



FACT BOOK

2016 FULL YEAR RESULTS

8 February 2017



BUSINESS DELIVERY TEAMS

WEST AFRICA (inc. UK & Netherlands) ¹

Congo (Brazzaville) **DP** Ghana **DP**
 Côte d'Ivoire **DP** Netherlands **EP**
 Equatorial Guinea **DP** UK **P**
 Gabon **EDP**

EAST AFRICA

Kenya **ED** Uganda **D**

NEW VENTURES

Guyana **E** Pakistan **E**
 Jamaica **E** Suriname **E**
 Mauritania **EP²** Uruguay **E**
 Namibia **E** Zambia **E**
 Norway **E**

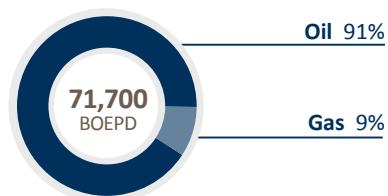
Note 1: Production operations in the UK and exploration and production activities in the Netherlands are managed by the West Africa Business Delivery Team (BDT), despite falling outside this geographic region.

Note 2: Mauritanian production activity is managed by the West Africa BDT

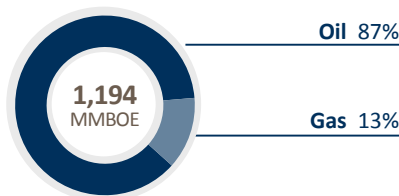
Key: **E** Exploration **D** Development **P** Production

2016 FULL YEAR SUMMARY

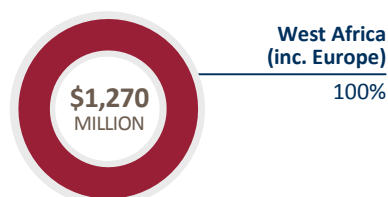
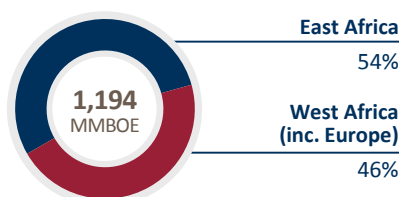
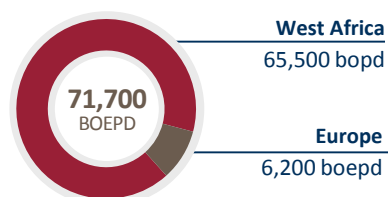
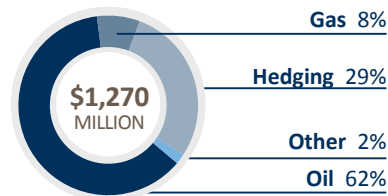
Group working interest production¹



Group reserves and resources



Group revenue



¹ Total includes Jubilee Business Interruption insurance equivalent

SUMMARY OF 2016 FULL YEAR RESULTS

	2016	2015	Variance
Sales revenue (\$m)	1,270	1,607	-21%
Gross profit (\$m)	547	591	-8%
Operating loss (\$m)	(755)	(1,094)	31%
Loss before tax (\$m)	(908)	(1,297)	30%
Loss after tax (\$m)	(597)	(1,037)	42%
Basic loss per share (cents)	(66)	(114)	42%
Dividend per share (pence)	-	-	-
Operating cash flow before working capital (\$m)	774	967	-20%
Operating cash flow before working capital per boe (\$)	29.4	35.9	-18%
Net debt (\$m) ¹	4,782	4,019	19%
West Africa working interest production (bopd) ²	60,900	66,600	-9%
Europe working interest production (boepd)	6,200	6,800	-9%
Sales volume (boepd)	59,900	67,600	-11%
Cash operating costs per boe (\$/bbl) ³	14.3	15.1	-5%
Gearing (%) ⁴	5.1	3.8	34%
Realised post hedge oil price per bbl (\$)	61.4	67.0	-8%
Realised post hedge gas price (pence per therm)	33.9	41.8	-19%
Pre-tax exploration write-off (\$m)	723	749	3%
Post-tax exploration write-off (\$m)	424	472	10%
Corporate Bonds (\$m)	1,600	1,300	19%
Committed Bank Facilities (\$m) ⁵	4,371	4,955	-12%
Unutilised facility headroom and free cash (\$m)	996	1,900	-48%

