



CAPITAL
MARKETS
DAY 2018
29 November - London



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.

The Group undertakes no obligation to revise any such forward-looking statements to reflect any changes in the Group's expectations or any change in circumstances, events or the Group's plans and strategy. Accordingly no reliance may be placed on the figures contained in such forward looking statements.

Capital Markets Day 2018

CEO INTRODUCTION

Paul McDade, Chief Executive Officer



TODAY'S PRESENTERS FROM OUR EXECUTIVE TEAM



CEO INTRODUCTION

Paul McDade
Chief Executive Officer



GROWTH THROUGH DISCOVERED RESOURCES

Mark MacFarlane
Executive Vice President, East Africa



DRIVING OUR EXPLORATION & SUB-SURFACE CAPABILITY

Angus McCoss
Exploration Director



MAXIMISING PRODUCTION

Gary Thompson
Executive Vice President, West Africa



FINDING NEW OIL

Ian Cloke
Executive Vice President, New Ventures



FUNDING OUR GROWTH

Les Wood
Chief Financial Officer

A NEW EXECUTIVE TEAM DELIVERING ON OUR OBJECTIVES

CONTINUED STRENGTHENING OF BALANCE SHEET

FREE CASH FLOW

Maximising free cash flow through:



Increased production
Efficient capital allocation
Embedded cost discipline

BALANCE SHEET

Strengthened balance sheet through:



Significant debt reduction
Long-term gearing of 1-2x
Secured RBL & Bond refinancing

PORTFOLIO MANAGEMENT

Progress monetisation options:



Uganda farm down
Exit non-core assets
Selective exploration farmdowns

MAXIMISING VALUE FROM CURRENT PORTFOLIO

WEST AFRICA

Maximise production:



ITLOS resolution; GJFFD approval
Re-start of drilling at TEN & Jubilee
Complete turret remediation
Arrest decline on non-op portfolio
Reduce Group opex

EAST AFRICA

Develop discoveries:



Farm-down Uganda equity
Driving Uganda to FID
Shift from E&A to phased development in Kenya
Target Kenya FID end 2019

NEW VENTURES

Find new oil:



Mature portfolio and prospects
Clear 3-year programme
Commence Guyana-Suriname campaign
Seek new high-value opportunities

OUR AMBITION TO GENERATE SUSTAINABLE VALUE



Balancing the interests of our investors, host countries and people

DEFINING TULLOW'S POSITION IN THE E&P INDUSTRY



The four pillars of our growth ambitions



Africa



Oil



Sustainable



Progressive



A balanced E&P business, focused on oil & specialising in emerging markets

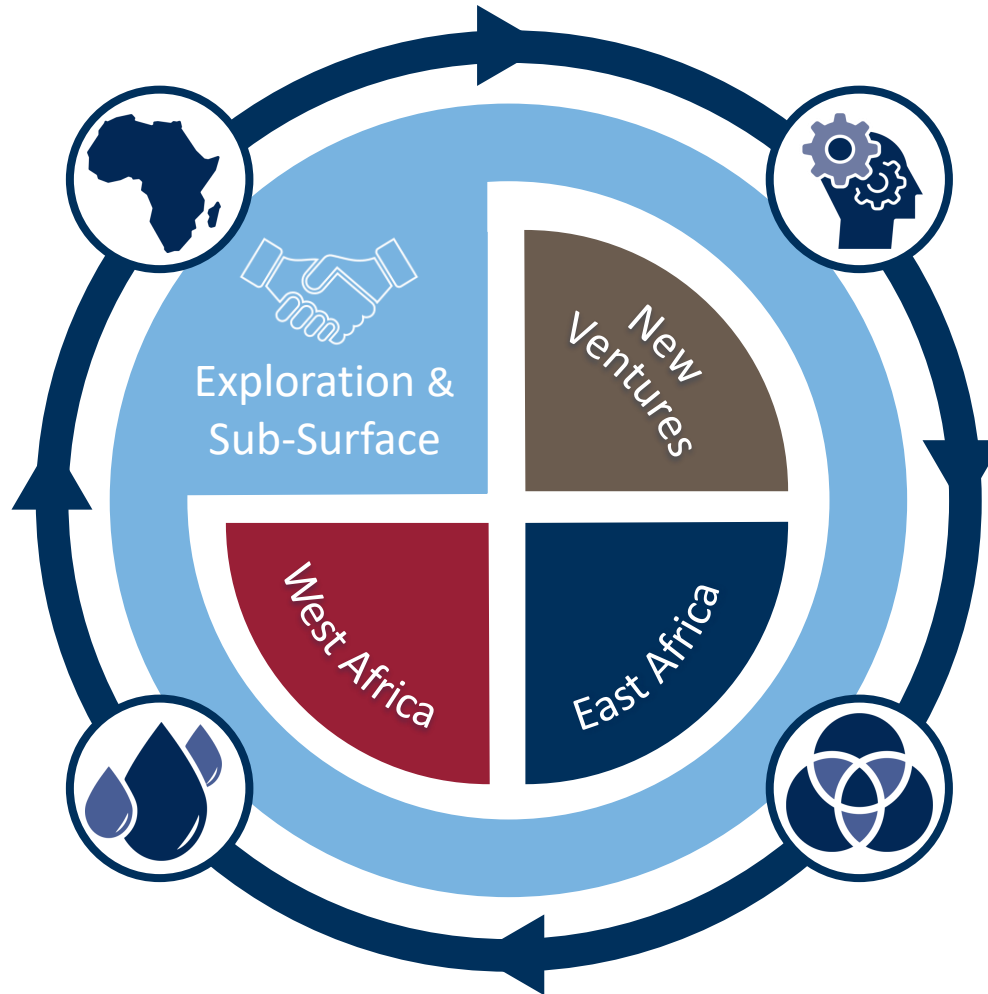
Capital Markets Day 2018

DRIVING OUR EXPLORATION & SUB-SURFACE CAPABILITY

Angus McCoss, Exploration Director



A DISTINCTIVE & COLLABORATIVE WAY OF WORKING



BALANCED E&P BUSINESS

Balance: Portfolio-Programme-People

- E - Exploration:** seasoned basin openers
- A - Appraisal:** just in time & optimised
- D - Development:** agile & efficient
- P - Production:** low cost & long plateau

E - #1: Finds new oil

- A** - Early appraisal of discoveries
- D** - Pre-drill development concepts
- P** - Discovery well testing

