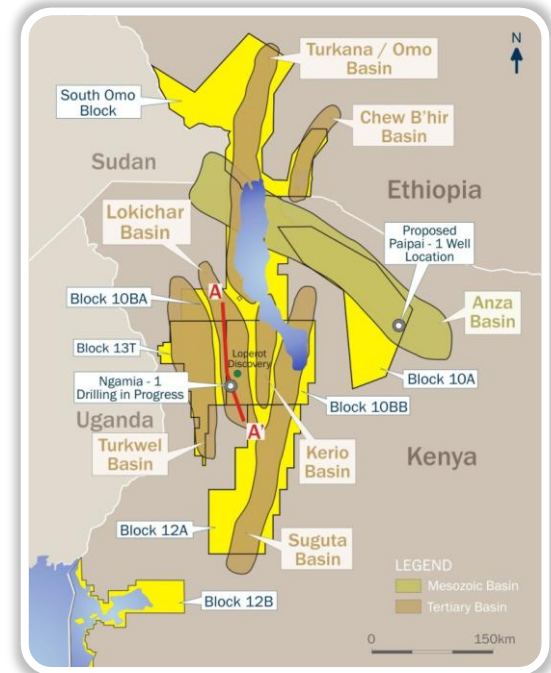
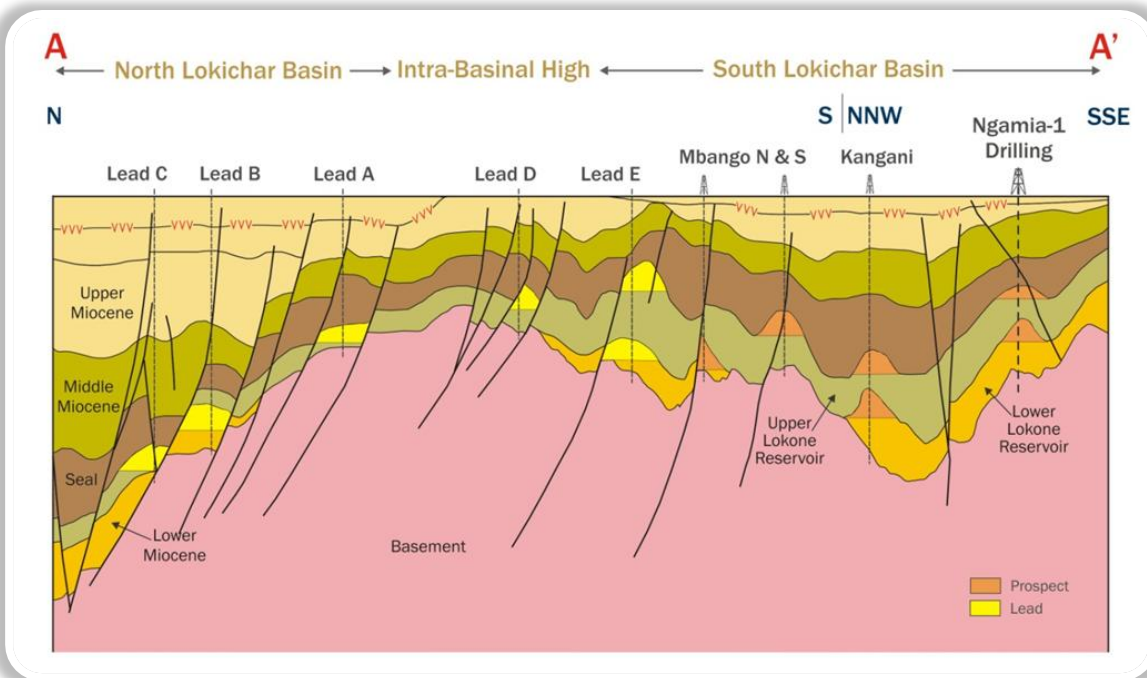
- Exploration campaigns focused on high value oil
- Morondava Rift Basin in SW Madagascar
 - De-risked by on-trend neighbouring light oil discoveries
- Offshore Kenya Block Block L8
 - High impact Mbawa-1 wildcat in Q3 2012

High impact E&A campaign under way in Uganda



- High impact West of Nile campaign targets a cascade of prospects from Omuka to Raa
- Accelerated appraisal in support of basin development targets material undrilled fault blocks and field limits

