



Tullow Oil plc - 2018 Half Year Results

FACT BOOK

Wednesday 25 July 2018

BUSINESS DELIVERY TEAMS



Key: E Exploration D Development P Production

WEST AFRICA (inc. UK) ¹

Côte d'Ivoire ² **D P** Ghana **ED P**
 Equatorial Guinea **D P** UK **P**
 Gabon **ED P**

EAST AFRICA

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

NEW VENTURES

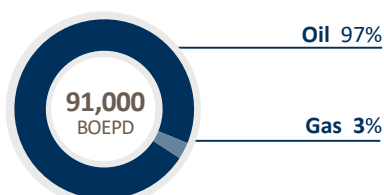
Côte d'Ivoire ² **E** Pakistan **E**
 Guyana **E** Peru **E**
 Jamaica **E** Suriname **E**
 Mauritania **E** Uruguay **E**
 Namibia **E** Zambia **E**

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

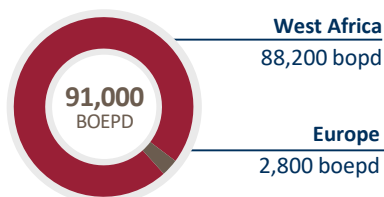
Note 2: In Côte d'Ivoire Exploration activities are managed by the New Ventures BDT and Production activities are managed by the West Africa BDT

PRODUCTION & RESERVES AND RESOURCES

Group working interest production¹



Group reserves and resources



¹ Total includes Jubilee Business Interruption insurance equivalent of 11,900 bopd for 1H 2018

SUMMARY OF 2018 HALF YEAR RESULTS

	1H 2018	1H 2017
Sales revenue (\$m)	905	788
Gross profit (\$m)	521	303
Operating profit/(loss) (\$m)	300	(395)
Profit/(loss) before tax (\$m)	150	(558)
Profit/(loss) after tax (\$m)	55	(348)
Basic earnings/(loss) per share (cents)	3.9	(28.3)
Free cash flow	401	205
Net debt (\$m) ¹	3,082	3,834
Gearing (times) ²	2.0	3.3
Oil working interest production (bopd) ³	88,200	76,400
Gas working interest production (boepd)	2,800	6,000
Sales volume (boepd)	74,700	76,700
Underlying cash operating costs per boe (\$/bbl) ⁴	10.9	11.9
Realised post hedge oil price per bbl (\$)	67.5	57.3
Exploration costs written off (\$m)	9	4
Impairment of property, plant and equipment (\$m)	8	642
Corporate Bonds (\$m)	1,750	1,600
Committed Bank Facilities (\$m)	2,482	3,500
Facility headroom plus free cash (\$m)	1,225	1,238

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 11,900 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	1H 2018 Actual (bopd)	FY 2018 Forecast (bopd)
Ghana		
<i>Jubilee</i> ⁽²⁾	23,400	27,700
<i>TEN</i>	30,700	30,900
Total Ghana ⁽²⁾	54,100	58,600
Equatorial Guinea		
<i>Ceiba</i>	2,600	2,400
<i>Okume</i>	4,100	4,000
Total Equatorial Guinea	6,700	6,400
Gabon		
<i>Tchatamba</i>	4,300	4,400
<i>Limande</i>	1,700	1,600
<i>Etame Complex</i>	1,000	1,000
<i>Other Gabon</i>	5,200	5,200
Total Gabon	12,200	12,200
Côte d'Ivoire (Espoir)	3,300	3,200
WEST AFRICA SUB-TOTAL ⁽²⁾	76,300	80,400
Jubilee business interruption equivalent	11,900	8,700
WEST AFRICA SUB-TOTAL (inc. Jubilee insurance bbls equivalent)	88,200	89,100
Gas production	(boepd)	(boepd)
UK	2,800	2,000
TEN GAS	0	1,100
GAS SUB-TOTAL	2,800	3,000
GROUP TOTAL ⁽²⁾	79,100	83,400
GROUP TOTAL (inc. Jubilee insurance bbls equivalent)	91,000	92,100

1. Includes condensate

2. Excludes Business Interruption insurance barrel equivalents

CAPITAL EXPENDITURE (CAPEX)

1H 2018 CAPEX – ACTUALS (\$M)