New Ventures

West Africa





- E** – Exploration to extend field life
- A** - Sequence for oil development
- D** - Develops oil to sustain production
- P - #1 Produces oil for revenues**

East Africa

- E** – Exploration for incremental phases
- A** - Delineation & injection trials
- D - #1 Develop major oil projects**
- P** – New major production hub

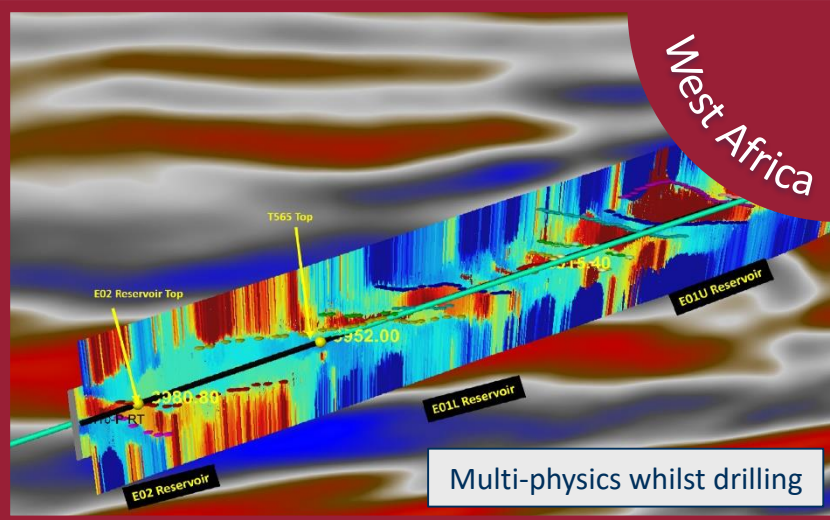
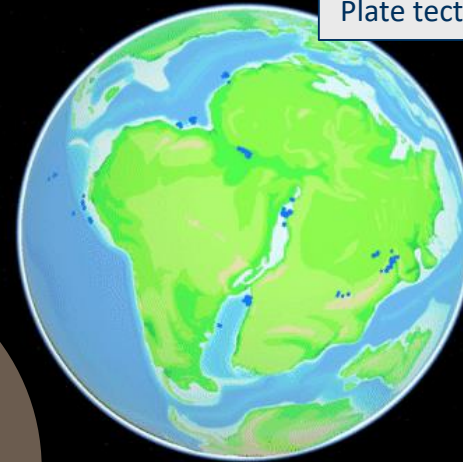
UTILISING SMART TECHNOLOGY

Innovative early adoption

-  New tools for old challenges
-  Leverage proven technologies
-  Effective cross-application
-  Low cost experimentation