Kenya-Ethiopia Rift Basins – pioneering exploration

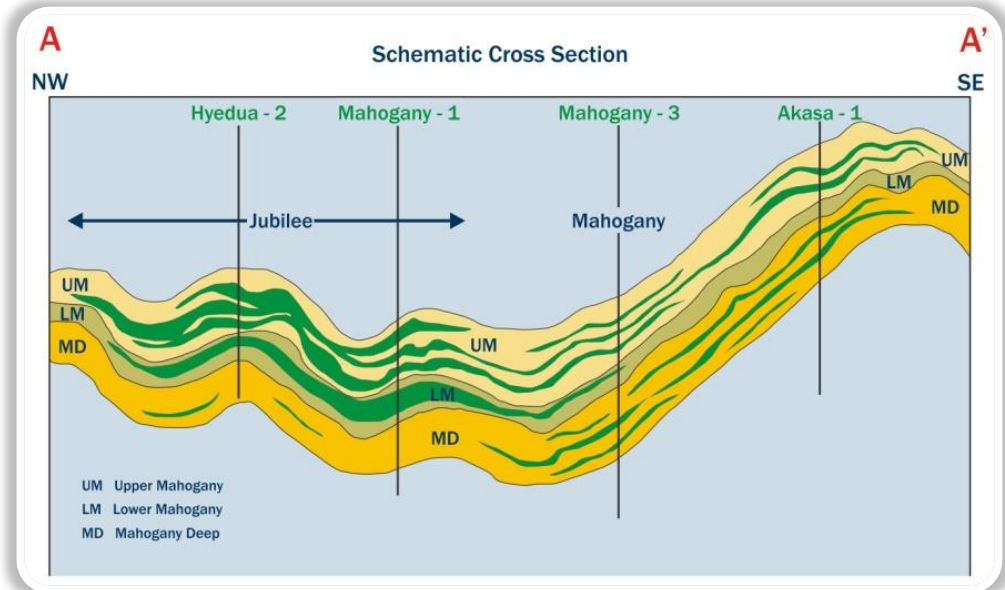


- Regional FTG gravity survey and ongoing 2D seismic campaign reveals scores of leads
- High impact drilling campaign commenced - Ngamia-1 wildcat currently drilling to calibrate basin

Transatlantic nature of Jubilee play proven



- Jubilee follow-up exploration uses high-quality 3D seismic throughout Equatorial Atlantic
- Exploration drilling campaigns target prospectivity in West Africa and South America
- High impact wells currently being drilled in Côte d'Ivoire, Sierra Leone and Guyana
- Zaedyus follow-up drilling to commence mid year