1. Net debt is cash and cash equivalents less total external borrowings.
2. Total excludes Jubilee Business Interruption insurance equivalent of 4,600 bopd.
3. Cash operating costs are cost of sales excluding depletion, depreciation, amortisation, impairment loss and under/over lift movements.
4. Gearing is net debt divided by adjusted EBITDAX. Previously reported ratio was net debt divided by net assets plus net debt.
5. During 2016, Tullow decreased its commitments under the Reserve Based Lending Facility from \$3.7 billion to \$3.3 billion. Committed bank facilities include an Exploration Finance Facility of \$116m, a working capital facility relating to exploration expenditure on our Norwegian exploration licences.

CAPITAL EXPENDITURE (CAPEX)

2017 CAPEX

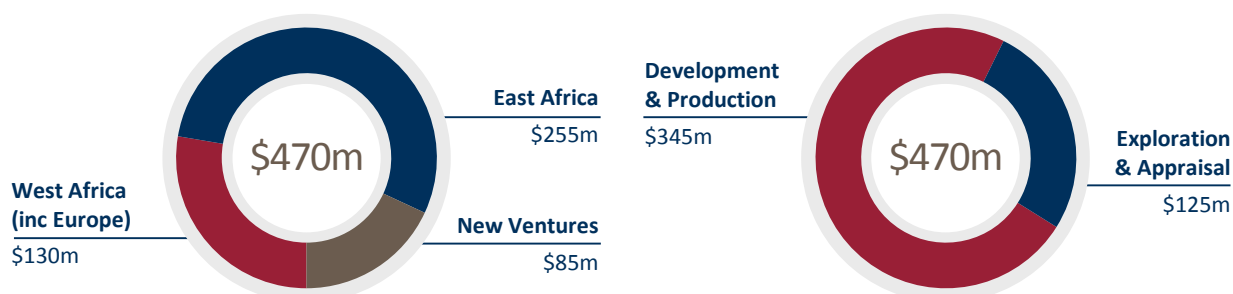
In 2017, the Group is focusing the majority of its capital expenditure on development activity in East Africa and on our high-quality, low-cost oil production in West Africa which generates important cash flows for the business. Our capital is being allocated approximately as follows:

- Ghana: Jubilee & TEN: \$90m
- West Africa non-operated portfolio: \$30m
- Uganda: \$125m¹
- Kenya pre-development: \$100m
- New Ventures and exploration activities : \$125m

2016 Actual (\$m)				2017 Forecast (\$m)		
Business Delivery Teams	Exploration & Appraisal	Development	2016 Total	Exploration & Appraisal	Development	2017 Total
West Africa (inc. Europe)	9	685	694	10	120	130
East Africa	4	82	86	30	225 ¹	255
New Ventures	69	8	77	85	-	85
TOTAL (\$m)	82	775	857	125	345	470

¹ \$125m of Uganda capex expected to be offset after completion of farm-down

2017 CAPEX SPLITS - \$470M



COSTS AND DEPRECIATION

OPERATING DATA

OPERATING COSTS ¹	2016 \$/boe	2017 Forecast \$/boe
Equatorial Guinea, Congo (Brazzaville), Côte d'Ivoire	13.6	18.0
Gabon ²	19.8	22.0
Ghana ³	8.9	9.6
Mauritania – Chinguetti ⁴	44.4	N/A
Netherlands	20.1	21.0
UK SNS	41.8	34.0

DEPRECIATION ¹		
Equatorial Guinea, Congo (Brazzaville), Côte d'Ivoire	24.7	19.0
Gabon ²	13.2	12.0
Ghana	20.0	24.6
Mauritania – Chinguetti	-	-
Netherlands ⁵	24.9	26.0
UK SNS	-	-

