



Tullow Oil plc

2018 HALF YEAR RESULTS

Wednesday 25 July 2018

DISCLAIMER



This presentation contains certain forward-looking statements that are subject to the usual risk factors and uncertainties associated with the oil and gas exploration and production business.

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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WELL-POSITIONED IN AN IMPROVING OPERATING ENVIRONMENT



EXTERNAL ENVIRONMENT

- Stronger oil price outlook
- Sustained industry cost deflation
- Long-term demand for low cost oil

INTERNAL ACTIONS

- Reset business and cost base
- Significantly improved balance sheet
- Leveraging opportunity rich portfolio

VALUE CREATION

- Sustainable free cash flow generation
- 60% production growth from current assets
- High impact exploration campaigns

Driving business forward to maximise shareholder value



Tullow Oil plc - 2018 Half Year Results

CFO UPDATE

LES WOOD - Chief Financial Officer

2018 HALF YEAR RESULTS SUMMARY



Revenue

\$905million⁽¹⁾



1H 2017: \$788 million

Underlying cash
operating costs

\$10.9/boe



1H 2017: \$11.9/boe

Adjusted EBITDAX

\$764million



1H 2017: \$544 million

Profit/(loss) after tax

\$55million



1H 2017: \$(348) million

Capital investment

\$145million⁽²⁾



1H 2017: \$77 million

Free cash flow

\$401million



1H 2017: \$205 million

Net debt

\$3.1billion



YE 2017: \$3.5 billion

Gearing

2.0times⁽³⁾



YE 2017: 2.6 times

1) Excludes other operating income – lost production insurance proceeds of \$129 million (1H 2017: \$54 million)

2) Capital investment excludes Uganda as it is expected to be recovered on completion of the farm down

3) Calculated on a last 12 months basis

Strong first half 2018 financial performance

PRODUCTION GROWTH THROUGH EXISTING ASSETS



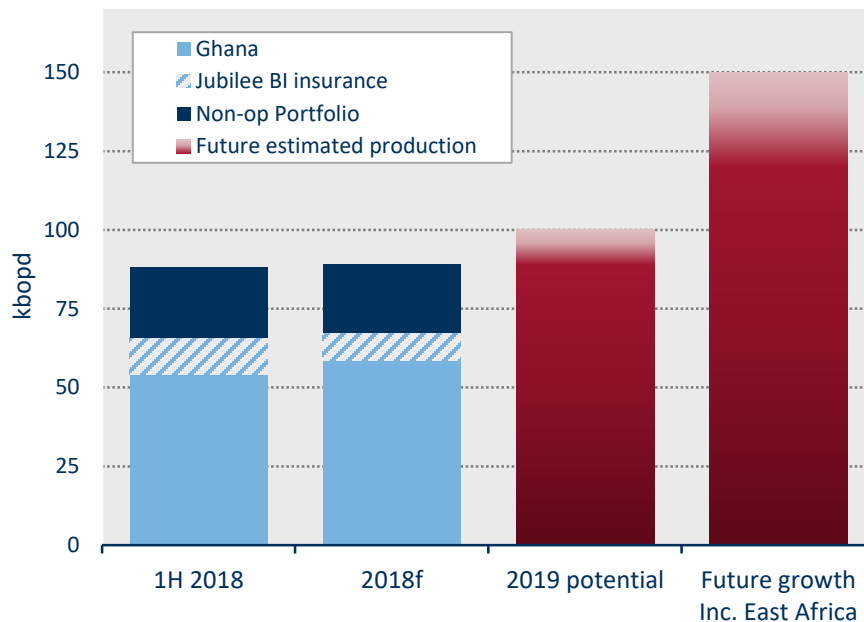
Strong 1H 2018 production

- TEN continues to produce above expectations
- Non-operated portfolio - Gabon, Equatorial Guinea & Côte d'Ivoire - performing ahead of plan
- De-bottlenecking of Jubilee gas compression enables improved production

Significant future cashflow growth

- New TEN & Jubilee wells to ramp up production
- Further infill drilling to sustain & extend Ghana plateau production
- Invest to maintain non-operated production rates
- Uganda and Kenya developments to deliver ~60,000 bopd production net to Tullow

Oil production growth



Period	Oil production* (bopd)	Gas (boepd)
1H 18	88,200	2,800
FY 18f	86 – 92,000	~3,000

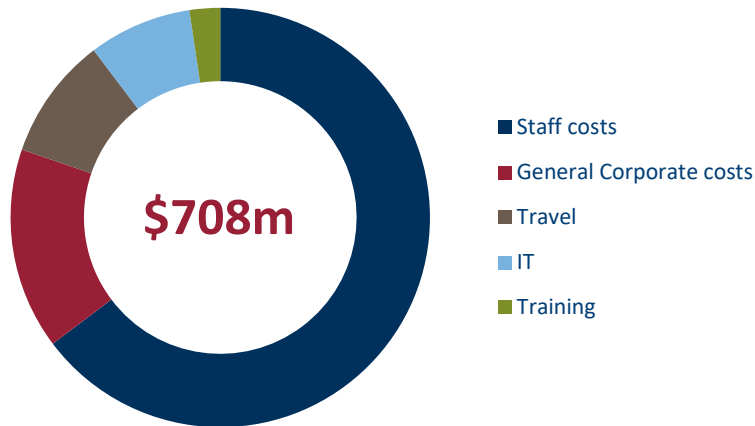
Existing assets can deliver ~60% production growth

* Includes production equivalent insurance payments relating to the Jubilee field of 11,900 bopd in 1H 2018 and 8,700 bopd in 2018f

MAINTAINING COST DISCIPLINE ACROSS THE BUSINESS



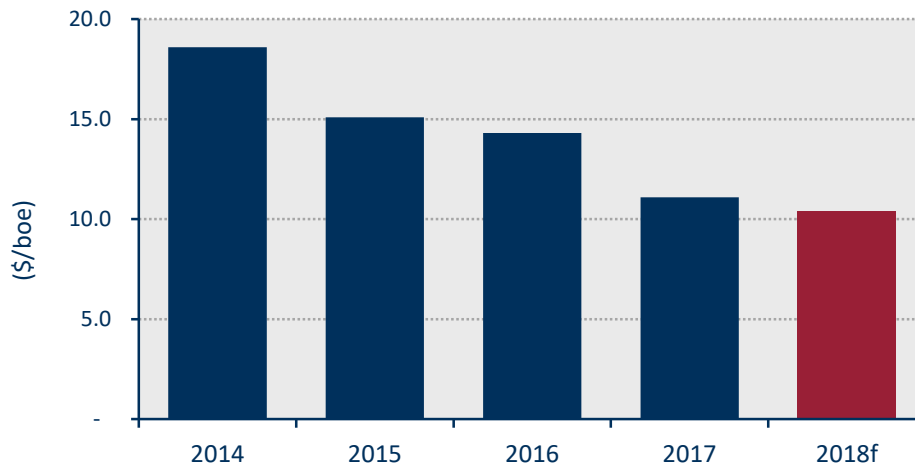
Cash costs savings



Cash cost savings exceed target

- Initial target set in mid-2015 to remove \$500m cash costs over three years
- Delivered \$708m exceeding increased target of \$650m
- Ongoing cost base reduced significantly & cost discipline firmly embedded

Underlying cash operating costs



Low-cost production assets

- 1H 2018 \$10.9/boe, FY 2018 \$10.4/boe
- Targeting ~\$10/boe going forwards
- Ghana 2018 forecast ~\$8/boe
- Portfolio management removes higher cost production

2018 CAPITAL EXPENDITURE



	MAXIMISING PRODUCTION		GROWTH FROM DISCOVERED RESOURCES	FINDING NEW OIL	
1H 2018	\$76m Ghana	\$12m Non-op	\$29m Kenya	\$28m Exploration	\$145m
FY 2018	\$250m Ghana	\$40m Non-op	\$80m Kenya	\$90m Exploration	\$460m
Uganda	1H 18: \$23m	FY 18: \$70m	Excluded from totals as expected to be recovered on completion of the farm-down		

Future capex outlook

- Capital investment flexibility - \$200m to \$600m - remains unchanged
- Quality portfolio and strong oil price will enable investment at upper end of range in 2019