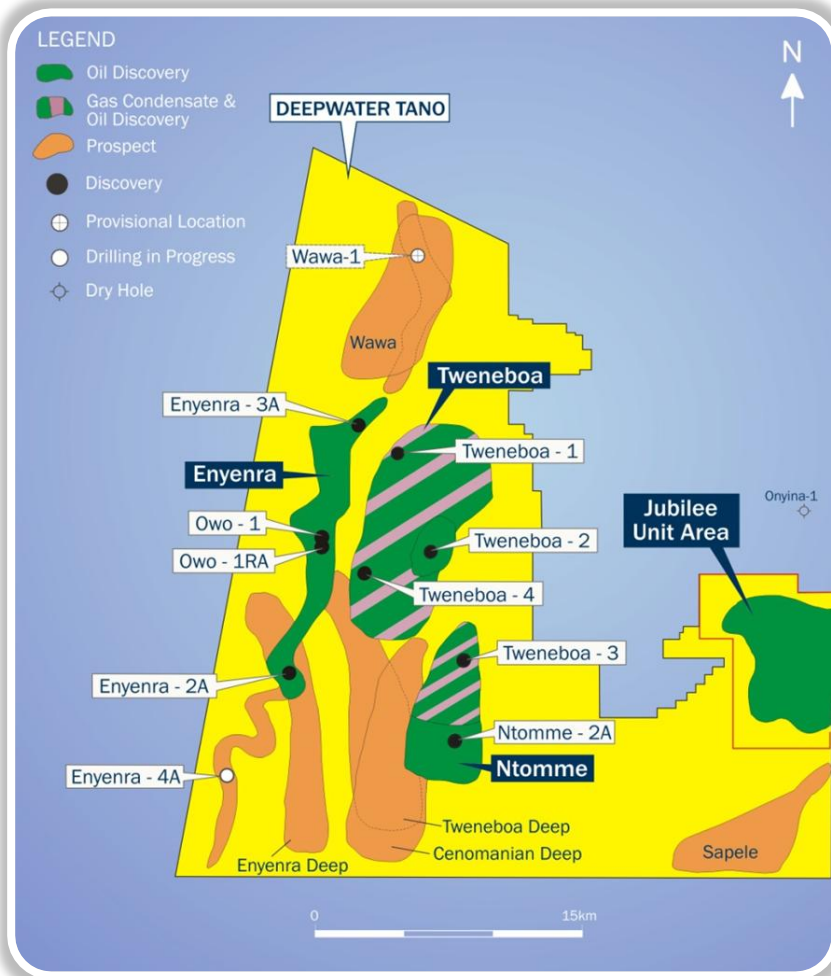


Positive E&A results in 2011

- West Cape Three Points exploration drill-out achieved
- Teak-1 makes important discovery in 5 reservoirs
- Teak-2 extends Jubilee up to Teak
- Teak-3 confirms northern extension of field
- Banda-1 encounters oil in new Cenomanian play
- Makore-1 water bearing; Akasa-1 light oil discovery

Continuing momentum in 2012

- Teak-4 to be drilled 2012 targeting stratigraphic upside
- Appraisal and flow test planned for Mahogany / Akasa
- Sapele-1 will target a turbidite lobe SW of Jubilee



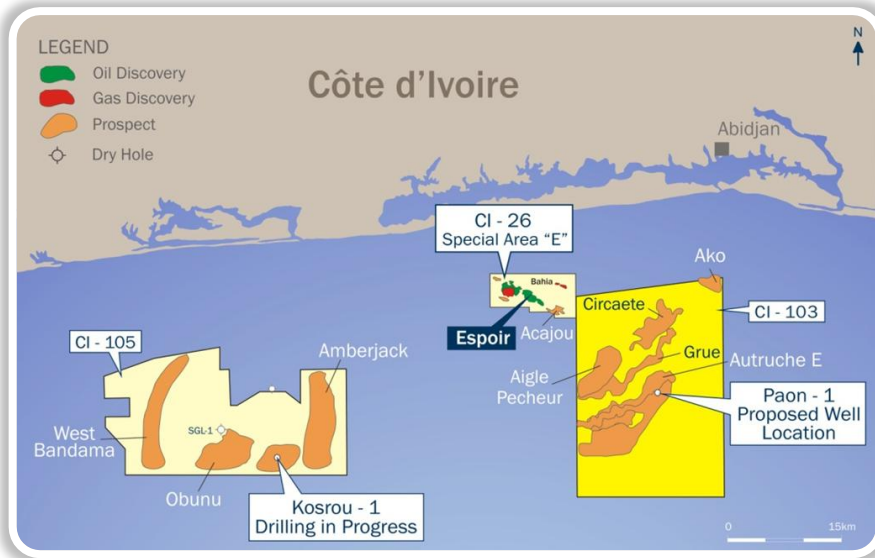
Successful appraisal programme continues

- Appraisal programme nearing completion
- Tweneboa-3 confirms rich gas-condensate
- Ntomme-2A encounters 125 metre oil column
- Owo-1 re-drill tested at 20,000 bopd
- Enyenra-4 currently drilling to test southern extent

