



Tullow Oil plc - 2017 Full Year Results

FACT BOOK

Wednesday 7 February 2018

OUR ASSET BASE



Key: E Exploration D Development P Production

WEST AFRICA (inc. UK)¹

Côte d'Ivoire **E²DP** Ghana **EDP**
Equatorial Guinea **DP** UK **P**
Gabon **EDP**

EAST AFRICA

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

NEW VENTURES

Guyana **E** Peru **E**
Jamaica **E** Suriname **E**
Mauritania **EP³** Uruguay **E**
Namibia **E** Zambia **E**
Pakistan **E**

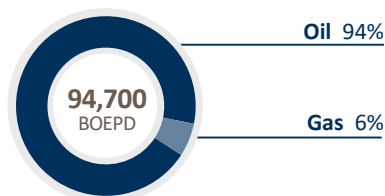
Note 1: Production operations in the UK are managed by the West Africa Business Delivery Team (BDT), despite falling outside this geographic region.

Note 2: Exploration activities in Côte d'Ivoire are managed by the New Ventures Business Delivery Team (BDT).

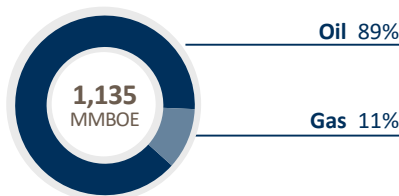
Note 3: Mauritanian production activity was managed by the West Africa Business Delivery Team (BDT). Production ceased during 2017.

2017 FULL YEAR SUMMARY

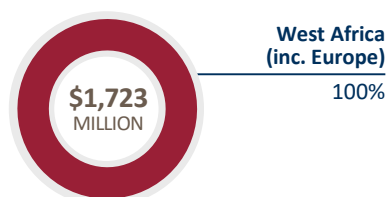
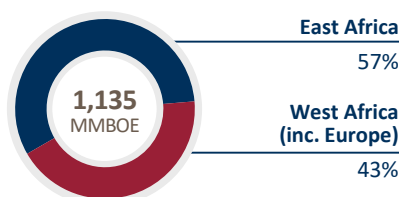
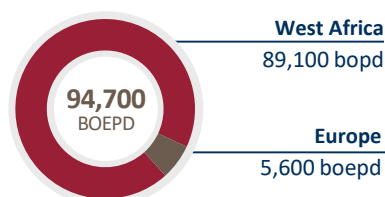
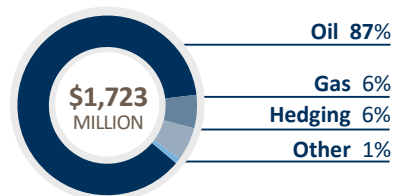
Group working interest production¹



Group reserves and resources



Group revenue



¹Total includes Jubilee Business Interruption insurance equivalent of 7,400 bopd for 2017

SUMMARY OF 2017 YEAR END RESULTS

	2017	2016
Sales revenue (\$m)	1,723	1,270
Gross profit (\$m)	815	547
Operating profit/(loss) (\$m)	22	(755)
Loss before tax (\$m)	(299)	(908)
Loss after tax (\$m)	(189)	(597)
Basic loss per share (cents)	(14.7)	(55.8)
Free cash flow	543	(792)
Net debt (\$m) ¹	3,471	4,782
Gearing (times) ²	2.6	5.1
West Africa working interest production (bopd) ³	81,700	60,900
Europe working interest production (boepd)	5,600	6,200
Sales volume (boepd)	82,200	59,900
Underlying cash operating costs per boe (\$/bbl) ⁴	11.1	14.3
Realised post hedge oil price per bbl (\$)	58.3	61.4
Realised post hedge gas price (pence per therm)	43.0	33.9
Exploration costs written off (\$m)	143	723
Impairment of property, plant and equipment (\$m)	539	168
Corporate Bonds (\$m)	1,600	1,600
Committed Bank Facilities (\$m)	3,100	4,255
Facility headroom plus free cash (\$m)	1,067	996

1. Net debt is cash and cash equivalents less total external borrowings.
2. Gearing is net debt divided by adjusted EBITDAX.
3. Total excludes Jubilee Business Interruption insurance equivalent of 7,400 bopd.
4. Cash operating costs are cost of sales excluding depletion, depreciation, amortisation, impairment loss and under/over lift movements.