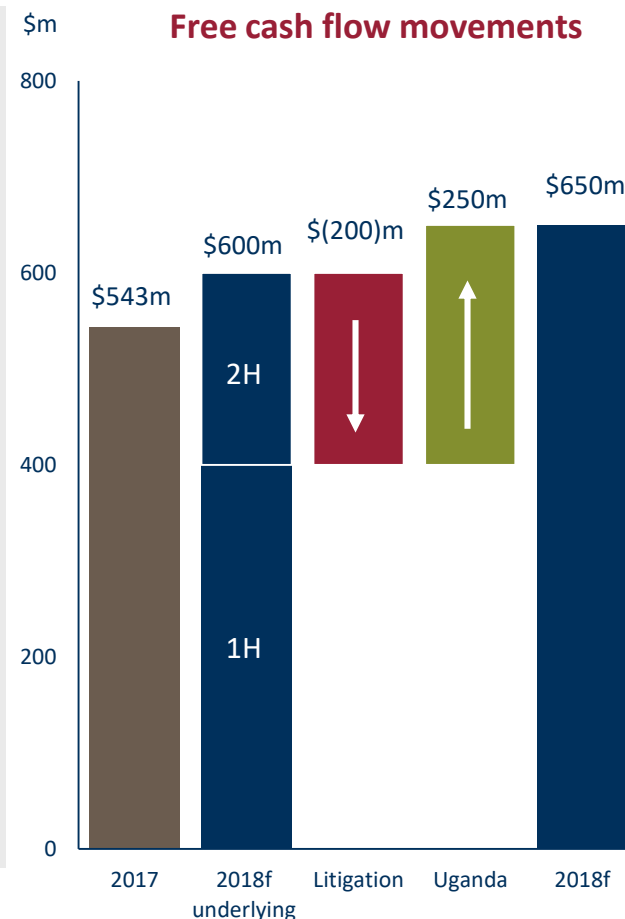
Disciplined capital investment in opportunity rich portfolio

2018 FREE CASH FLOW

Factors impacting 2018 free cash flow

- ↑ Production delivers strong underlying operating cash flow
- ↑ Cash flow boosted by high oil price (\$70/bbl assumed)
- ↑ One-off cash inflow expected from Uganda farm-down & FID
- ↓ One-off cash outflow from litigation results
- ↑↓ Oil price & working capital movements (+/- \$100m)

Potential to generate ~\$650m free cash flow in 2018



Strong underlying and sustainable free cash flow generation

CAPITAL ALLOCATION FRAMEWORK



Debt & gearing

Current position:
Net debt \$3.1bn, Gearing 2.0x

Gearing policy <2.5x

Reducing absolute net debt
to around \$2.5bn

Continue to deleverage while
optimising capital allocation

Investing in our assets

Apply strict criteria to allocate
capital across the portfolio:

Maximising production:

Immediate cashflow
High returns, short payback

Growth from discovered resources:

Future cash flow
Medium-term payback

Finding new oil:

Significant value
New resources, capital growth

Shareholder returns

Capital growth
and dividend focus

Ambition to reinstate a
sustainable dividend at the
right time

Demonstrate financial
discipline and business
progress

Balanced capital allocation focused on maximising shareholder returns



Tullow Oil plc - 2018 Half Year Results

CEO UPDATE

PAUL McDADE - Chief Executive Officer

ORGANIC INVESTMENT OPPORTUNITIES TO GROW OUR BUSINESS

MAXIMISING PRODUCTION



GROWTH FROM DISCOVERED RESOURCES



FINDING NEW OIL



Jubilee and TEN infill wells

Non-op investment opportunities

Increase and sustain production revenues

High returns from known reservoirs

East Africa development projects

West Africa near-field tie-backs

Growing medium term production and revenue

Converting resources to reserves

Exploration in emerging basins

Infrastructure-led exploration

High value oil plays

Material low cost campaigns

Potential to transform resources

Balanced portfolio delivers cash flow, value & growth

GHANA PRODUCTION: A LONG-TERM SOURCE OF CASH GENERATION

Good results from drilling programme

- 5 new wells online over the next 6 months
- Targeting Ghana production of ~180 kbopd by early 2019

Maximising production

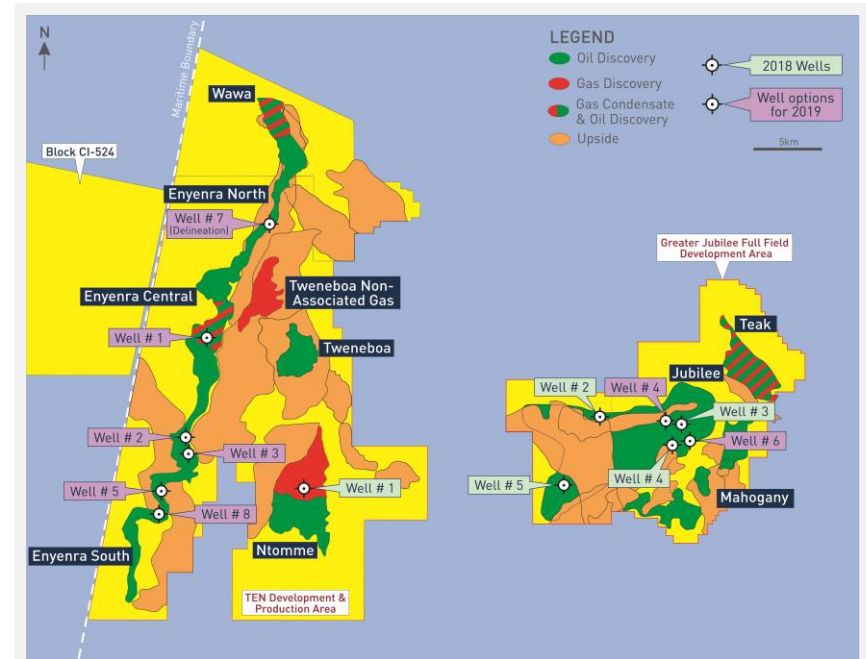
- Options to drill up to 8 infill wells in 2019
- Rig agreements give maximum drilling flexibility
- Grow and sustain low-cost plateau production

Discovered resources to extend field life

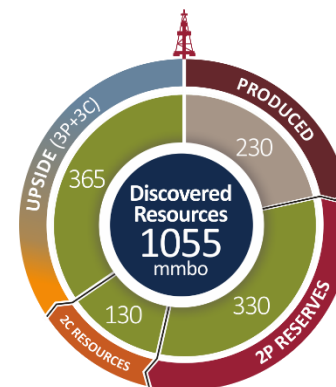
- 244 mmbo 2C discovered resources to be developed
- Additional 570 mmbo of discovered upside potential
- Replenish reserves with rapid return on investment

New oil potential

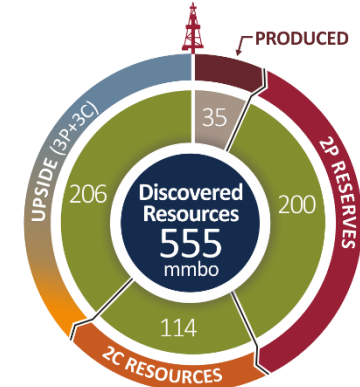
- Significant near-field tie-back opportunities
- Additional exploration acreage to grow Ghana business



Jubilee oil (gross)



T&E oil (gross)



NON-OPERATED PORTFOLIO: MATERIAL NET PRODUCTION ACROSS WEST AFRICA

Material high value production from existing assets

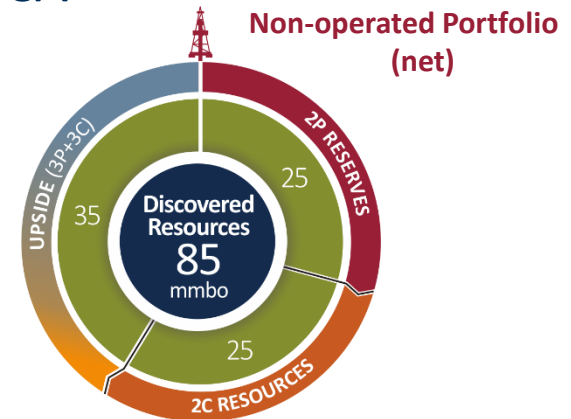
- Invest appropriately to sustain material high-value production from Gabon, Equatorial Guinea & Côte d'Ivoire
- Upside potential in 3P & 2C to replenish reserves