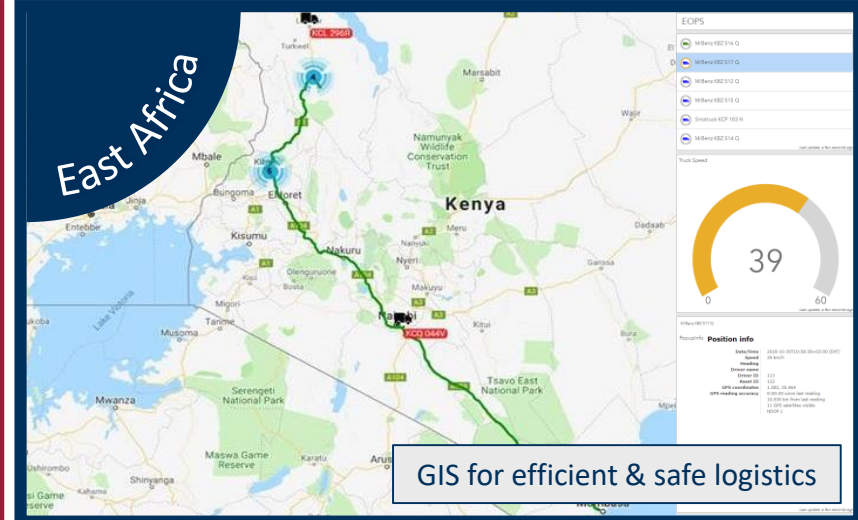
New Ventures

Plate tectonic models



Multi-physics whilst drilling

East Africa



GIS for efficient & safe logistics

Centre of excellence in Dublin



World class geophysical group



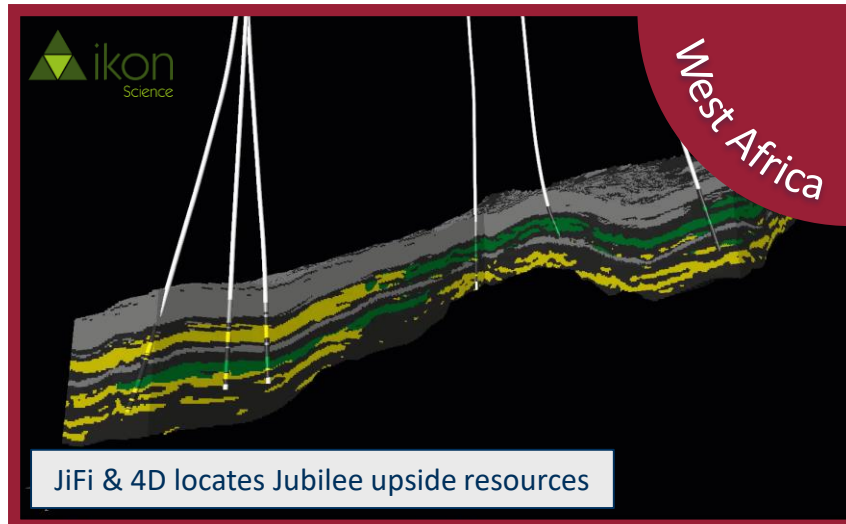
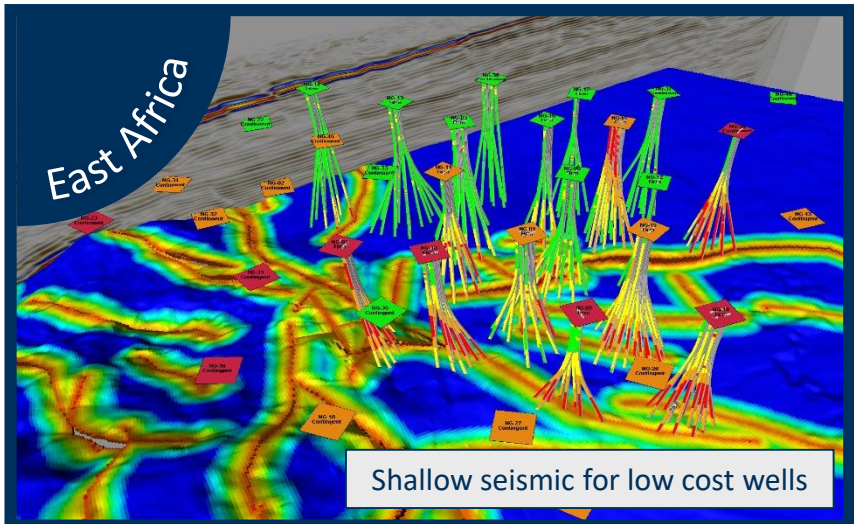
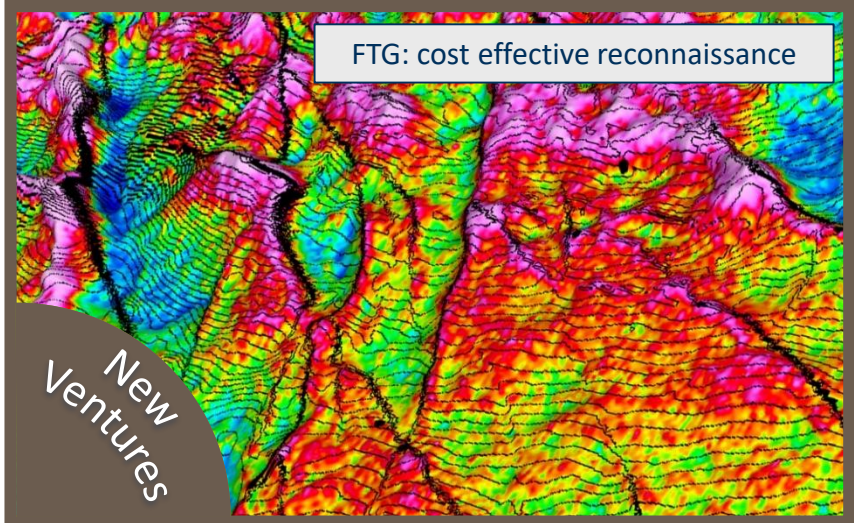
Knowledge across asset life cycle



Bespoke acquisition & processing



Maximizing '*bang for buck*'



DELIVERING VALUE THROUGH DIGITALISATION

Bold digitalisation goals

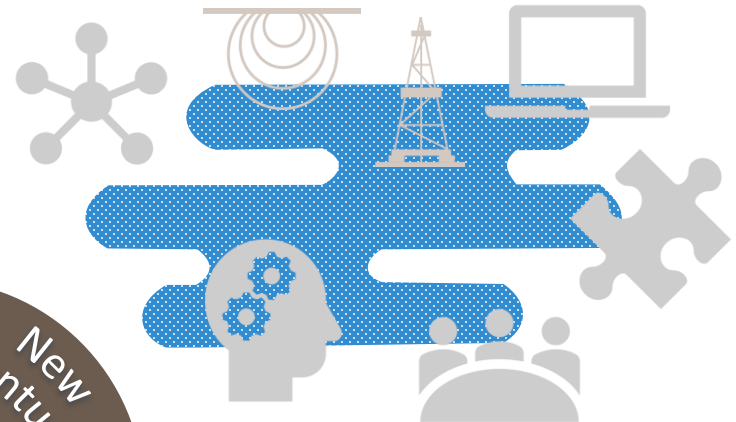


Culture of innovation

Smart people + smart data

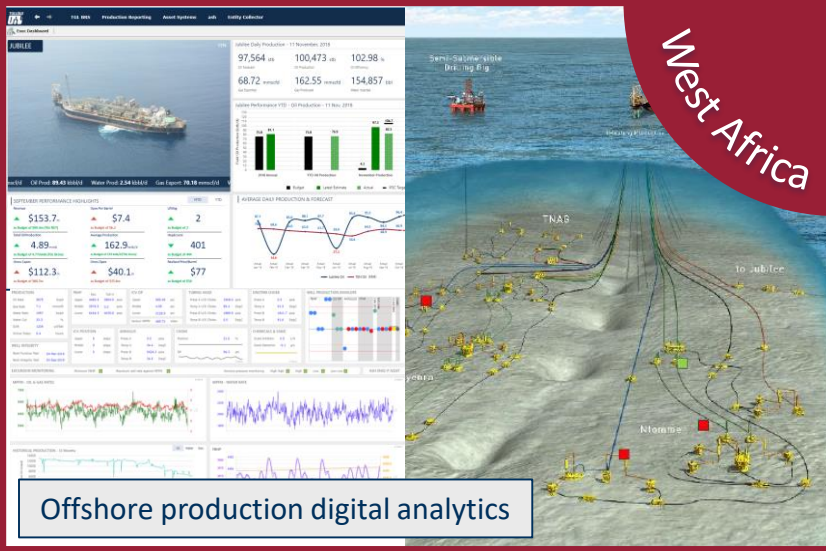
e-Enabled collaboration

Digitally enhanced performance



New Ventures

New plays from Tullow's data lake



VALUE TO OUR BUSINESS

Distinctive & collaborative way of working

- Balanced E&P with full-cycle opportunity set
- Collaboration with agility, leveraging skills with deep learning
- Value creation applying leading-edge technology