OTHER INFORMATION

TAX AND NUMBER OF SHARES	2016
Weighted tax rate	23.3%
Number of shares (million)	915

1. Data on a working interest basis
2. Includes royalties
3. Underlying operating costs per barrel presented exclude impact of Jubilee Turret Remediation project. Actual costs incurred were \$12.8/boe for 2016 and are forecast to be \$14.4/boe for 2017
4. Tullow expects to cease production from Mauritania (Chinguetti) in 2017
5. After add back of exploration costs

DEBT AND HEDGING

LIQUIDITY POSITION

At the end of 2016, Tullow had total facility headroom and free cash of \$1 billion and net debt of \$4.8 billion, which includes the \$300 million Convertible Bond offering in July 2016.

KEY METRICS

\$m	31 Dec 2016	31 Dec 2015
Cash and cash equivalents	282	356
Debt drawings		
RBL Facilities ¹ (\$3,255m)	3,000	3,014
EFF (\$116m)	84	61
Corporate Facility (\$1,000m) ²	380	-
Senior Notes (\$1,300m)	1,300	1,300
Convertible bond (\$300m)	300	-
Total debt	5,064	4,375
Net debt	4,782	4,019
Facility headroom plus free cash	996	1,871

¹ Tullow secured \$345 million of new commitments from its existing lenders by exercising an accordion facility embedded in the existing RBL, which will take effect from 1 April 2017.

² Revolving Corporate Facility, reduces to \$800m in April 2017; \$600m in Jan 2018; \$500m in April 2018; \$400m in Oct 2018, Final Maturity April 2019

HEDGING PROGRAMME

Tullow continues to undertake hedging activities as part of the ongoing management of its business risk.

At 31 Dec 2016, the Group's derivative instruments had a net positive fair value of \$91 million (2015: positive \$623million), inclusive of deferred premium.

HEDGE POSITION (as of 31 Dec 2016)	2017	2018	2019
Oil hedges			
Volume – bopd	42,500	22,000	7,979
Average Floor price protected (\$/bbl)	60.23	51.88	45.53
Gas hedges			
Volume – mmscfd	3.67	-	-
Average Floor price protected p/therm	40.47	-	-

DEVELOPMENT OPPORTUNITIES

WEST AFRICA

Country	Developments	Sanction decision	First production	No. of wells	Status
Côte d'Ivoire	Espoir infill drilling	Under review	2019+	8	Phase 4 infill programme being worked for 2019+ execution.
Equatorial Guinea	Deep water Ceiba & Okume Complex infill drilling	Under review	2019+	TBD	4D seismic data to determine quantity of infill wells.
	Shallow water Okume Complex infill drilling	Under review	2022+	TBD	Simulation work ongoing to determine future infill programme.
Gabon	Onshore	✓	2018+	30+	Infill drilling of 10 wells in Echira, Igongo, Oba & Middle Oba, predominately in 2018. 20+ wells to be drilled in Ezanga over the next five years.
	Offshore	✓	Producing	TBD	Tchatamba well workover campaign continues. Timing of infill drilling in Turnix, Limande and Tchatamba TBD.
Ghana	Greater Jubilee Full Field Development	Targeting mid-2017	6-12 months post sanction	9-31	Incremental development consisting of additional infill wells and subsea infrastructure to further raise recovery and maintain plateau production levels. A Greater Jubilee Full Field Plan of Development, incorporating Mahogany and Teak, has been submitted to the Government of Ghana. Tullow is targeting approval in mid-2017, and expecting to commence drilling in 2018.
	Tweneboa/Enyenra/Ntomme (TEN)	✓	Aug 2016	11 initial wells, 24 in total	TEN came online in August 2017 and was successfully production tested at >80 kbd in January 2017. No further drilling is currently permitted until the ITLOS Boarder Dispute between Ghana and Côte d'Ivoire is finalised in the second half of 2017. Tullow expects to be able to recommence drilling in 2018.