Current and planned operations

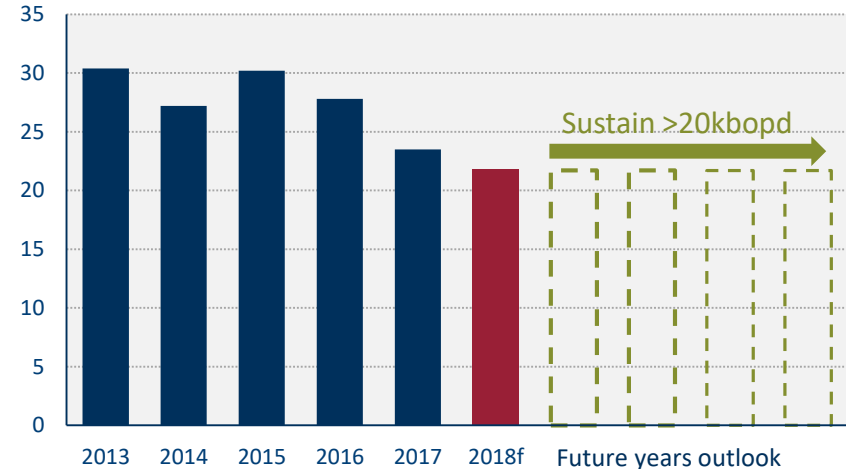
- Infill drilling, workover programmes and production optimisation
- Results being realised across portfolio; 2018 forecast increased to ~22,000 bopd net

Long-term growth opportunities

- Many years of technical/geological expertise
- Near field or new exploration areas identified in proven hydrocarbon systems and established oil provinces



Non-operated portfolio production (kbopd)



Sustaining over 20,000 bopd net production from non-operated portfolio

DEVELOPMENT MOMENTUM CONTINUES IN EAST AFRICA



Uganda - Lake Albert development

- Finalisation of farm down ongoing
 - Approval from Government expected 2H 18
 - ~\$250m cash payments and deferred consideration
- FEED completed; ESIA submitted to Government
- EPC contracts being finalised
- 23,000 bopd net to Tullow for no capex exposure
- Workstreams on track for late 2018 FID

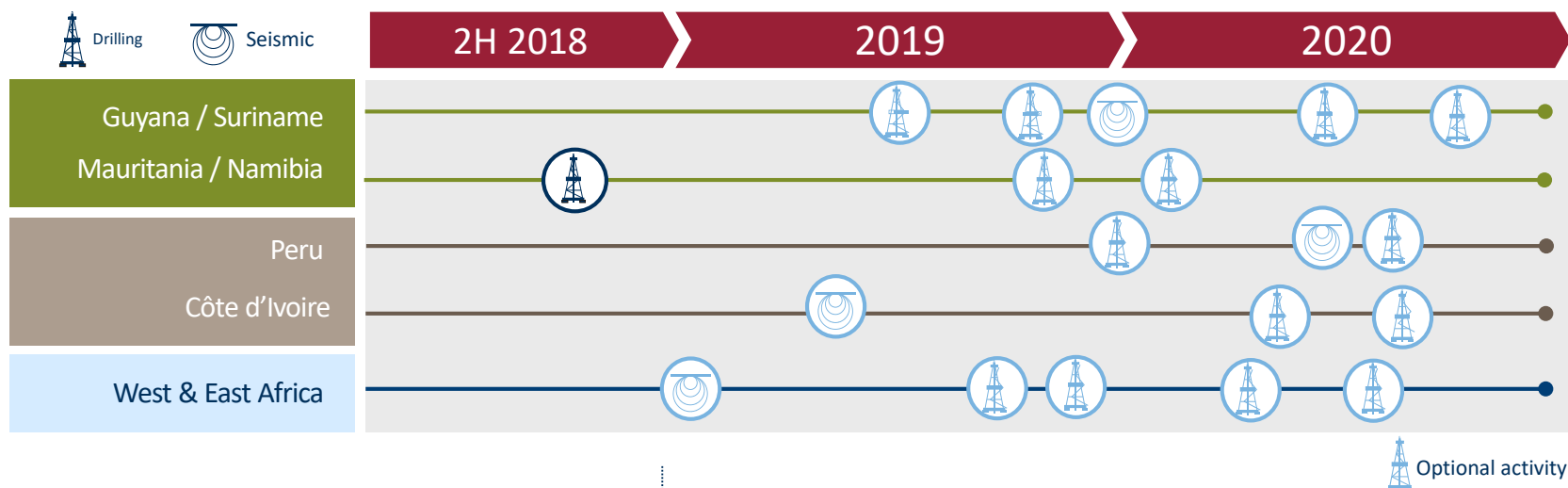


Kenya - South Lokichar development

- Operating Early Oil Pilot Scheme
 - Targeting 2,000 bopd around year-end
 - EOPS delivering significant subsurface knowledge and above ground lessons
- Upstream & Pipeline FEEDs and ESIA's commenced
- Up to 40,000 bopd net to Tullow
- Workstreams on track for late 2019 FID



MULTIPLE HIGH-IMPACT CAMPAIGNS OVER NEXT THREE YEARS



Cormorant-1 well

- Spud Sept 2018; ~125 gross mmbo
- Gross cost ~\$40m (Tullow 35% op)
- Multiple Cretaceous turbidite fans

320 mmbo

net light oil play potential across licence

2019+ programme

- Portfolio of robust prospects supports investing up to \$150m per year to drill 3-5 high-quality wildcat wells
- Initial focus on Guyana hotspot; multiple prospects adjacent to Liza oil discoveries

3 Bbo

net unrisked prospective resource potential across 5 campaigns

Competing options in exciting exploration positions in oil prone basins



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CONCLUSION

PAUL McDADE - Chief Executive Officer

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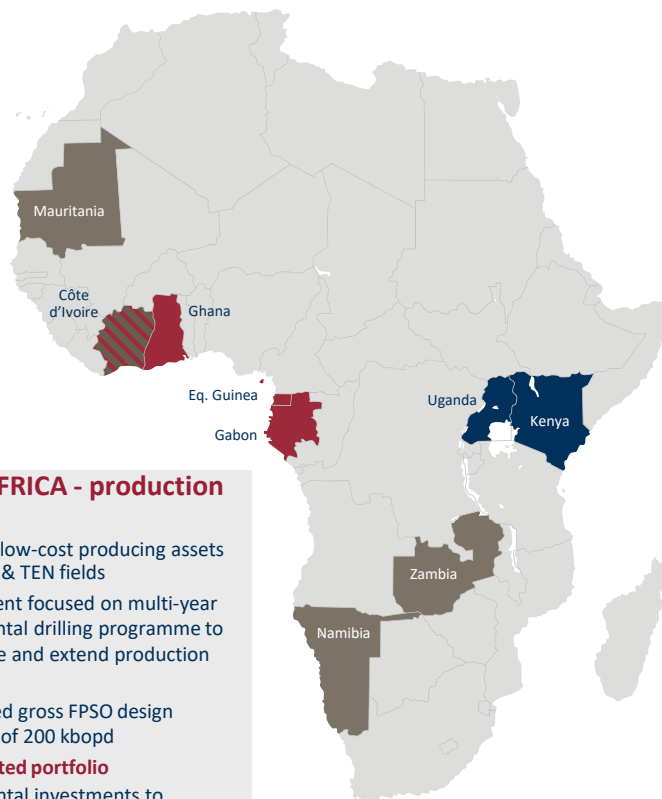
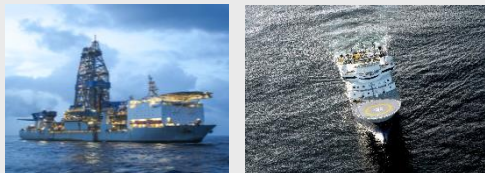
APPENDIX

OUR PORTFOLIO OF ASSETS



NEW VENTURES - exploration

- Extensive acreage in Africa and South America, in well-known plays
- Multiple high-impact frontier campaigns planned over next three years – commencing 2H 2018
- Significant new licenses in Côte d'Ivoire and Peru