FINDING NEW OIL

>2 Bbo

unrisked gross resource
potential to be tested over
next 3 years

GROWTH FROM DISCOVERED RESOURCES

~2.3 Bbo

discovered gross 2C
resources maturing towards
new production

MAXIMISING PRODUCTION

>1.5 Bbo

gross discovered
resource base for
production

Our distinct approach across exploration & sub-surface creates value upside

Capital Markets Day 2018

FINDING NEW OIL

Ian Cloke, EVP New Ventures



A BUSINESS APPROACH TO EXPLORATION



Focused

Refined portfolio of high-value assets in Africa & South America



Smart deals

\$300m from deals completed over the last three years



Discipline

Rigorous, consistent & disciplined deployment of capital



Efficiency

Savings through agile working, turnkey solutions & new technology

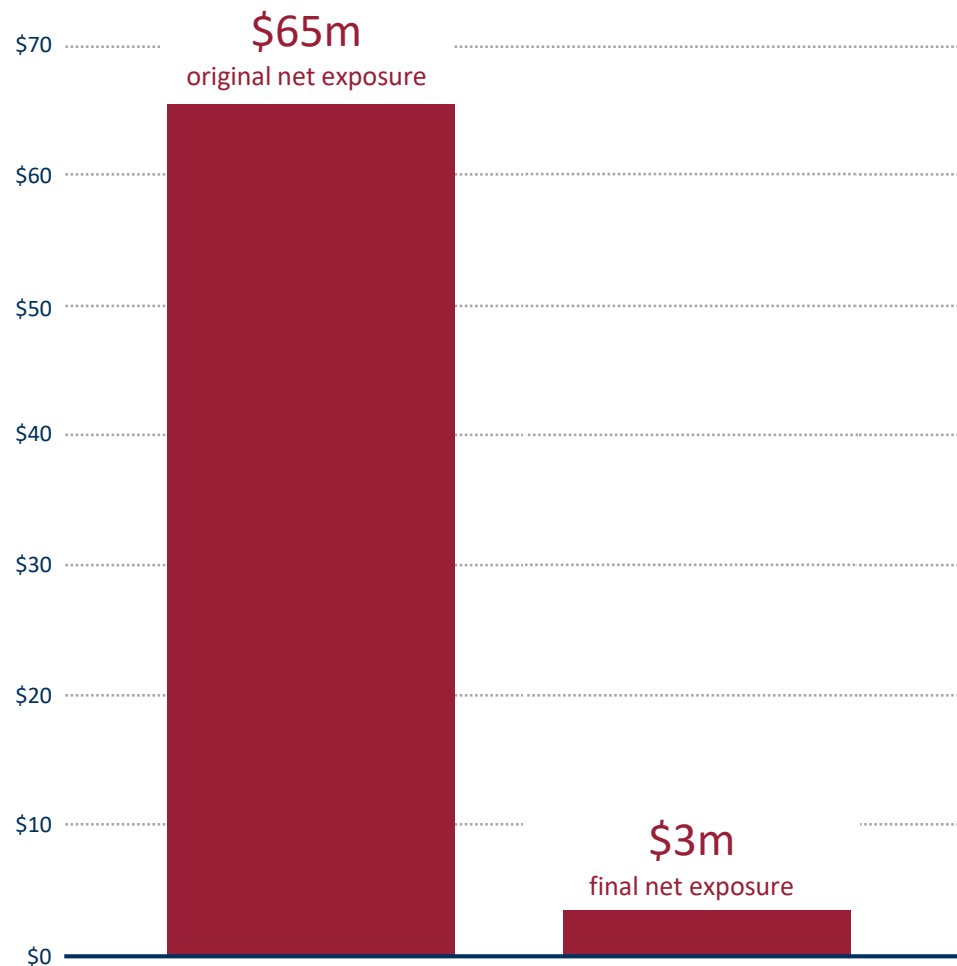


Superior execution

Simple wells delivered safely, responsibly, on time and on budget

Maximising the value of every \$ in pursuit of exploration success in 2019 and beyond

STRATEGY IN ACTION – CORMORANT WELL



Focused only on shallow target



Simplified well design



Farmed down to 35% with past costs & carry



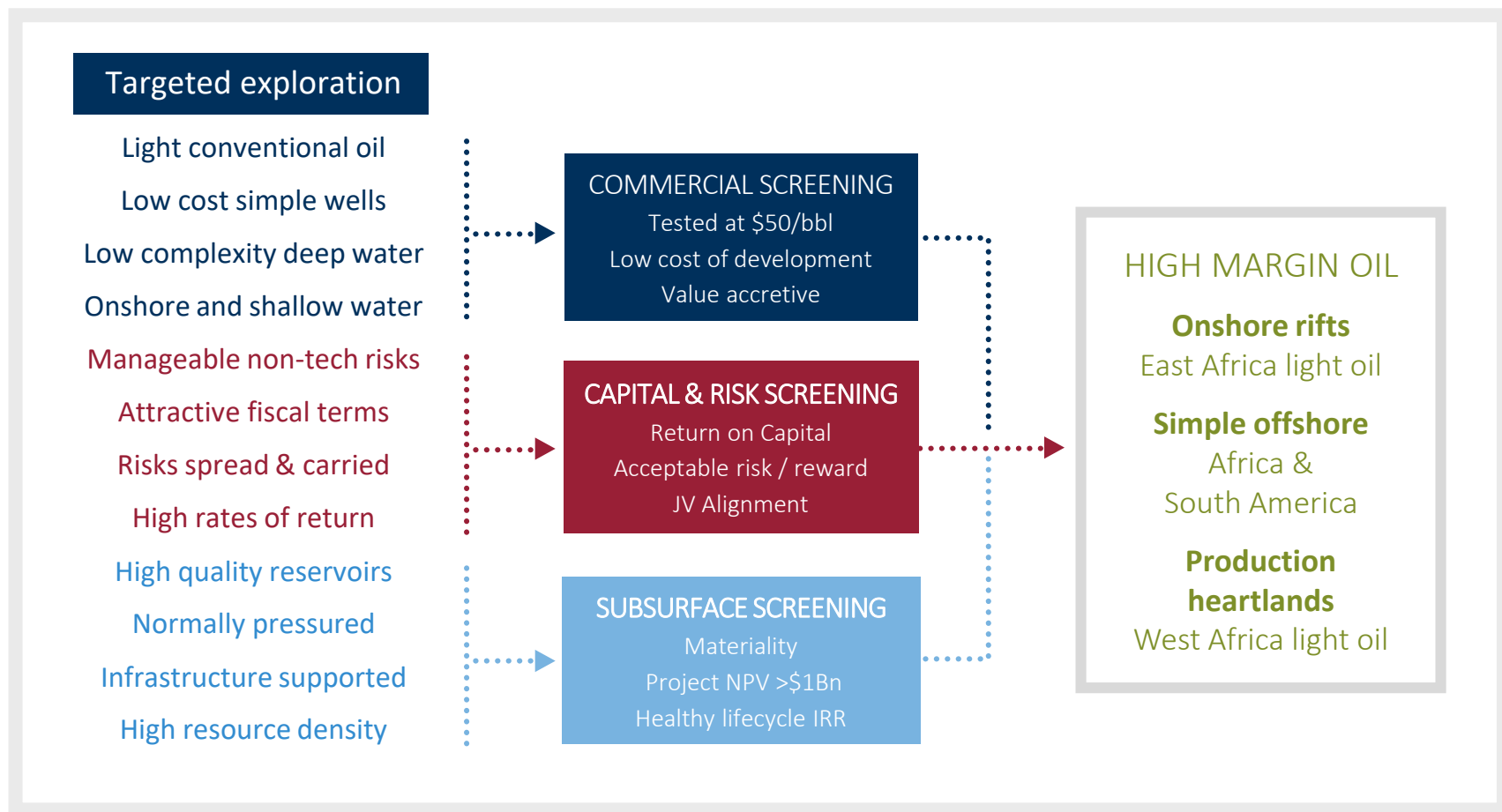
Lean, low-cost, responsible operation



Superior delivery reducing non-productive time

Ability to test frontier basins with low-cost exposure wildcat wells

EXPLORATION CRITERIA FOR VALUE CREATION



Creativity balanced by fiscal discipline, technical/commercial rigour & business acumen