Business Delivery Teams	Exploration & Appraisal	Development	1H Total
West Africa (inc. Europe)	1	88	89
East Africa	(1)	52	51
New Ventures	28	-	28
TOTAL	28	140	168
Uganda ¹	-	23	23
TOTAL (excl. Uganda)	28	117	145

FY 2018 CAPEX – FORECAST (\$M)

Business Delivery Teams	Exploration & Appraisal	Development	2018 Total
West Africa (inc. Europe)	10	290	300
East Africa	10	150	160
New Ventures	70	-	70
TOTAL	90	440	530
Uganda ¹	-	70	70
TOTAL (excl. Uganda)	90	370	460

¹ Uganda capex expected to be offset after completion of farm-down

COSTS, DEPRECIATION AND TAX

OPERATING DATA

OPERATING COSTS ¹	1H 2018 \$/boe	2018 Forecast \$/boe
Equatorial Guinea	10.2	12.0
Côte d'Ivoire	11.3	10.0
Gabon ²	20.5	24.0
Ghana ³	7.9	8.0
UK SNS ⁴	42.0	38.0

DEPRECIATION ¹

Equatorial Guinea	17.9	19.0
Côte d'Ivoire	14.0	15.0
Gabon	10.1	11.0
Ghana ³	19.6	23.0
UK SNS ⁴	-	-

OTHER INFORMATION

TAX AND NUMBER OF SHARES	2018
Weighted tax rate	48%
Number of shares (million)	1,392

1. Data on a working interest basis
2. Includes royalties
3. Ghana costs per barrel are calculated including insurance equivalent production barrels
4. Tullow expects to cease production from the UK in 2018

LIQUIDITY AND HEDGING

LIQUIDITY POSITION

\$m	30 June 2018
Cash and cash equivalents	393
Debt drawings	
RBL Facility (\$2,482m) ¹	1,725
Corporate Facility (\$350m) ²	-
Senior Notes (\$1,450m) ³	1,450
Convertible Bond (\$300m)	300
Total debt	3,475
Net debt	3,082
Facility headroom plus free cash	1,225

¹ Reserves Based Lending Facility. Final maturity November 2024

² Revolving Corporate Facility. Final Maturity April 2019

³ \$650m high yield bonds due 2022 and \$800m high yield bonds due 2025

HEDGING PROGRAMME – THREE YEAR OUTLOOK

HEDGE POSITION (as of 30 June 2018)	2H 2018	2019	2020
Oil hedges			
Volume – bopd	45,000	34,732	10,997
Average Floor price protected (\$/bbl)	52.23	51.98	56.59

BREAKDOWN OF 2H 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

1H 2018 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 2018	245.7	268.9	-	-	-	-	245.7	268.9	290.5
Revisions	0.9	2.8	-	-	-	-	0.9	2.8	1.4
Disposals	-	(7.7)	-	-	-	-	-	(7.7)	(1.3)
Transfers from contingent resources	2.1	-	-	-	-	-	2.1	-	2.1
Production	(13.6)	(4.6)	-	-	-	-	(13.6)	(4.6)	(14.3)
30 June 2018	235.1	259.4	-	-	-	-	235.1	259.4	278.4

CONTINGENT RESOURCES									
1 January 2018	121.4	465.1	637.8	42.7	-	4.2	759.1	512.0	844.4
Revisions	5.0	16.7	-	-	-	-	5.0	16.7	7.9
Disposals	(0.1)	(89.2)	-	-	-	(4.2)	(0.1)	(93.4)	(15.7)
Transfers to commercial reserves	(2.1)	-	-	-	-	-	(2.1)	-	(2.1)
30 June 2018	124.2	392.6	637.8	42.7	-	-	762.0	435.3	834.5

TOTAL

30 June 2018	359.3	652.0	637.8	42.7	-	-	997.1	694.7	1,112.9
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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 (+1.4 mmboe) relate to Jubilee.
3. The West Africa revision to contingent resources (+7.9 mmboe) relates to Jubilee.
4. The West Africa disposals relates to the derecognition of Netherlands reserves and resources.

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 1086.9 mmboe at 30 June 2018 (31 December 2017: 1,284.1 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	2018 (\$60/bbl)	2018 (\$70/bbl)
CÔTE D'IVOIRE			
Espoir	PSC	75	72
EQUATORIAL GUINEA			
Ceiba	PSC	85	84
Okume Complex	PSC	76	75
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	86	82
Tchatamba	PSC	72	69
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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