WEST AFRICA - production

Ghana

- Flagship low-cost producing assets - Jubilee & TEN fields
- Investment focused on multi-year incremental drilling programme to maximize and extend production profile
- Combined gross FPSO design capacity of 200 kbopd

Non-operated portfolio

- Incremental investments to sustain production and arrest decline



EAST AFRICA - development

Kenya

- Significant discoveries in South Lokichar basin
- Phased development plan to reach 100+ kbopd at plateau
- Driving towards first oil in 2022

Uganda

- Estimated 1.7bn bbls of discovered resources in Uganda, development progressing
- c.230kbopd gross production at plateau; expected capex covered beyond first oil in 2021



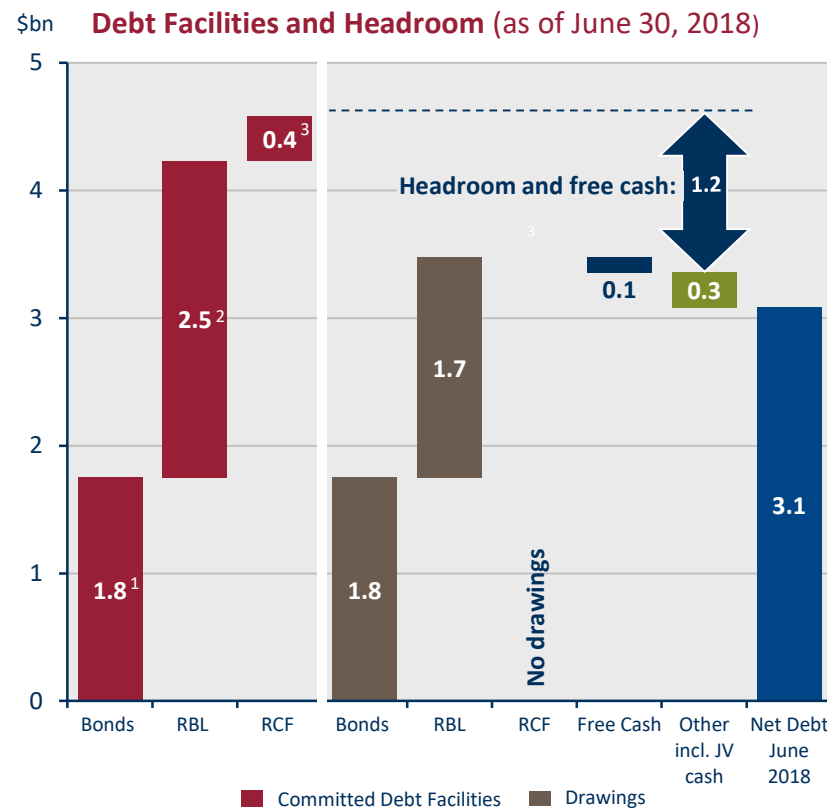
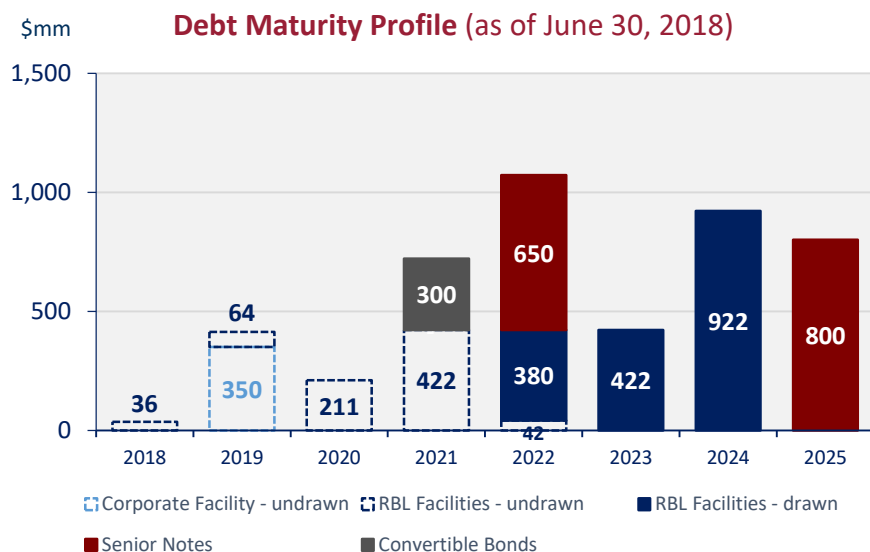
West Africa oil production¹

2018 guidance: 86,000 - 92,000 bopd

A balance of production, development & exploration assets

1) Totals include Jubilee Field Insurance Production-Equivalent Barrels of 8,700 bopd in 2018

- Diversified capital structure with a balanced mix of commercial bank facilities and capital markets debt
- No material near-term debt maturities following RBL refinancing in 4Q17, Senior Notes issue in 1Q18 and RCF voluntary reduction in 2Q18



1) \$300m Convertible Bonds due 2021; \$650m Senior Notes due 2022; \$800m Senior Notes due 2025

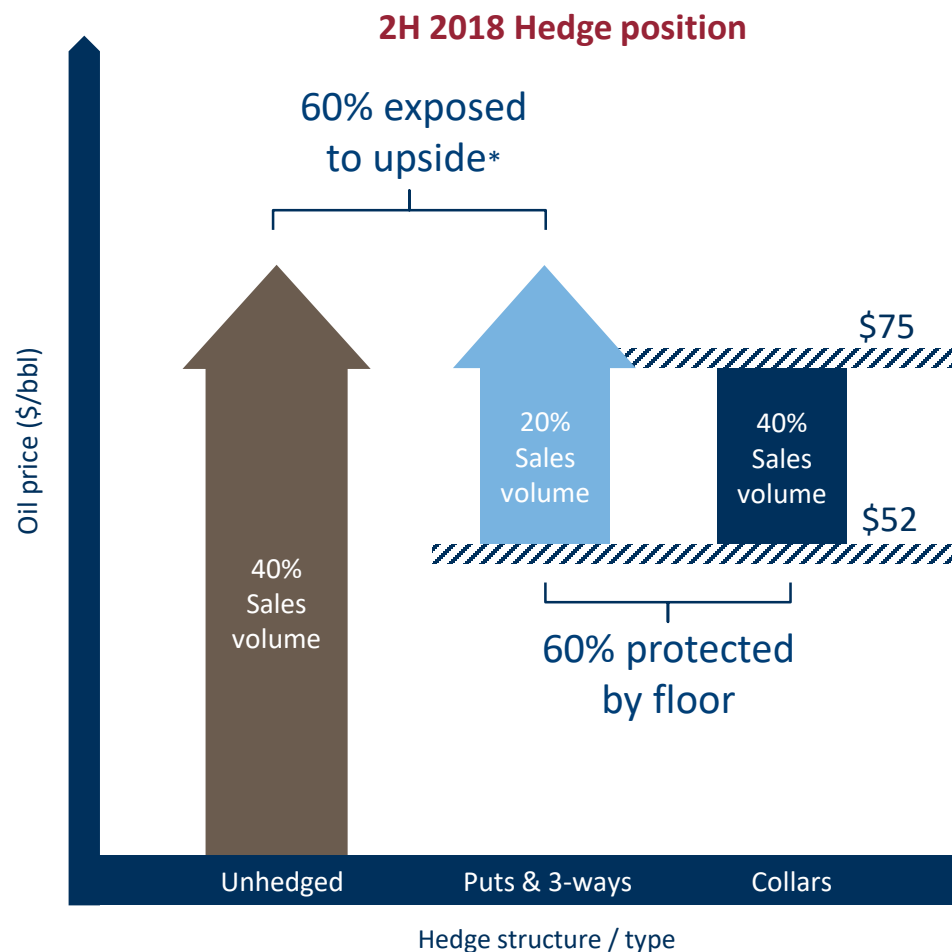
2) \$2,482m Reserve Based Lend facilities; final maturity Nov 2024