RESETTING OUR EXPLORATION PORTFOLIO

August 2013

17 countries

87 licences

346,064 sq km

Exit from non-core acreage

BUILDING A LEADING EXPLORATION PORTFOLIO

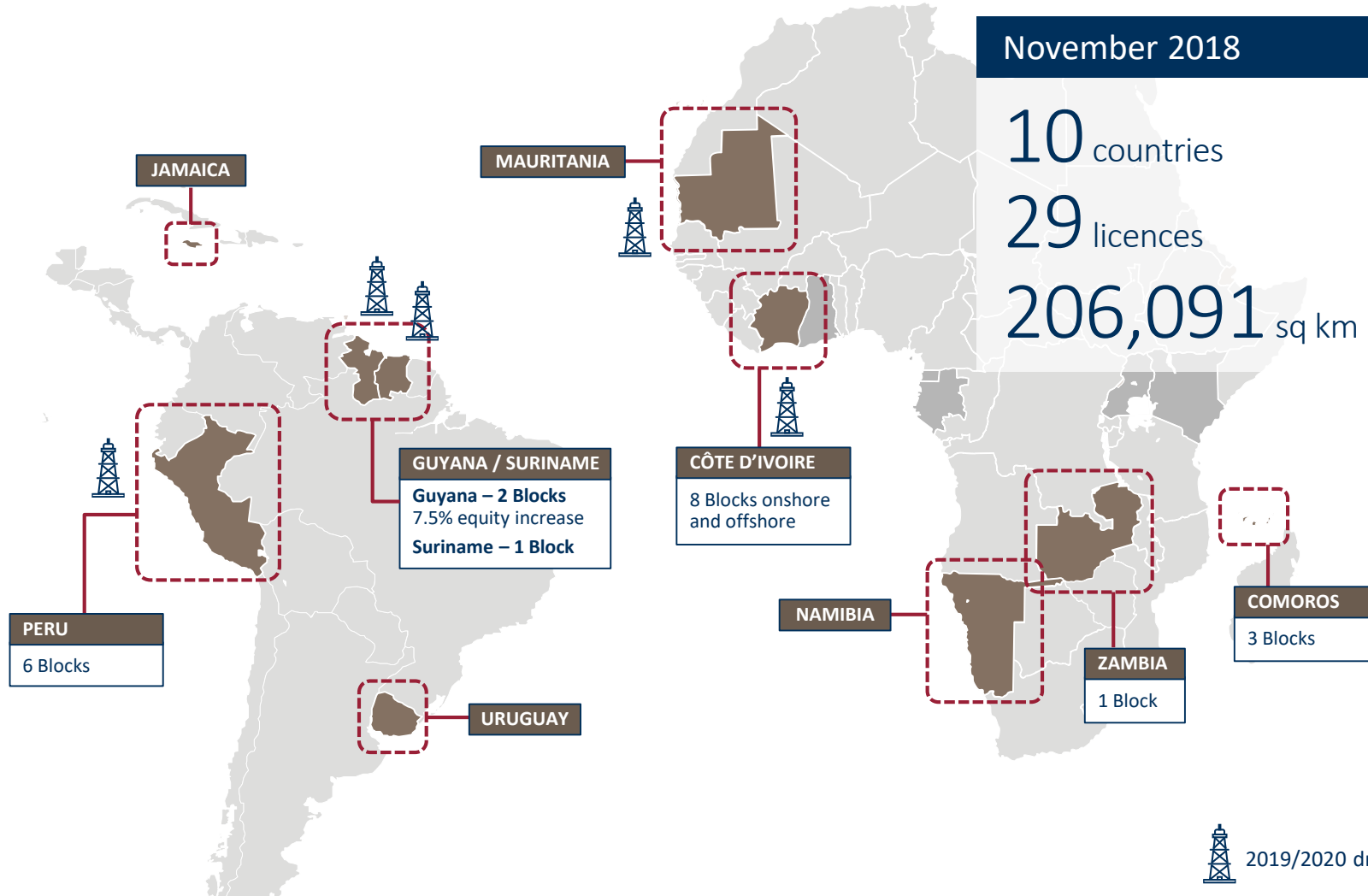


November 2018

10 countries