DEVELOPMENT OPPORTUNITIES

WEST AFRICA cont

EUROPE

Country	Developments	Sanction decision	First production	No. of wells	Status
Netherlands	K18-G3	Under review	2018	1	Awaiting relevant approvals
	J09-Alpha North (Exploration well)	Under review	2018+	1	
	L13-FI	Under review	2018+	3	

EAST AFRICA

Country	Developments	Sanction decision	First production	No. of wells	Status
Kenya	Initial South Lokichar Basin Development (other basins pending exploration success)	TBD	Approx 3.5 years post project sanction	Multiple hundreds	<p>Lokichar to Lamu pipeline now confirmed, with JDA negotiated with Government of Kenya and signature expected shortly.</p> <p>Early Oil Pilot Scheme (EOPS) is progressing, transporting oil using road. Gross production of approximately 2,000 bopd from EOPS is expected in 2017.</p> <p>Erut discovery announced in Jan 2017, with three more E&A wells planned in South Lokichar. Water injection trials have confirmed feasibility of injecting water into reservoir at Amosing. Trials now continue in Ngamia. FEED expected to commence in Kenya in 2H 2017.</p>
Uganda	Basin-wide Development	Targeting end-2017	Approx 3.5 years post project sanction	Multiple hundreds	<p>Pipeline decision made by Government of Uganda to export through Tanzania, with FEED under way. Eight production licences awarded in August 2016. Cost reductions have been achieved in both Kingfisher and Buliisa, with the total upstream cost now estimated to be ~\$5.2Bn. The JV Partners are targeting FID year end 2017.</p> <p>In January 2017, Tullow announced a farm-down of 21.57% of its 33.33% interest to Total for a total consideration of \$900m consideration. Completion of the transaction is subject to certain conditions, including the approval of the Government of Uganda, after which Tullow will cease to be an operator in Uganda. The disposal is expected to complete in 2017.</p>

PLANNED 2017 EXPLORATION AND APPRAISAL PROGRAMME

EAST AFRICA

Country	Block/Licence	Prospect/Well	Interest	Spud Date
Kenya	13T	Erut	50% (op)	Complete
	13T	Amosing & Ngamia appraisal	50% (op)	Q1 2017
	13T	Etete	50% (op)	Q1/ Q2 2017
	13T	Up to four additional E&A wells	50% (op)	Q2/Q3 2018

NEW VENTURES

Country	Block/Licence	Prospect/Well	Interest	Spud Date
Suriname	Block 54	Araku	30% (op)	2H 2017

WORKING INTEREST PRODUCTION ¹

Country	Asset	Interest	2016 Actual (kboepd)	2017 Forecast (kboepd)	Fiscal Regime
Ghana	Jubilee	35.48%	26.2	24.3	PSC
	TEN	47.18%	6.9	23.6	PSC
Total Ghana			33.1	47.9	
Gabon	Tchatamba	25%	4.7	4.7	PSC
	Limande	40%	2.0	1.7	Corp Tax
	Etame Complex ²	7.50%	1.3	1.1	PSC
	Others	-	6.3	5.1	Various
Total Gabon			14.3	12.6	
Equatorial Guinea	Ceiba	14.25%	2.3	1.5	PSC
	Okume	14.25%	4.7	3.4	PSC
Total Equatorial Guinea			7.0	4.9	
Côte d'Ivoire	Espoir	21.3%	4.0	3.7	PSC
Congo (Brazz)	M'Boundi	11%	1.5	0.8	PSC
Mauritania	Chinguetti	22.26%	1.0	0.2	PSC
West Africa sub-total			60.9	70.1	
UK	CMS Area ³	14.1-100%	3.3	2.9	Tax
Netherlands	Various	4.1 - 22.5%	2.9	3.6	Tax
Europe sub-total			6.2	6.5	
Group Total			67.1	76.6	
Jubilee insurance barrels equivalent			4.6	12.0	
Group total (including Jubilee insurance barrels equivalent)			71.7	88.6	

