



Tullow Oil plc - 2017 Half Year Results

FACT BOOK

Wednesday 26 July 2017

BUSINESS DELIVERY TEAMS

WEST AFRICA (inc. UK & Netherlands) ¹

Congo (Brazzaville) **P** 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**

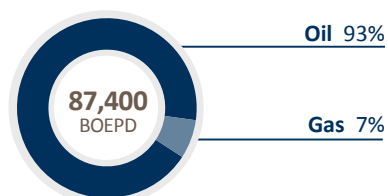
Note 1: Production operations in the UK and exploration and production activities in the Netherlands are managed by the West Africa Business Delivery Team (BDT), despite falling outside this geographic region.

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

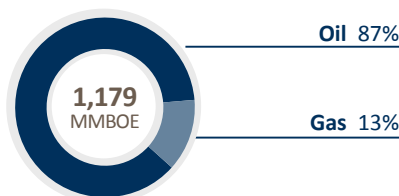
Key: **E** Exploration **D** Development **P** Production

2017 HALF YEAR SUMMARY

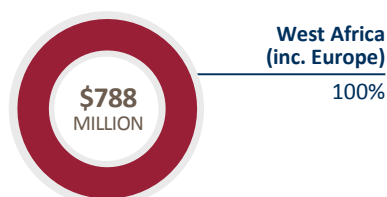
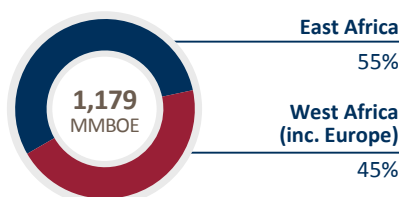
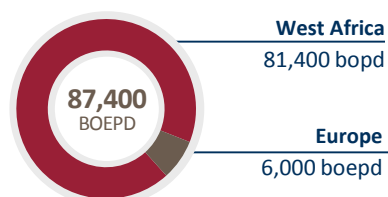
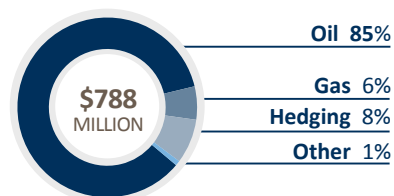
Group working interest production¹



Group reserves and resources



Group revenue



¹ Total includes Jubilee Business Interruption insurance equivalent of 5,000 bopd for 1H 2017

SUMMARY OF 2017 HALF YEAR RESULTS

	1H 2017	1H 2016	Variance
Sales revenue (\$m)	788	541	46%
Gross profit (\$m)	303	182	66%
Operating (loss)/profit (\$m)	(395)	27	-
(Loss)/profit before tax (\$m)	(519)	24	-
(Loss)/profit after tax (\$m)	(309)	30	-
Basic (loss)/earnings per share (cents)	(25.2)	2.8	-
Dividend per share (pence)	-	-	-
Free cash flow	205	(697)	-
Net debt (\$m) ¹	3,834	4,721	(19%)
Gearing (times) ⁴	3.3	5.0	(34%)
West Africa working interest production (bopd) ²	76,400	51,800	47%
Europe working interest production (boepd)	6,000	6,600	(9%)
Sales volume (boepd)	76,700	50,200	53%
Underlying cash operating costs per boe (\$/bbl) ³	11.9	17.7	(33%)
Realised post hedge oil price per bbl (\$)	57.3	60.7	(6%)
Realised post hedge gas price (pence per therm)	39.5	31.7	25%
Exploration costs written off (\$m)	4	59	(93%)
Impairment of property, plant and equipment (\$m)	642	-	-
Corporate Bonds (\$m)	1,600	1,300	23%
Committed Bank Facilities (\$m)	3,500	4,800	(27%)
Facility headroom plus free cash (\$m) ⁵	1,238	1,011	22%

1. Net debt is cash and cash equivalents less total external borrowings.

2. Total excludes Jubilee Business Interruption insurance equivalent of 5,000 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. In addition to committed bank facilities, Tullow has an Exploration Finance Facility of \$119m, a working capital facility relating to exploration expenditure on our Norwegian exploration licences. This facility is not included in facility headroom plus free cash.