29 licences

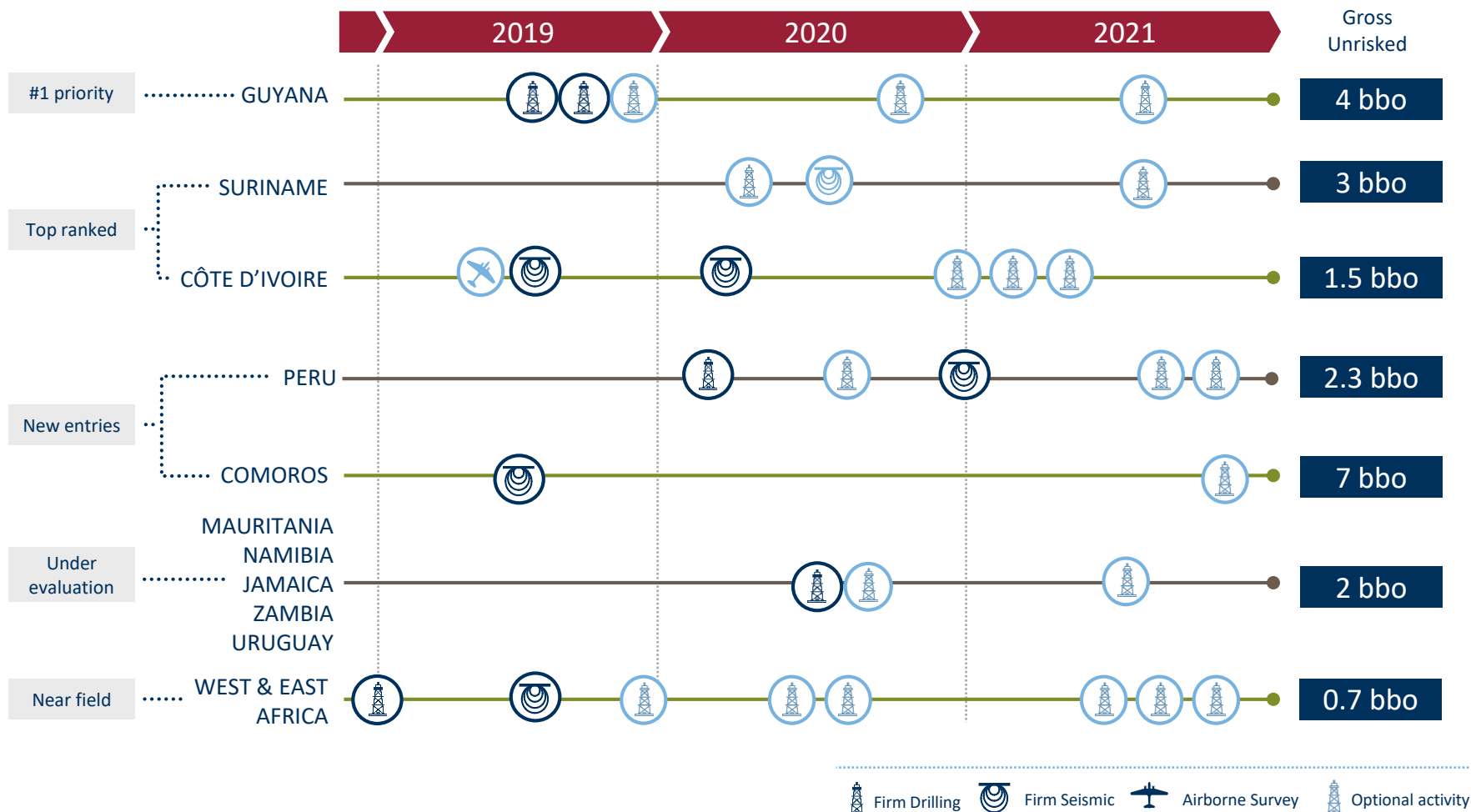
206,091 sq km



Focused portfolio of high value opportunities

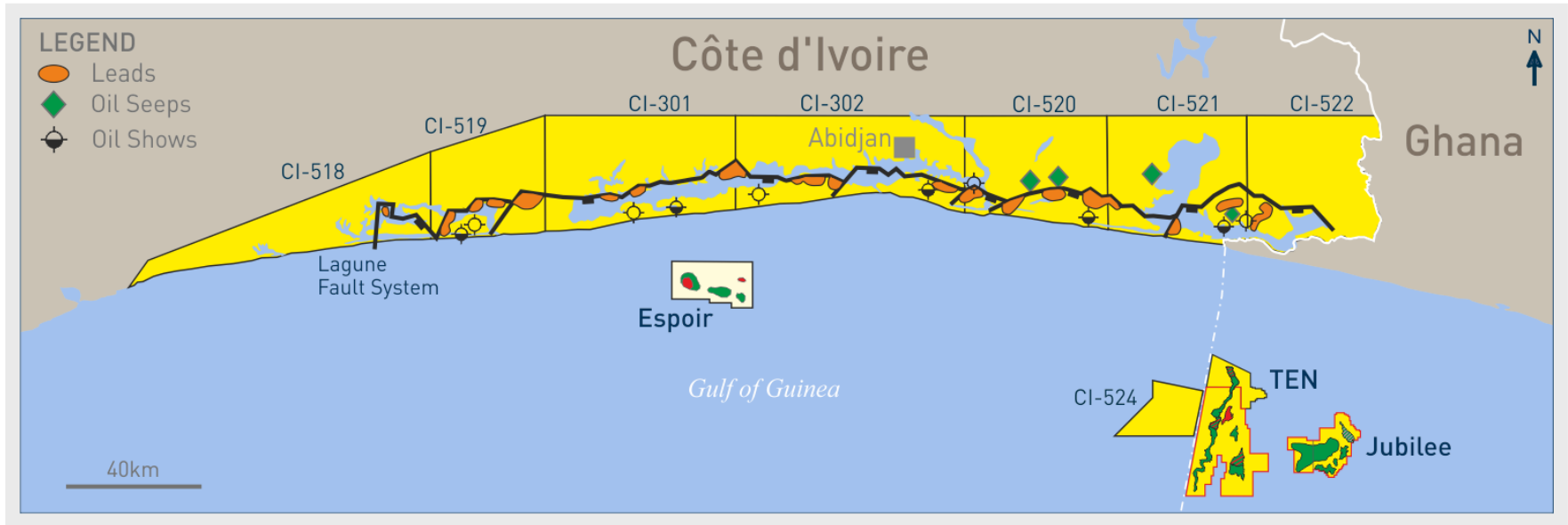
Peru & Comoros licences remain subject to final Government approval