3) \$350m Revolving Corporate Facility; final maturity April 2019

Diversified debt capital structure with no material near-term maturities

Long-term financial risk management

- Proactively hedged production over last 10 years to protect revenues
- Cumulative realised revenue of ~\$850m from hedging during 2015 to 2017
- Systematic approach to hedging will continue even as oil price stabilises
- Hedging strategy in place:
 - Protects downside
 - Maximises upside exposure
 - 60%/30% hedged (Yr 1, Yr 2)



Prudent financial risk management delivers value and protects revenues

* 10% of sales volumes are hedged using three-ways with upside participation up to \$71 and above \$78

INFILL DRILLING PROGRAMME TO OPTIMISE GHANA PRODUCTION

Flexible programme to maximise production

- Multi-year programme of infill wells
- Initial focus on wells that utilise existing infrastructure
- 2nd rig contracted to accelerate drilling
- Ongoing optimisation of drilling schedule
- Significant focus on investing capital efficiently

Average gross cost per well	\$60 - 70m
Duration to drill & complete	60 - 70 days

40% cost reduction compared to 2015

Jubilee production (bopd)

Year	Gross	Net	Net (incl. insurance)
1H 2018	66,000	23,300	34,500
2018f	78,100	27,700	36,000

TEN production (bopd)

Year	Gross	Net
1H 2018	65,100	30,700
2018f	65,500	30,900



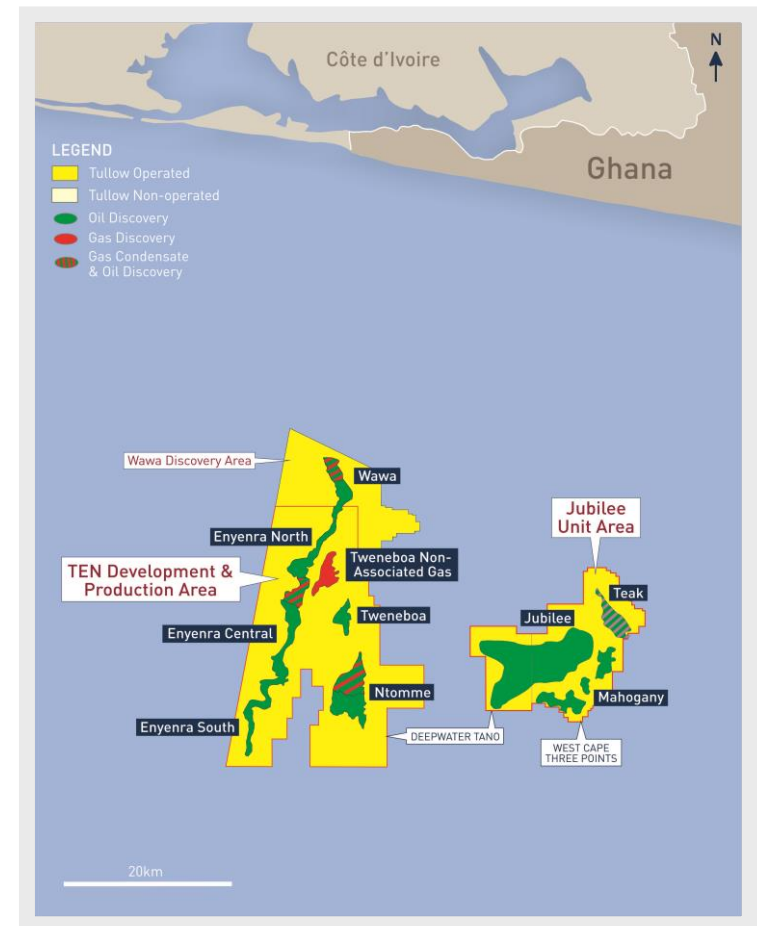
* Production equivalent insurance payments related to Jubilee of 11,900 bopd in 1H 2018 and 8,700 bopd in 2018f

Successful project execution and completion

- Project delivered on time and on budget in 2016
- FPSO tested in excess of design capacity (80,000 bopd)
- Production data supports oil in place and reserves

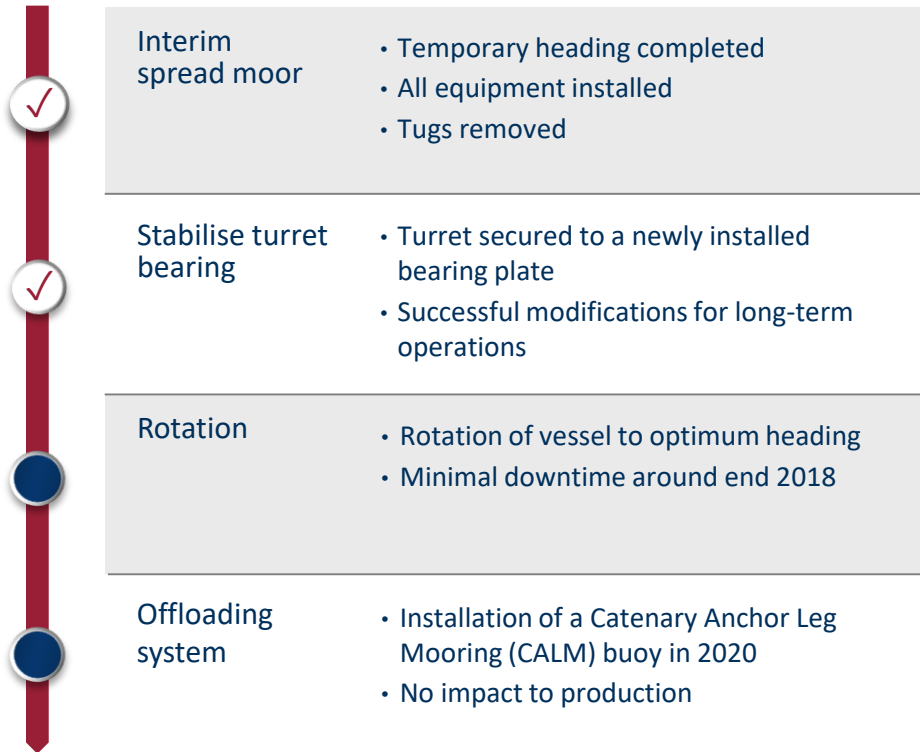
Drilling recommenced March 2018

- ITLOS boundary decision given in September 2017 with no adverse impact on the TEN field
- Reservoir data being used to optimise position of new wells
- Ntomme production well drilled, expected on stream August 2018
- Second TEN well to be drilled and brought on stream in early 2019
- Further incremental drilling to maximise FPSO throughput



TEN continues to build high-margin production, long-life cash flow

Turret remediation project phases



Excellent execution of turret remediation; comprehensive insurance cover

KENYA APPRAISAL CONFIRMS MATERIAL OIL RESOURCES

Successful exploration & appraisal programme

- 11 successful exploration wells, 21 appraisal wells drilled
- Extended injection and production testing continues

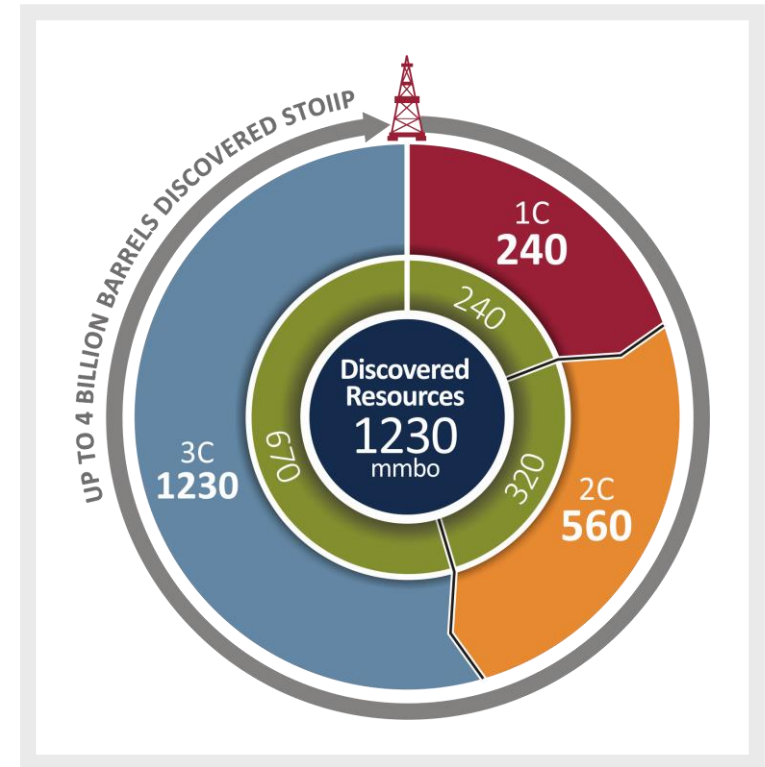
Substantial resources underpin development