WORKING INTEREST PRODUCTION ¹

Oil Production	FY 2017 Actuals (bopd)	2018 FY Forecast (bopd)
Ghana		
<i>Jubilee</i>	31,800	26,900
<i>TEN Oil</i>	26,400	30,200
Total Ghana Oil	58,200	57,100
Equatorial Guinea		
<i>Ceiba</i>	2,000	1,600
<i>Okume</i>	4,200	3,200
Total Equatorial Guinea	6,200	4,800
Gabon		
<i>Tchatamba</i>	4,300	3,800
<i>Limande</i>	1,800	1,500
<i>Etame Complex</i>	1,100	900
<i>Other Gabon</i>	5,800	5,200
Total Gabon	13,000	11,400
Côte d'Ivoire	3,000	2,900
Congo (Brazzaville)	600	-
Mauritania	700	-
OIL PRODUCTION SUB-TOTAL	81,700	76,200
Jubilee production-equivalent (business interruption insurance receipts)	7,400	10,200
OIL PRODUCTION SUB-TOTAL (inc. Jubilee production equivalent)	89,100	86,400
Gas Production	(boepd)	(boepd)
UK	3,400	1,900
Netherlands	2,200	-
TEN gas	-	2,000
Gas SUB-TOTAL	5,600	3,900
GROUP TOTAL	87,300	80,100
GROUP TOTAL (incl. Jubilee production-equivalent)	94,700	90,300

1. Includes condensate

CAPITAL EXPENDITURE (CAPEX)

2017 CAPEX – ACTUALS (\$M)

Business Delivery Teams	Exploration & Appraisal	Development	2017 Total
West Africa (inc. Europe)	5	41 ¹	46
East Africa	31	145	176
New Ventures	62	-	62
TOTAL	98	186	283
Uganda²	-	58	58
TOTAL (excl. Uganda)	98	127	225

FY 2018 CAPEX – FORECAST (\$M)

Business Delivery Teams	Exploration & Appraisal	Development	2018 Total
West Africa (inc. Europe)	10	290	300
East Africa	10	190 ²	200
New Ventures	70	-	70
TOTAL	90	480	570
Uganda²	-	110	110
TOTAL (excl. Uganda)	90	370	460

¹ Impacted by \$69m reversals of prior period accruals due to change in estimates

² Uganda capex expected to be offset after completion of farm-down

COSTS, DEPRECIATION AND TAX

OPERATING DATA

OPERATING COSTS ¹	2017 \$/boe	2018 Forecast \$/boe
Equatorial Guinea, Côte d'Ivoire, Congo (Brazzaville) ²	14.4	15.0
Gabon ³	21.4	24.0
Ghana ⁴	7.0	7.0
Mauritania – Chinguetti ²	59.4	-
Netherlands ²	24.6	-
UK SNS	32.0	38.0

DEPRECIATION ¹

Equatorial Guinea, Côte d'Ivoire, Congo (Brazzaville) ²	17.4	19.0
Gabon ³	9.0	10.0
Ghana	19.4	18.0
Mauritania – Chinguetti ²	-	-
Netherlands ²	3.8	-
UK SNS	-	-

OTHER INFORMATION

TAX AND NUMBER OF SHARES

2017

Weighted tax rate	24%
Number of shares (million)	1,387

1. Data on a working interest basis
2. During 2017, Tullow ceased production in Mauritania (Chinguetti), exited Congo (Brazzaville) (M'Boundi) and disposed of its Netherlands assets. These countries are therefore not included in 2018 forecasts.
3. Includes royalties
4. Underlying operating costs per barrel presented include accrual reversals of \$18m, and is calculated including insurance equivalent production barrels. Excluding the impact of accrual reversals, operating costs were \$7.7/boe.