High impact exploration to come in 2012

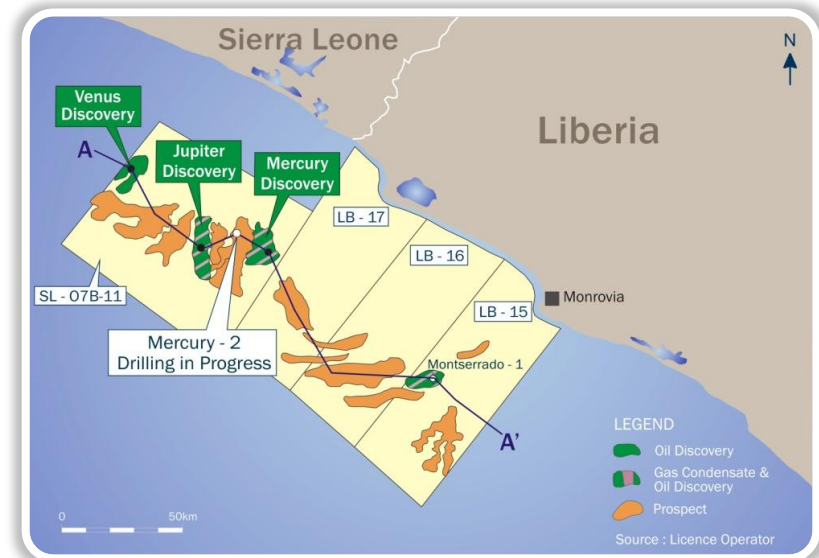
- Drill-out to be achieved by end-Q1 2013
- Wawa-1 up-dip of the TEN cluster
- Sapele-1 southwest of the Jubilee field
- Tweneboa Deep – material prospect below TEN cluster

Extending the Jubilee play west of Ghana



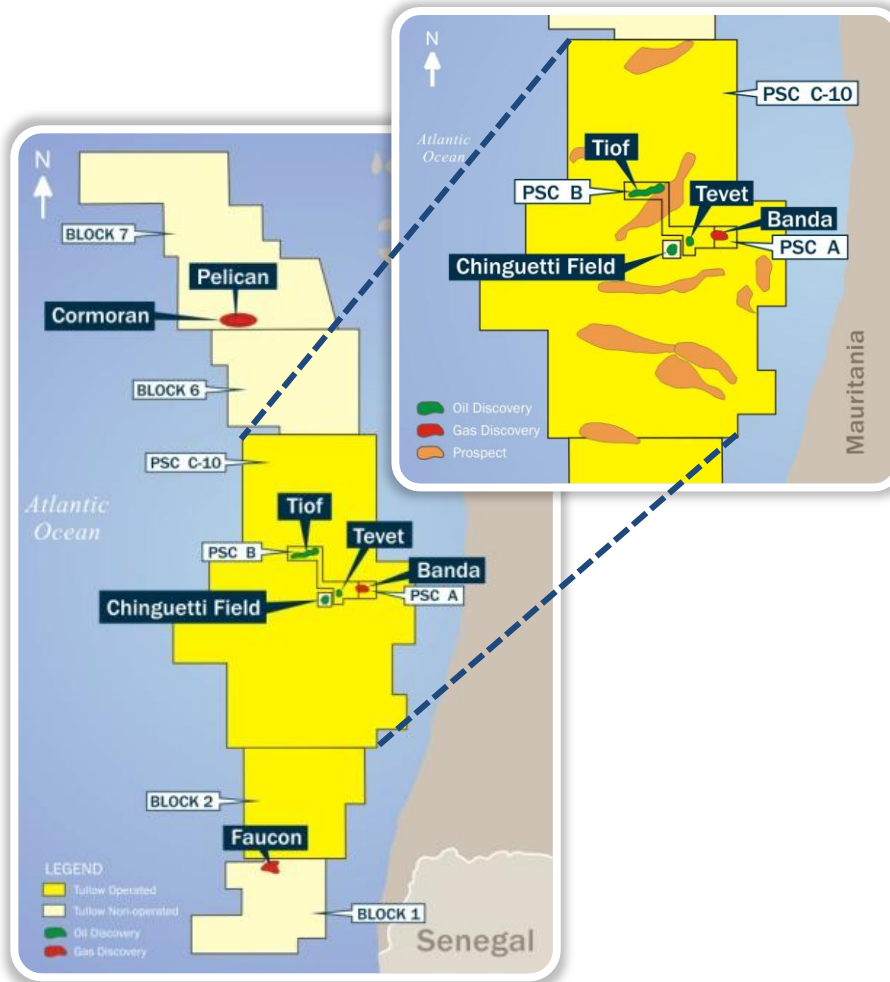
Côte d'Ivoire

- High quality 3D seismic covers acreage
- Large Jubilee-type fans mapped
- Multiple prospects matured for drilling
- Kosrou-1 in CI-105 (non-operated 22.4%) currently drilling
- Paon-1 in CI-103 (operated 45%) to spud in Q2 2012