- 240 – 560 – 1,230 mmbo (1C-2C-3C)
- Discovered STOIP of up to 4 bn barrels

Material upside potential across the basin

- Undrilled exploration risked inventory of 230 mmbo
- Further potential in tight oil plays

South Lokichar basin resources



Successful appraisal confirms discovered resource base for development

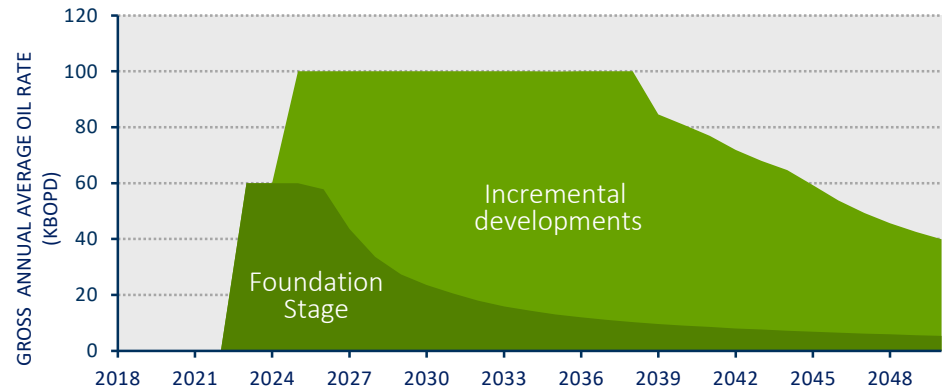
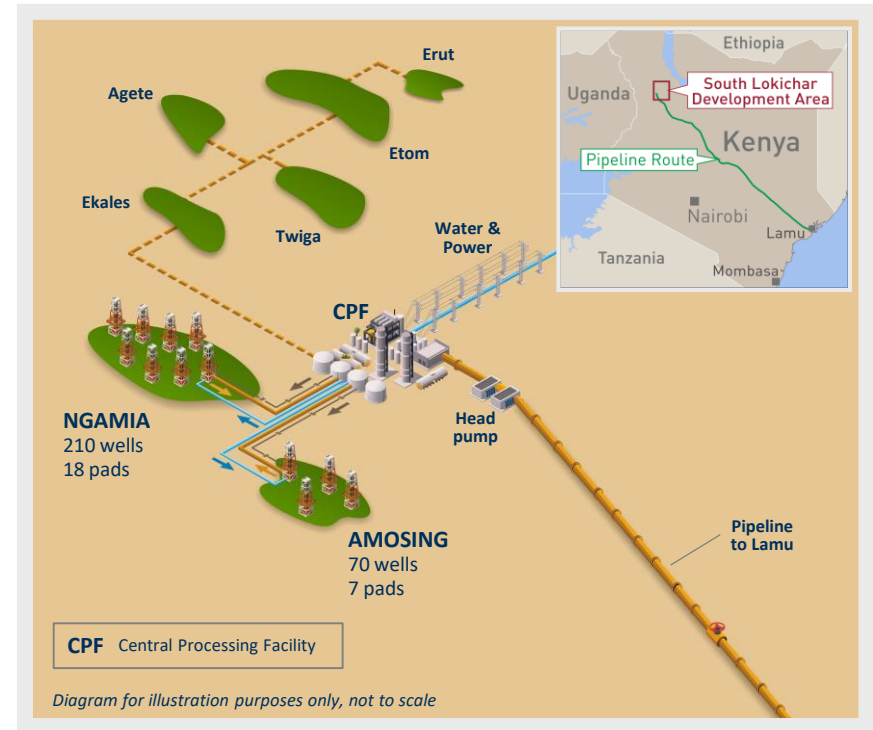
DEVELOPING KENYA'S DISCOVERED RESOURCES

South Lokichar development plan

- Discovered resources support development via export pipeline to Lamu
- Phased development approach planned
- Incremental developments to follow initial Foundation Stage, utilising installed infrastructure
- Full development to achieve plateau production of 100,000 bopd+

Amosing/Ngamia Foundation Stage

- Foundation Stage targeting 210 mmbo
- Initial production of 60,000 - 80,000 bopd
- Allows early FID to take advantage of low cost environment
- Targeting FEED: 2018, FID: 2019, First Oil 2021/2
- Foundation Stage gross capex of \$2.9bn
 - Upstream \$1.8bn
 - Pipeline \$1.1bn
 - ~80% spend to First Oil



UGANDA DEVELOPMENT

Farm-down to Total announced

- \$900m consideration:
 - \$200m cash - \$100m on completion, \$50m at FID, \$50m at first oil
 - \$700m in deferred consideration
- Deferred consideration exceeds Tullow's estimated share of upstream and pipeline capex to first oil
- Supports project momentum and JV's ambition for FID 2H 2018

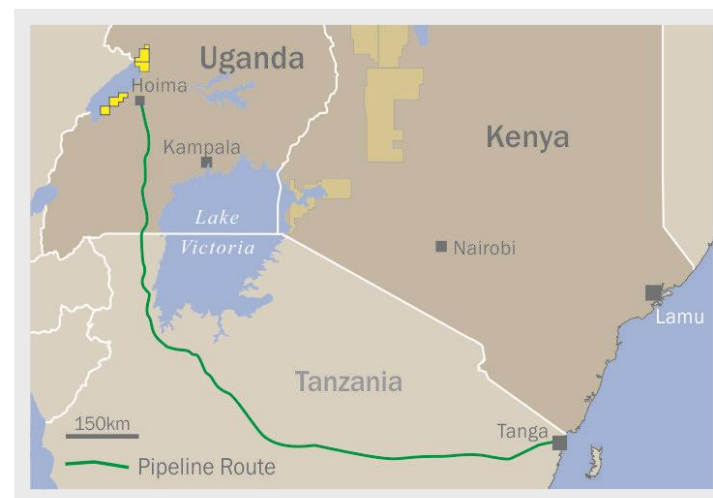
Development milestones to FID

Upstream:

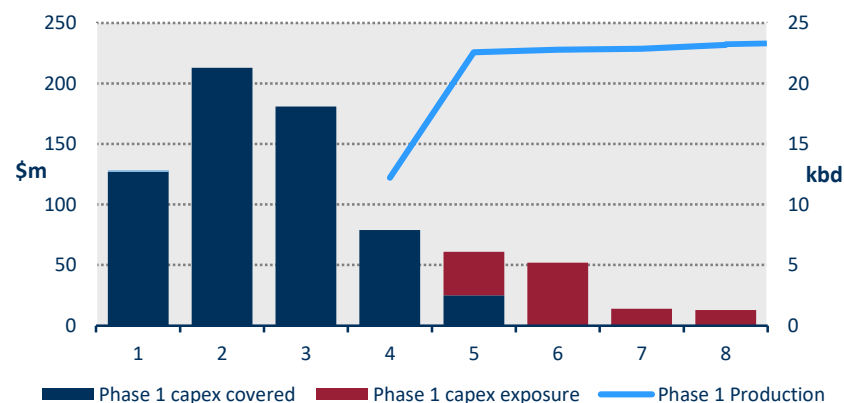
- Phase 1 development to deliver 230kbopd plateau
- FEED and ESIA's completed and under review

Pipeline:

- FEED and ESIA continue to plan
- Inter-governmental agreements signed to secure pipeline routing and commence key commercial agreements