LIQUIDITY AND HEDGING

LIQUIDITY POSITION

\$m	31 Dec 2017
Cash and cash equivalents	284
Debt drawings	
RBL Facilities (\$2,500m) ¹	2,155
Corporate Facility (\$600m) ²	0
Senior Notes (\$1,300m) ³	1,300
Convertible Bond (\$300m)	300
Total debt	3,755
Net debt	3,471
Facility headroom plus free cash	1,067

¹ Reserves Based Lending facility with 3 year grace period to October 2020. Final maturity November 2024

² Revolving Corporate Facility; will reduce to \$500m in April 2018, \$400m in October 2018. Final Maturity April 2019

³ \$650m high yield bonds due 2020 and \$650m high yield bonds due 2022

HEDGING PROGRAMME – THREE YEAR OUTLOOK

HEDGE POSITION (as of 31 Dec 2017)	2018	2019	2020
Oil hedges			
Volume – bopd	45,000	22,232	997
Average Floor price protected (\$/bbl)	52.23	48.87	50.00

BREAKDOWN OF 2018 HEDGE POSITION

HEDGE STRUCTURE	Bopd	Bought put	Sold call	Bought call
Collars	30,500	\$53.01	\$75.55	--
Three-way collars (call spread)	7,500	\$44.41	\$71.00	\$78.44
Straight puts	7,000	\$57.22	--	--
Total/ weighted average	45,000	\$52.23	\$74.65	\$78.44

2017 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 2017	272.0	189.7	-	-	-	-	272.1	189.7	303.7
Revisions	3.2	14.3	-	-	-	-	3.2	14.3	5.5
Transfers from contingent resources	-	79.0	-	-	-	-	-	79.0	13.2
Disposals	-	-	-	-	-	-	-	-	-
Production	(29.6)	(14.1)	-	-	-	-	(29.6)	(14.1)	(31.9)
31 December 2017	245.7	268.9	-	-	-	-	245.7	268.9	290.5
CONTINGENT RESOURCES									
1 January 2017	128.1	730.5	632.5	42.7	-	4.2	760.6	773.2	890.1
Revisions	(0.2)	(186.4)	-	-	-	-	(0.2)	(186.4)	(31.3)
Additions	1.7	-	5.3	-	-	-	7.0	-	7.0
Disposals	(8.2)	-	-	-	-	-	(8.2)	-	(8.2)
Transfers to commercial reserves	-	(79.0)	-	-	-	-	-	(79.0)	(13.2)
31 December 2017	121.4	465.1	637.8	42.7	-	4.2	759.1	507.8	844.4
TOTAL									
31 December 2017	367.1	734.0	637.8	432.7	-	4.2	1,004.8	776.7	1,134.9

Proven and Probable Reserves and Resources on a working interest basis

1. 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 (+5 mmboe) relate mainly to audits of Jubilee, TEN, Okume and Echira.
4. The Kenya addition to oil contingent resources relates to the booking of the Erut discovery announced 17 January 2017. The West Africa addition to oil contingent resources relates to Simba.
5. The West Africa revision to gas contingent resources relates to a reduction in the estimate of the size of the gas cap in Ntomme and reduction of injected gas blow-down volume for Jubilee.
6. The West Africa transfer of gas from contingent resources to reserves relates to Jubilee sales gas.

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 284.1 mmboe at 31 December 2017 (31 December 2016: 283.2 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	2018 (\$50/bbl)	2018 (\$60/bbl)
CÔTE D'IVOIRE			
Espoir	PSC	80	76
EQUATORIAL GUINEA			
Ceiba	PSC	87	86
Okume Complex	PSC	80	79
GABON			
Echira	Corp Tax	100	100
Etame	PSC	0	0
Limande	Corp Tax	100	100
Niungo	Corp Tax	100	100
Oba	Corp Tax	100	100
Ezanga	PSC	84	79
Tchatamba	PSC	75	72
Turnix	Corp Tax	100	100
Middle Oba	Corp Tax	100	100
Igongo	Corp Tax	100	100
GHANA			
Jubilee & TEN	PA	95	95

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Tullow Oil plc

9 Chiswick Park
566 Chiswick High Road
London, W4 5XT
United Kingdom

Tel: +44 (0)20 3249 9000
Fax: +44 (0)20 3249 8801
Email: ir@tullowoil.com
Web: www.tullowoil.com