WORKING INTEREST PRODUCTION ¹

WEST AFRICA	1H 2017 Actual (bopd)	FY 2017 Forecast (bopd)	Fiscal Regime
Ghana			
<i>Jubilee⁽²⁾</i>	29,900	26,000	PSC
<i>TEN</i>	22,500	23,600	PSC
Total Ghana ⁽²⁾	52,400	49,600	
Equatorial Guinea			
<i>Ceiba</i>	1,700	1,700	PSC
<i>Okume</i>	4,400	3,900	PSC
Total Equatorial Guinea	6,100	5,600	
Gabon			
<i>Tchatamba</i>	4,500	4,500	PSC
<i>Limande</i>	1,900	1,800	Corp Tax
<i>Etame Complex</i>	1,200	1,100	PSC
<i>Other Gabon</i>	5,700	5,200	Various
Total Gabon	13,300	12,600	
Côte d'Ivoire (Espoir)	2,700	3,100	PSC
Congo Brazzaville (M'Boundi)	1,000	600	PSC
Mauritania (Chinguitti)	900	600	PSC
WEST AFRICA SUB-TOTAL ⁽²⁾	76,400	72,100	
Jubilee business interruption equivalent	5,000	10,000	
WEST AFRICA SUB-TOTAL (inc. Jubilee insurance bbls equivalent)	81,400	82,100	
EUROPE	(boepd)	(boepd)	
UK (CMS Area)	3,400	3,000	Tax
Netherlands	2,600	2,700	Tax
EUROPE SUB-TOTAL	6,000	5,700	
GROUP TOTAL ⁽²⁾	82,400	77,800	
GROUP TOTAL (inc. Jubilee insurance bbls equivalent)	87,400	87,800	

1. Includes condensate

2. Excludes Business Interruption insurance barrel equivalents

CAPITAL EXPENDITURE (CAPEX)

1H 2017 CAPEX – ACTUALS (\$M)

Business Delivery Teams	Exploration & Appraisal	Development	1H 2017 Total
West Africa (inc. Europe)	5	(15) ¹	(10)
East Africa	10	55 ²	65
New Ventures	22	-	22
TOTAL	37	40	77

FY 2017 CAPEX – FORECAST (\$M)

Business Delivery Teams	Exploration & Appraisal	Development	2017 Total
West Africa (inc. Europe)	10	60 ¹	70
East Africa	20	200 ³	220
New Ventures	85	-	85
TOTAL	115	260	375

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

² \$85m of Uganda capex expected to be offset after completion of farm-down

Note: 2017 FY Group capex forecast alternative break down: Ghana: \$25m, West Africa non-operated portfolio: \$35m, Uganda: \$85m, Kenya pre-development: \$115m, New Ventures and exploration activities : \$115m

COSTS, DEPRECIATION AND TAX

OPERATING DATA

OPERATING COSTS ¹	1H 2017 \$/boe	2017 Forecast \$/boe
Equatorial Guinea, Congo (Brazzaville), Côte d'Ivoire	15.3	16.0
Gabon ²	21.1	22.0
Ghana ³	8.7	9.7
Mauritania – Chinguetti ⁴	45.5	N/A
Netherlands	24.0	27.0
UK SNS	20.5	29.0

DEPRECIATION ¹		
Equatorial Guinea, Congo (Brazzaville), Côte d'Ivoire	18.6	18.0
Gabon ²	11.4	12.0
Ghana	19.2	17.2 ⁵
Mauritania – Chinguetti	-	-
Netherlands	6.2	-
UK SNS	-	-

OTHER INFORMATION

TAX AND NUMBER OF SHARES	2017
Weighted tax rate	18%
Number of shares (million)	1,383

1. Data on a working interest basis
2. Includes royalties
3. Underlying operating costs per barrel presented exclude accrual reversals of \$21m, and is calculated including insurance equivalent production barrels.
4. Tullow expects to cease production from Mauritania (Chinguetti) in 2017
5. Includes expected amortisation of c.\$18m of a TEN FPSO finance lease asset

LIQUIDITY AND HEDGING

LIQUIDITY POSITION

KEY METRICS

\$m	30 June 2017
Cash and cash equivalents	318
Debt drawings	
RBL Facilities (\$2,745m) ¹	2,465
Corporate Facility (\$800m) ²	0
Senior Notes (\$1,300m)	1,300
Convertible Bond (\$300m)	300
Total debt ³	4,152
Net debt	3,834
Facility headroom plus free cash ³	1,238

¹ Reserve Based Lending facility will reduce to c.\$2.64bn in October 2017 in line with the amortisation schedule, with semi-annual amortisations thereafter. Final maturity October 2019

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

³ In addition to committed bank facilities Tullow has an Exploration Finance Facility of c.\$119m, a working capital facility relating to exploration expenditure on our Norwegian exploration licences. At 30 June 2017, \$87m was drawn which is included in total debt & net debt, however this facility is not included in the \$1.2 billion facility headroom plus free cash.