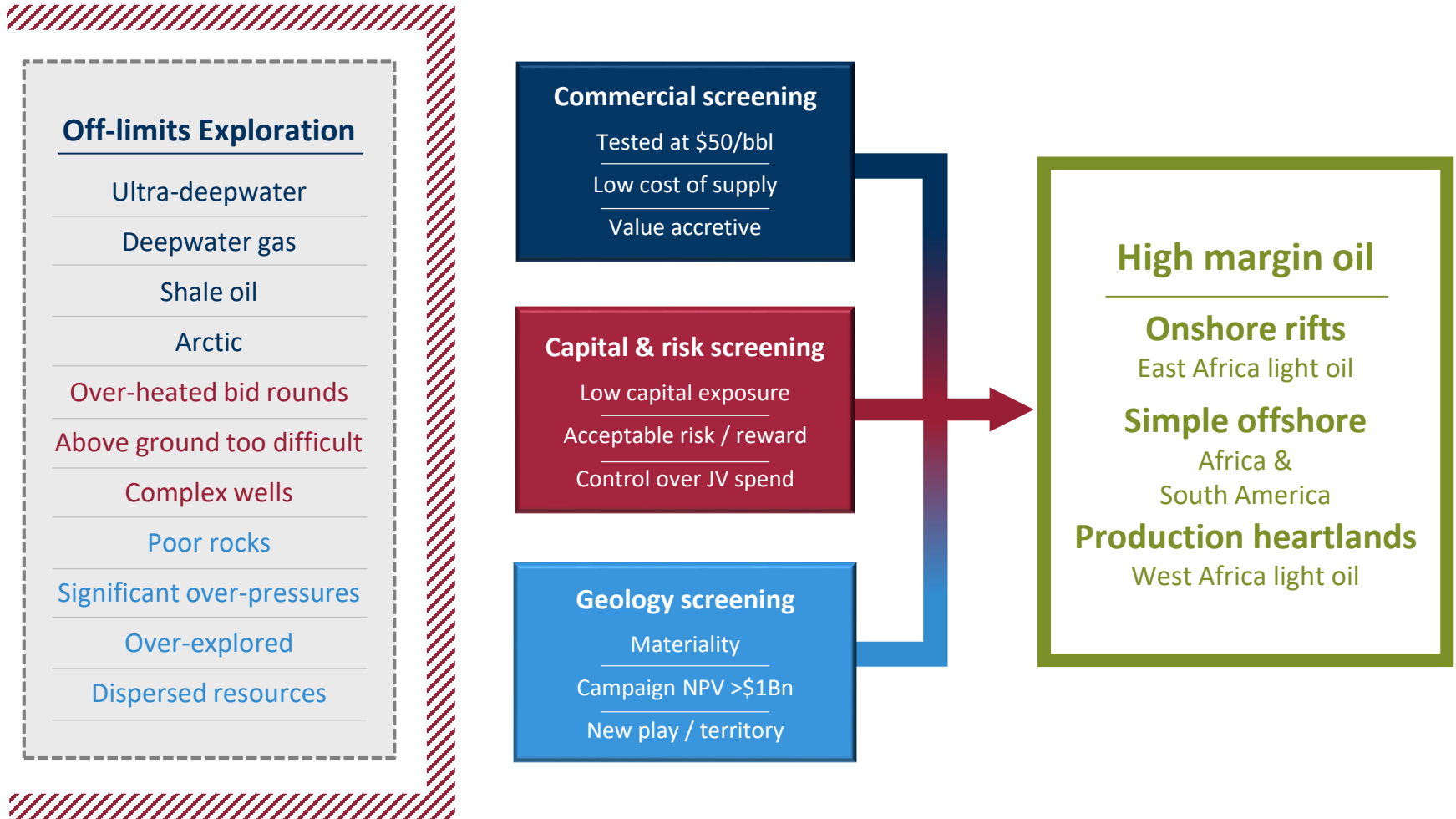


Net upstream & midstream development capex & production

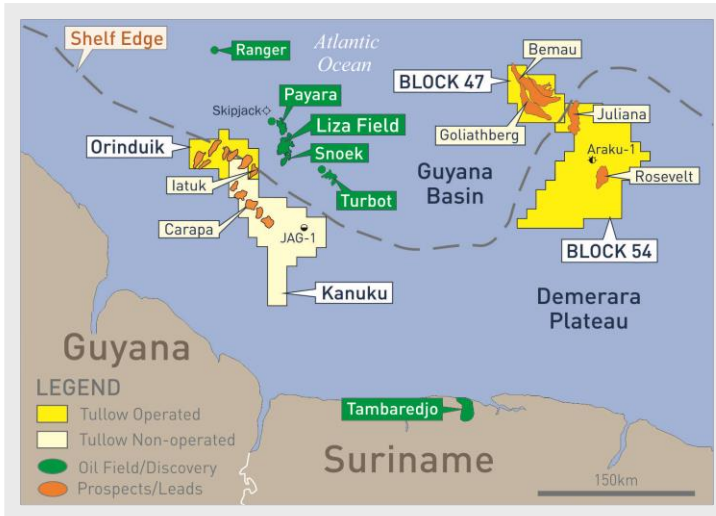


Monetisation expected to deliver ~23,000 bopd of long-term, low-cost net production whilst covering Tullow's capex exposure to first oil

NEW VENTURES: CAMPAIGNS FOCUSED ON LONG-TERM VALUE



SOUTH AMERICA: HIGH-IMPACT PROSPECTS

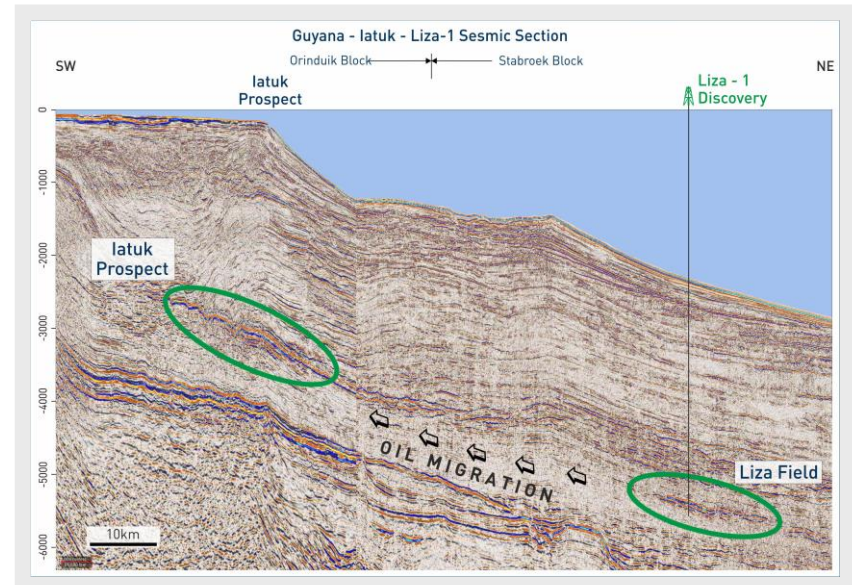
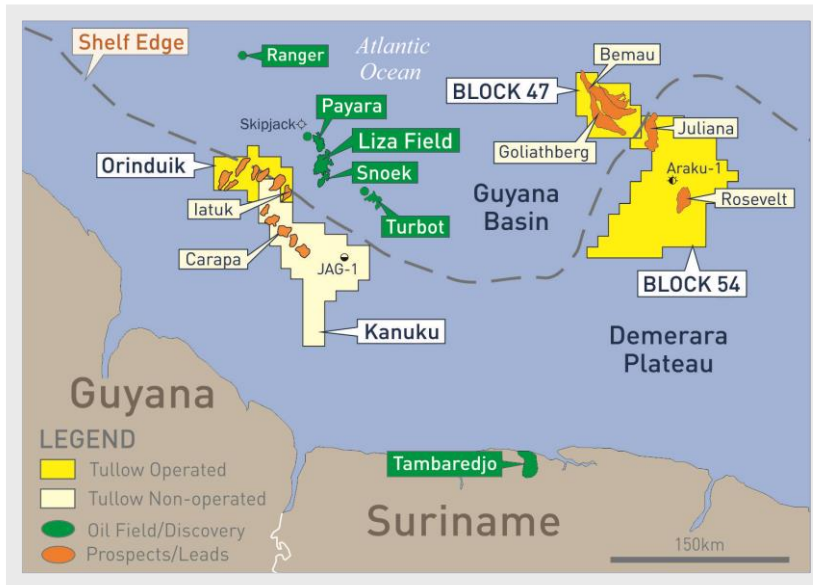


- Guyana: attractive acreage up-dip of Liza-1 oil discovery; multiple prospects being matured
- Suriname: low-cost oil plays; Araku-1 drilled in 2017; further prospects for future drilling
- Peru*: Farm-in to Block Z-38; Marina prospect potential 2019 drilling candidate
- Jamaica: 2,200 sq km 3D seismic survey completed in May 2018

Substantial acreage positions with long-term future upside potential

*Z-38 Farm-in is subject to Government approval. Blocks Z-64, Z-65, Z-66, Z-67 and Z-68 revoked in May 2018, work ongoing to reinstate licences.