MULTIPLE HIGH-IMPACT CAMPAIGNS OVER NEXT THREE YEARS



Drilling 3-5 high impact wildcats per year, within \$150m exploration budget

SPOTLIGHT ON CÔTE D'IVOIRE



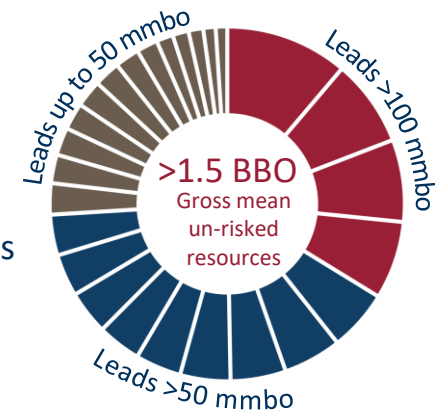

Low-cost
exploration in
core West Africa
oil province


Using both
proven &
innovative
technology


Carried work
programme;
60% operated
equity

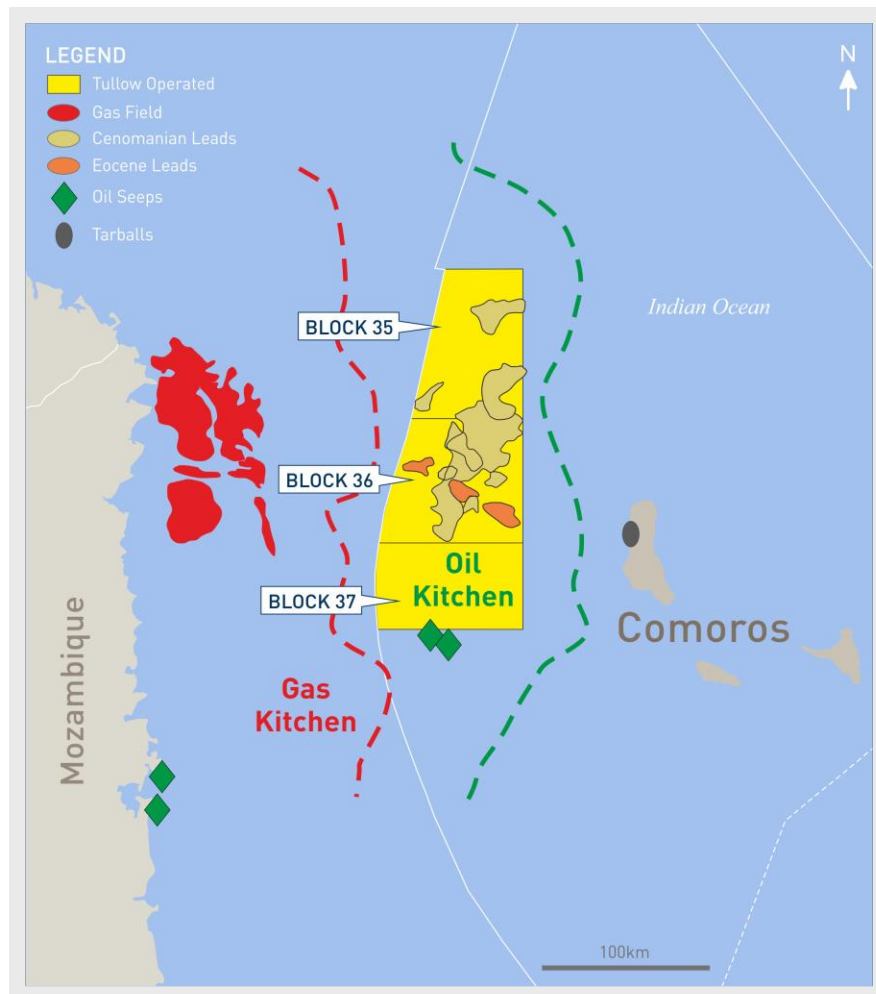

High-value
barrels & low
breakeven


Light footprint
execution across
8,000 sq km
acreage



Identification of an underexplored play & rapid capture of an industry-leading position

SPOTLIGHT ON COMOROS



~7 BBO
17 Leads
16,063 sq km
35% equity



Large, operated, offshore oil play in East Africa



Simple drilling and attractive fiscal terms



Managed cost exposure in frontier acreage



Flexible options to leverage seismic market

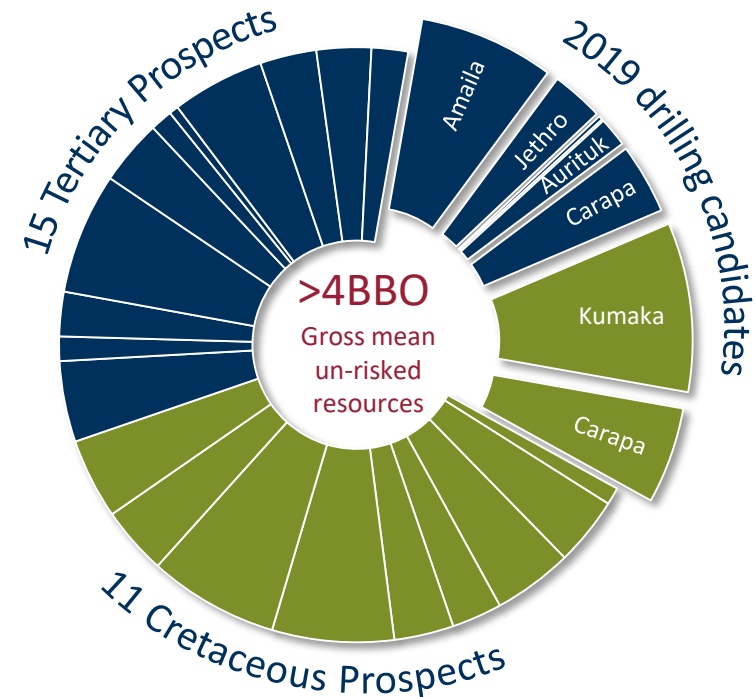
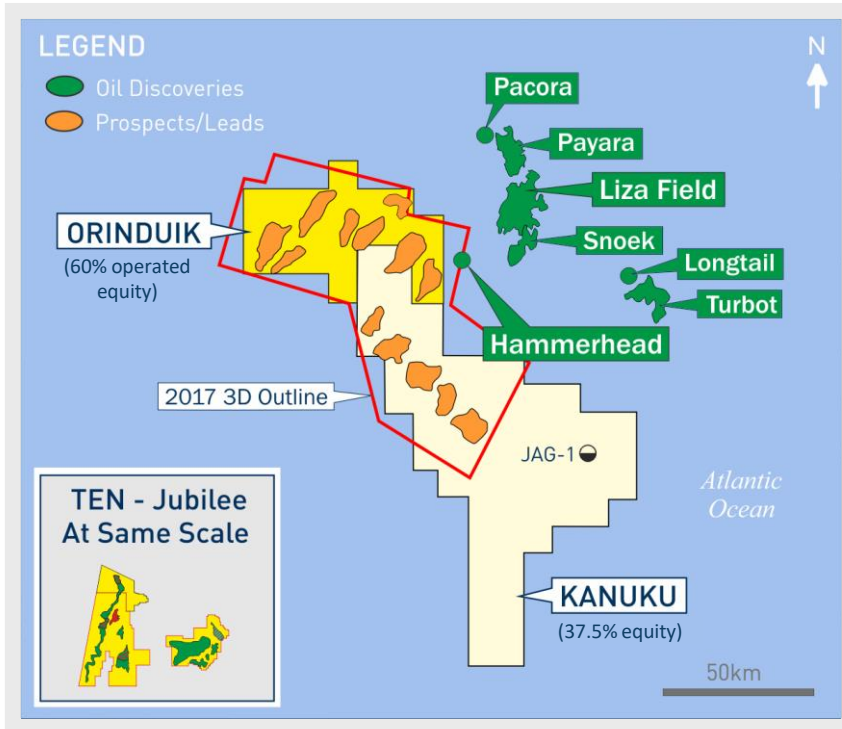