Sierra Leone & Liberia

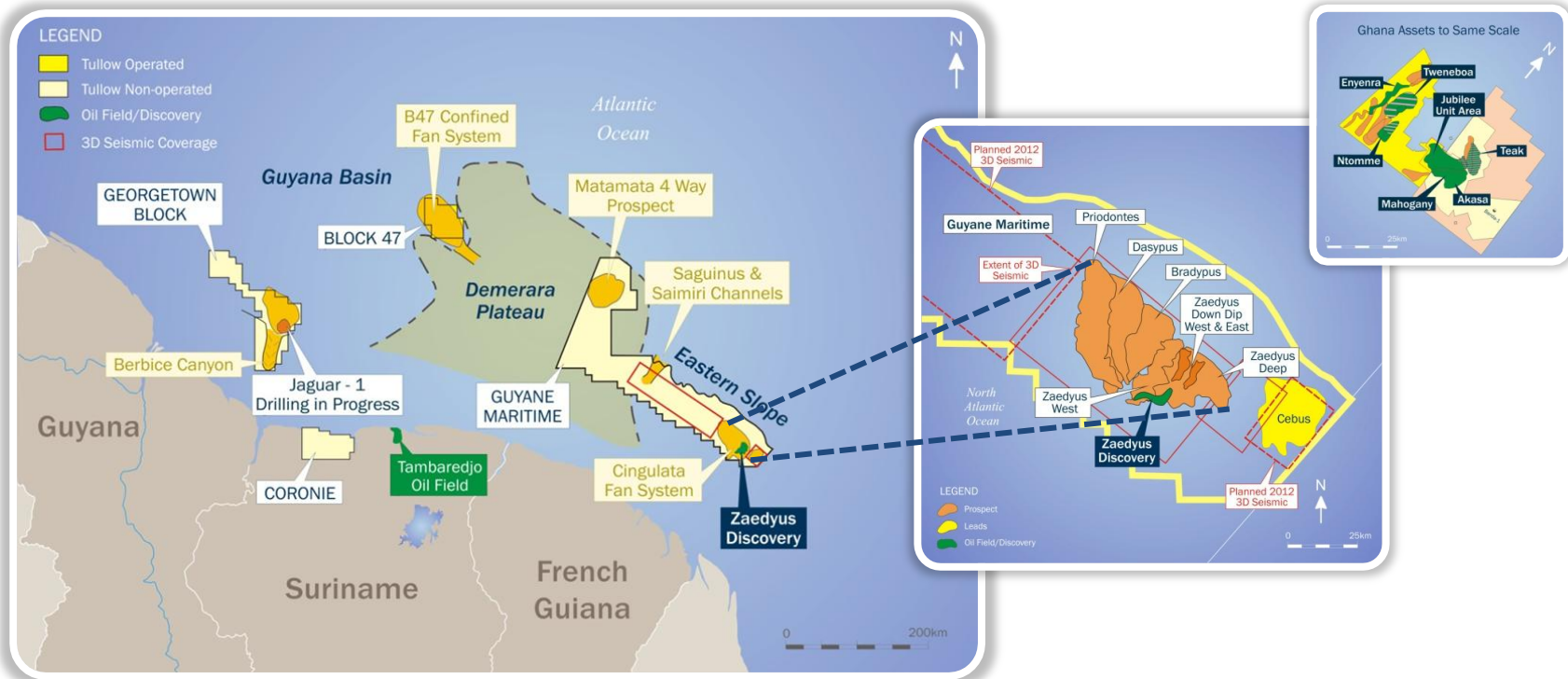
- Large Late Cretaceous fans mapped
- Sierra Leone equity increased from 10% to 20%
- Multiple prospects for drilling, only four drilled
- Montserrado-1 made a non-commercial oil discovery
- No dry holes to date, but no hub-class discoveries yet
- Mercury-2 currently drilling