GUYANA-SURINAME: EXCELLENT POSITION IN NEW OIL PROVINCE



Guyana:

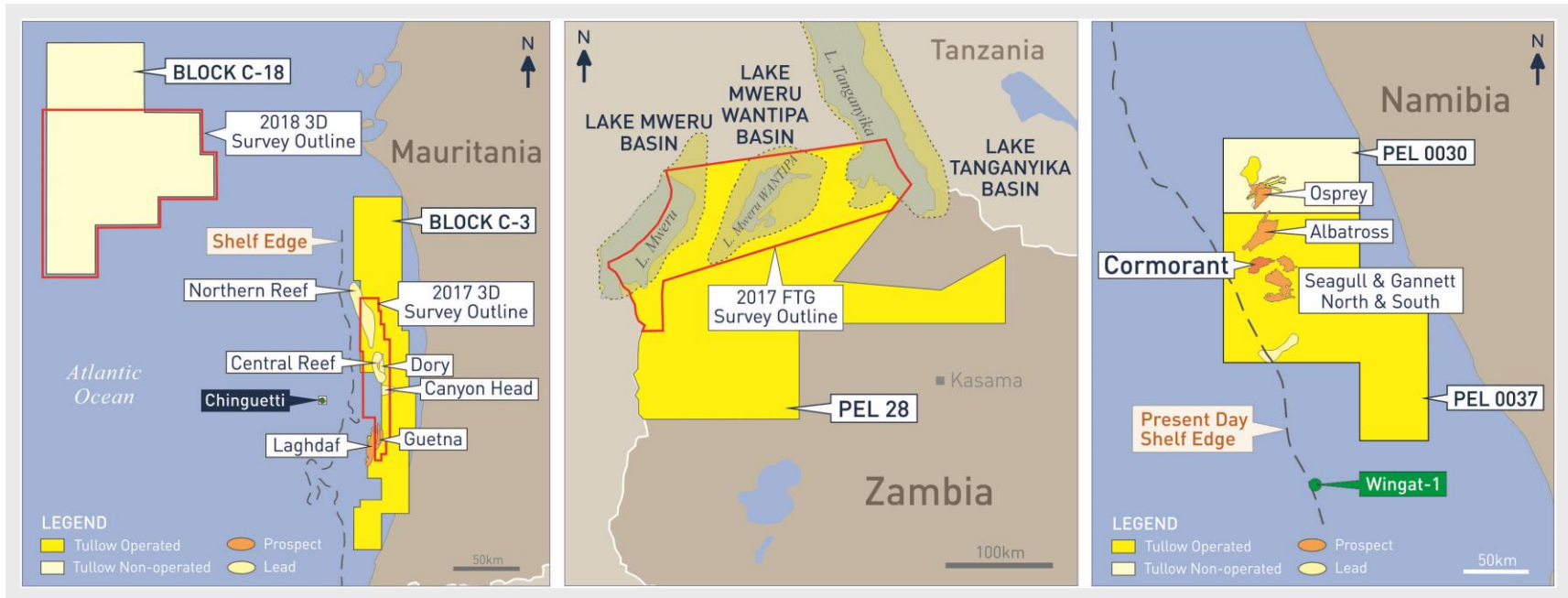
- Acreage position up-dip of Liza discoveries, 3D seismic programme completed in 2017
- Multiple high-quality, shallow water prospects being matured and ranked for potential drilling in 2019

Suriname:

- Araku-1 well drilled in 2017; presence of gas condensate de-risks deeper plays
- Goliathberg prospect in Block 47 candidate for 2019 drilling

Game-changing low-cost prospects with multiple follow-up potential

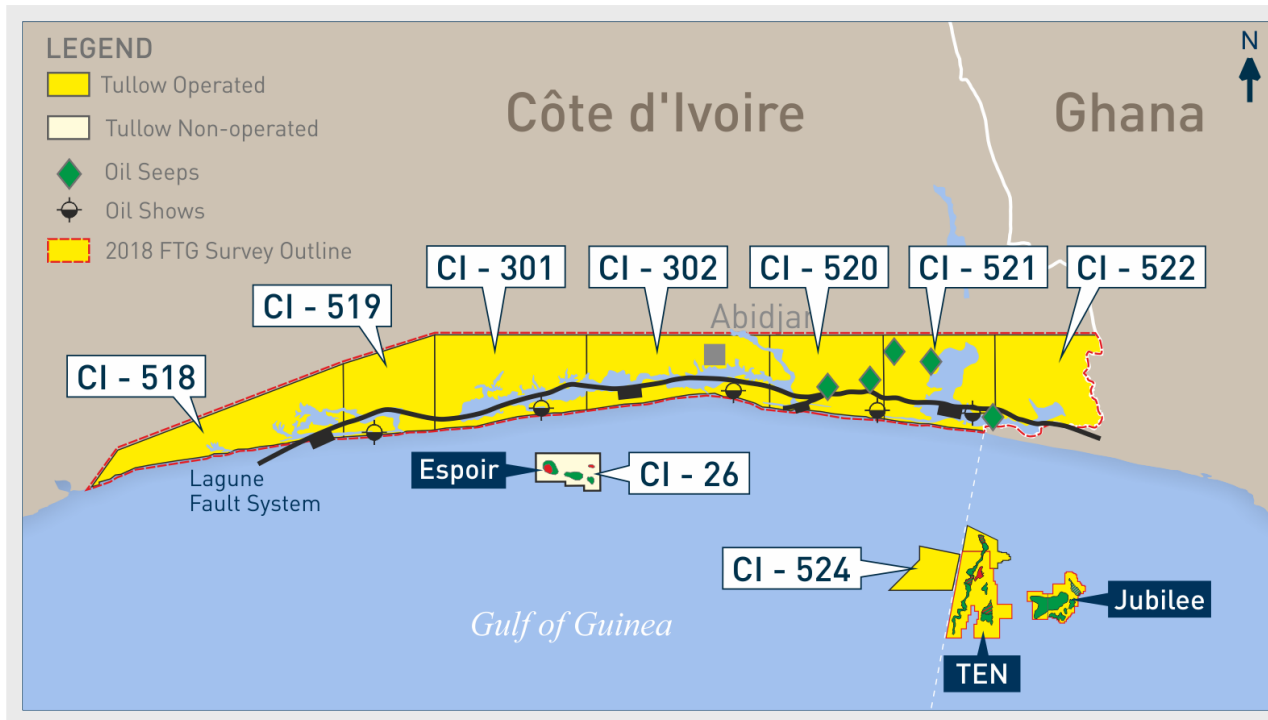
AFRICA: HIGH-IMPACT LEADS AND PROSPECTS



- Namibia: material oil play in low-cost shallow water setting; drilling of Cormorant prospect in 2H 2018
- Mauritania: low-cost shelf-edge oil plays, 3D seismic acquired; 2019 drilling candidates identified
- Zambia: extension of East African Rift Basin Play; High Gravity survey completed in October 2017
- Ghana: near field & exploration potential to extend production plateau and increase reserves
- Côte d'Ivoire: extensive new acreage position with seven onshore blocks and one offshore block

Large acreage positions onshore & offshore Africa

CÔTE D'IVOIRE - EXTENSIVE POSITION ACQUIRED



- Extensive 8,600 sq km onshore acreage position built over 2017 and early 2018
- Seven onshore blocks cover transform basin fault play; FTG completed in 2018; 2D seismic in 2019
- Reprocessing of 3D seismic data of offshore Block CI-524, next to Tullow's operated TEN fields
- Mature oil industry allows short and low-cost path to production if discoveries are made

Extensive acreage in proven petroleum systems complement existing portfolio

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