1. Includes condensate

2. Etame / Avouma / Ebouri

3. CMS Area production includes UK condensate production

2016 RESERVES AND RESOURCES SUMMARY

	WEST AFRICA		EAST AFRICA		NEW VENTURES		TOTAL		
	Oil mmbbl	Gas bcf	Oil mmbbl	Gas bcf	Oil mmbbl	Gas Bcf	Oil mmbbl	Gas bcf	Petroleum mmboe
COMMERCIAL RESERVES									
1 January 2016	287.6	205.8	-	-	-	-	287.6	205.8	321.8
Revisions	13.8	(0.2)	-	-	-	-	13.8	(0.2)	13.8
Transfers from contingent resources	(7.4)	-	-	-	-	-	(7.4)	-	(7.4)
Disposals	-	-	-	-	-	-	-	-	-
Production	(21.9)	(15.9)	-	-	-	-	(21.9)	(15.9)	(24.5)
31 Dec 2016	271.1	189.7	-	-	-	-	271.1	189.7	303.7
CONTINGENT RESOURCES									
1 January 2016	115.8	724.9	628.8	42.6	101.5	4.2	846.1	771.7	974.7
Revisions	4.8	5.6	3.7	-	-	-	8.5	5.6	9.5
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	(101.5)	-	(101.5)	-	(101.5)
Transfers to commercial reserves	7.4	-	-	-	-	-	7.4	-	7.4
31 Dec 2016	128.0	730.5	632.5	42.6	-	4.2	760.6	777.3	890.1
TOTAL									
31 Dec 2016	400.1	920.2	632.5	42.6	-	4.2	1,032.7	967.0	1,193.8

Proven and Probable Reserves and Resources on a working interest basis

Proven and Probable Commercial Reserves are as audited and reported by an independent engineer. Reserves estimates for each field are reviewed by the independent engineer based on significant new data or a material change with a review of each field undertaken at least every two years, with the exception of minor assets contributing less than 5% of the Group's reserves.

2. Proven and Probable Contingent Resources are as audited and reported by an independent engineer. Resources estimates are reviewed by the independent engineer based on significant new data received following exploration or appraisal drilling.

3. The West Africa revisions to reserves relate to Jubilee, Tchatamba, Ezanga, Espoir, M'Oba, and an equity revision for certain Gabonese fields.

4. The West Africa transfers relate to the Etame and MBoundi fields which were transferred to Contingent Resources.

5. The West Africa revision to gas contingent resources relates to the relinquishment of the Pelican field in Mauritania.

6. New Ventures disposals to contingent resources relate to the Norway country exit and Zaedyus license relinquishment.

The Group provides for depletion and amortisation of tangible fixed assets on a net entitlements basis, which reflects the terms of the Production Sharing Contracts related to each field. Total net entitlement reserves were 283.2 mmboe at 31 December 2016 (31 December 2015: 299.1 mmboe).

Contingent Resources relate to resources in respect of which development plans are in the course of preparation or further evaluation is under way with a view to future development.

NET DAILY ENTITLEMENT AS % PRODUCTION

WEST AFRICA

	Contract Type	2017
CONGO (Brazzaville)		
M'Boundi	PSC	69
CÔTE D'IVOIRE		
Espoir	PSC	72
EQUATORIAL GUINEA		
Ceiba	PSC	87
Okume Complex	PSC	81
GABON		
Echira	Corp Tax	100
Etame	PSC	0
Limande	Corp Tax	100
Niungo	Corp Tax	100
Oba	Corp Tax	100
Ezanga	PSC	86
Tchatamba	PSC	70
Turnix	Corp Tax	100
Middle Oba	Corp Tax	100
Igongo	Corp Tax	100
GHANA		
Jubilee & TEN	PA	95
MAURITANIA		
Chinguetti	PSC	88

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