HEDGING PROGRAMME

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

HEDGE POSITION (as of 30 June 2017)	2H 2017	2018	2019
Oil hedges			
Volume – bopd	42,500	27,000	9,732
Average Floor price protected (\$/bbl)	60.32	51.53	46.33
Gas hedges			
Volume – mmscfd	2.47	-	-
Average Floor price protected p/therm	39.05	-	-

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	Timing of infill drilling in Turnix, Limande and Tchatamba TBD.
Ghana	Greater Jubilee Full Field Development	Targeting FID Sanction in 2H 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. The JV Partners remain on track to re-submit the GJFFD Plan to the Government with approval expected later in the year and drilling expected to commence in 2018.
	Tweneboa/Enyenra/Ntomme (TEN)	✓	Aug 2016	11 initial wells, 24 in total	TEN came online in August 2016 with 11 initial wells. No further drilling is currently permitted while the ITLOS border dispute between Ghana and Côte d'Ivoire is ongoing. The final ruling is expected in September 2017 and Tullow expects to be able to recommence drilling around the end of the year.

DEVELOPMENT OPPORTUNITIES

WEST AFRICA cont

EUROPE

Country	Developments	Sanction decision	First production	No. of wells	Status
Netherlands	K18-G3	Under review	2019+	1	Drilling to commence 2018/19
	L13-FI	Approved	2018+	3	The platform has been installed, and drilling is due to commence in 4Q 2017

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 JDA negotiations ongoing with Government of Kenya.</p> <p>Early Oil Pilot Scheme (EOPS), transporting oil by road, has been approved. Initial phase deferred by the Government of Kenya until after elections in August, and gross production of approximately 2,000 bopd from EOPS is planned to commence in late 2017.</p> <p>Six E&A wells drilled in H1 2017 – with a further three planned in South Lokichar to mature resource potential.</p> <p>Water injection trials have confirmed feasibility of injecting water into reservoir at Ngamia and Amosing. Waterflood pilot expected to start-up in Q4 2017.</p>
Uganda	Basin-wide Development	Targeting end-2017	Approx 3.5 years post project sanction	Multiple hundreds	<p>Key work programme activities, such as the FEED, ESIA and Geophysical and Geotechnical surveys are under way. The JV Partners are working toward project FID around the end of the year.</p> <p>Pipeline Intergovernmental Agreement (IGA) signed by the Governments of Uganda and Tanzania. This secures the routing and has allowed discussions to commence on key commercial agreements. The pipeline FEED and ESIA continue to progress to plan.</p>

REMAINING 2017 EXPLORATION AND APPRAISAL PROGRAMME

EAST AFRICA

Country	Block/Licence	Prospect/Well	Interest	Spud Date
Kenya	13T	Three E&A wells	50% (op)	Q3/Q4 2017

NEW VENTURES

Country	Block/Licence	Prospect/Well	Interest	Spud Date
Suriname	Block 54	Araku	30% (op)	Q4 2017

1H 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	190.0	-	-	-	-	272.0	190.0	303.7
Revisions	2.3	13.8	-	-	-	-	2.3	13.8	4.6
Transfers from contingent resources	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Production	(13.7)	(7.3)	-	-	-	-	(13.7)	(7.3)	(14.9)
30 June 2017	260.6	196.5	-	-	-	-	260.6	196.5	293.4
CONTINGENT RESOURCES									
1 January 2017	128.4	729.7	632.4	42.7	-	4.2	760.8	776.6	890.2
Revisions	(3.0)	(42.9)	-	-	-	-	(3.0)	(42.9)	(10.1)
Additions	-	-	5.4	-	-	-	5.4	-	5.4
Disposals	-	-	-	-	-	-	-	-	-
Transfers to commercial reserves	-	-	-	-	-	-	-	-	-
30 June 2017	125.4	686.8	637.8	42.7	-	4.2	763.2	733.7	885.5
TOTAL									
30 June 2017	386.0	883.3	637.8	42.7	-	4.2	1,023.8	930.2	1,178.9

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. The West Africa revisions to reserves (+4 mmboe) relate to an audit of Jubilee (+1.7 mmboe) and TEN (+2.3 mmboe).

3. The Kenya addition to oil contingent resources relates to the booking of the Erut discovery announced 17 January 2017.

4. The West Africa revision to gas contingent resources (-10.3 mmboe) relates to a reduction in the estimate of the size of the Gas cap in Ntomme.

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 280.4 mmboe at 30 June 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

2017

CONGO (Brazzaville)

M'Boundi	PSC	69
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CÔTE D'IVOIRE

Espoir	PSC	72
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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
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MAURITANIA

Chinguetti	PSC	88
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