Initial focus on oil exploration

- Encouraging core play diversity
 - Stratigraphic Traps
 - Salt Basins
 - Carbonates
- Late Cretaceous turbidites are the initial exploration focus in Mauritania-Senegal Basin
- Cormoran-1 intersected rich gas in this play in the Petronia prospect
- Position enhanced through new C-10 licence with increased equity (66%) and operatorship
- 3D seismic and multi-well exploration campaign commencing in 2012

Basin-opening discovery made with Zaedyus-1 well



- Cingulata Fan System offshore French Guiana tested by Zaedyus-1 wildcat (GM-ES-1)
 - 72m of net oil pay discovered; sidetrack drilled to gather core data
 - Zaedyus appraisal well to spud mid year with DST and second wildcat to follow
- Deep wildcat to target the Jaguar Fan System in Guyana currently drilling
- 3D seismic planned for large Goliathberg & Voltzberg leads within B47 Fan System offshore Suriname

12 month Exploration and Appraisal programme



Country	Block	Prospect	Interest	Mean	mmboe Gross Upside *	Spud Date
WEST & NORTH AFRICA						
Côte d'Ivoire	CI-105	Kosrou-1	22.37%	265	650	In progress
	CI-103	Paon-1	45% (op)	205	500	Q2 2012
Gabon	Kiarsseny	Gnondo-1	52.78% (op)	40	90	Q4 2012
Ghana	Deepwater Tano	Ntomme-2A DST	49.95% (op)	400	Under review as appraisal ongoing	In progress
		Owo-1RA and DST				In progress
		Enyenra-4A				In progress
		Wawa-1		60	150	Q2 2012
		Tweneboa Deep-1		120	320	Q3 2012
		Sapele-1		75	160	Q4 2012
	West Cape Three Points	Teak-4	26.40%	100	200	H1 2012
Liberia	LB-15/16/17	Strontium-1	25%	165	450	Q4 2012
Mauritania	Various	1 Exploration Well	Various	205	430	Q4 2012
Sierra Leone	SL-07B-11	Mercury-2A	20%	140	340	In progress

SOUTH & EAST AFRICA

Ethiopia	South Omo	Sabisa-1	50% (op)	140	390	Q4 2012
Kenya	10BB	Ngamia-1	50% (op)	35	90	In progress
	10A	Paipai-1	50% (op)	115	290	Q2 2012
	L8	Mbawa-1	15% + 5%##	230	610	Q3 2012
Uganda	EA-1	Jobi-East - 2 wells	33.33%	40	70	2012
		Mpyo - 3 appraisal wells	33.33%	140	260	2012
		Ondyek-A	33.33%	40	80	Q2 2012
		Raa-A	33.33%	85	240	Q3 2012
		Omuka-A	33.33%	85	170	Q3 2012
		Alwala-A	33.33%	10	20	Q4 2012
		Rii South-B	33.33%	15	40	Q4 2012
	EA-2	Ngege - 4 appraisal wells	33.33% (op)	50	100	In progress
	EA-3A	Kanywataba-1	33.33%	90	210	2012

* Estimated P10 ## Option to increase interest to 20%

12 month Exploration and Appraisal programme (cont.)



Country	Block	Prospect	Interest	Mean	mmboe Gross Upside*	Spud Date
EUROPE, SOUTH AMERICA & ASIA						
The Netherlands	K8	K8-FC-W (308)	9.95%	3	5	Top hole drilled
	L13	Sigma-1	9.95%	10	15	Q3 2012
	E11	Vincent-1	30% (op)	20	40	Q4 2012
French Guiana	Guyane Maritime	Zaedyus-2 appraisal well	27.50%	130	210	Q3 2012
		Zaedyus exploratory appraisal		270	630	2013
		Dasypus-1	27.50%	230	510	Q4 2012
Guyana	Georgetown Block	Jaguar Fan System	30%	430	1,180	In progress
Suriname	Coronie	5 well campaign	40%	100	250	In progress
Pakistan	Kohat	Jabbi	40%	15	35	In progress

* Estimated P10



Tullow Oil plc – 2011 full year results

Conclusions – Aidan Heavey

Financially strong and opportunity rich



- Jubilee production delivers record financial results
- Uganda farmdown transforms the balance sheet
- Exploration opens third major new basin
- Appraisal success drives TEN development towards sanction
- Material new acreage positions acquired

Follow Tullow on:



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