Rapid deal-making with like-minded partner

Building a sustainable frontier exploration programme for 2021 and beyond

Comoros licences remain subject to final Government approval

SPOTLIGHT ON GUYANA



Shelf-edge acreage in industry hot-spot



Leveraging a decade of knowledge



Increased equity in Kanuku, up-dip of giant oil discoveries



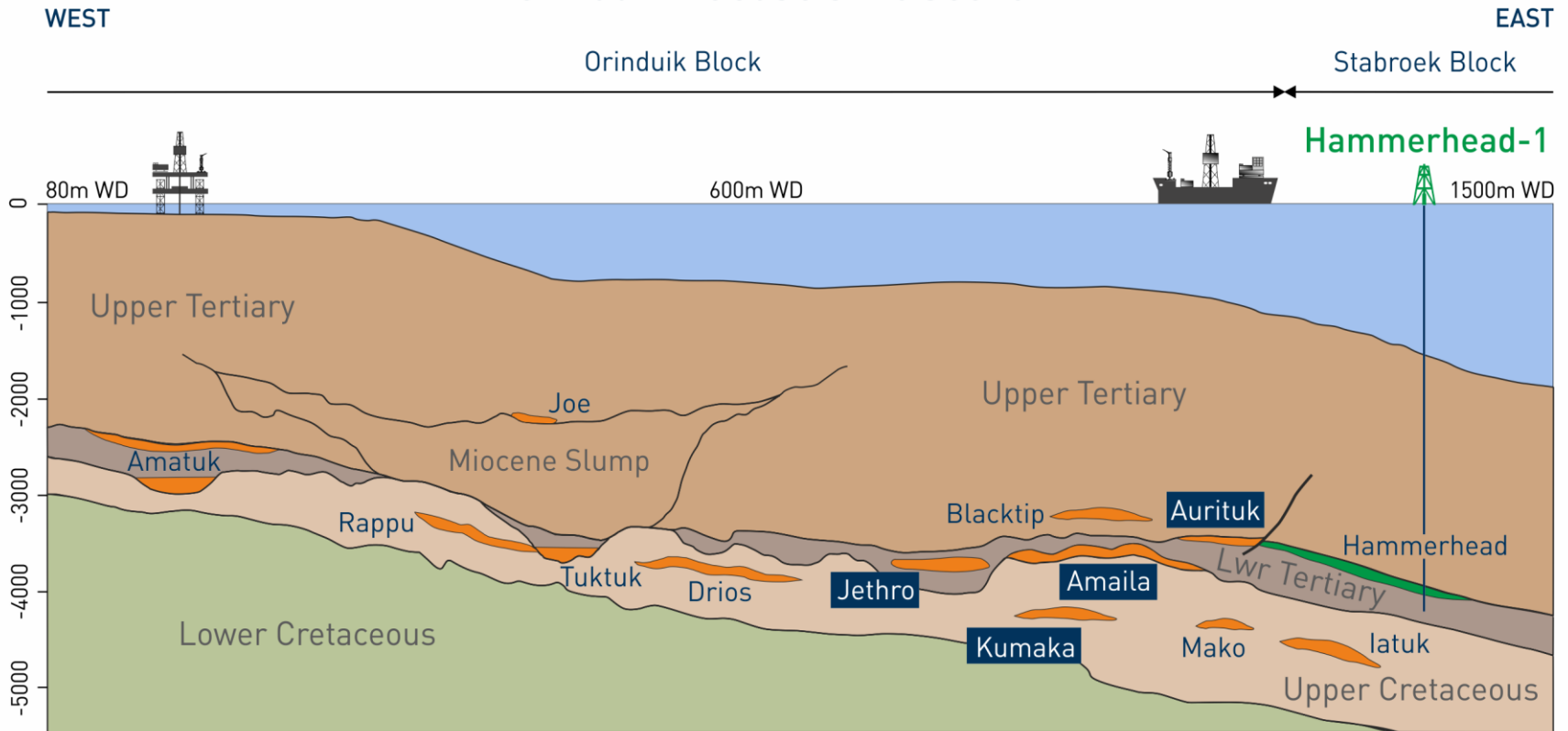
Acquired 3D seismic at bottom of industry cycle



Sharing Ghana operational expertise to maximise efficiencies

>1 bbo gross unrisked resources to be tested by three wells in 2019

Orinduik - GeoSeismic Section



2019 drill candidates

Transformational opportunity with multiple follow-up potential

OUTLOOK FOR OUR NEW VENTURES BUSINESS

Active drilling plans

- Testing five high impact areas in the next three years

Reset portfolio

- Acreage in current and emerging hotspots

Gained entry at low cost

- Quality validated by the calibre of farm-in partners

Rigorous & disciplined

- Repeatable exploration process and capability

Fiscal discipline

- Deliver programme within \$150m exploration budget

Focus on delivery

- Positioned to deliver exploration success

Reset and ready to commence multi-year, high-impact exploration campaigns

Capital Markets Day 2018

GROWTH FROM DISCOVERED RESOURCES

Mark MacFarlane, EVP East Africa



UGANDA & KENYA - DEVELOPING TRANSFORMATIONAL DISCOVERIES



	KENYA	UGANDA
MATERIAL OIL DISCOVERIES	560mmbo 2C resource	1.7bbo 2C resource
DEVELOPMENT STRATEGY	E&A → Development Value over volume Phased approach	Farm down equity Non-operated position Minimise/zero capex
PRODUCTION SCALE	60→100,000 bopd gross production	230,000 bopd gross production

Targeting ~300,000 bopd gross production from East Africa in the early 2020s

UGANDA IS A BEST-IN-CLASS PROJECT



Key project metrics

~\$3.5 billion
value of farm-downs by Tullow in
Uganda since 2012



~100 mmbo
net 2P reserves
to be booked
at FID

~\$4.50/bbl
unit
upstream
Capex



First Oil
2022...
...at no cost to
Tullow



2.5bn bbls
material 3C
technical upside

Final Investment
Decision in
1H 2019

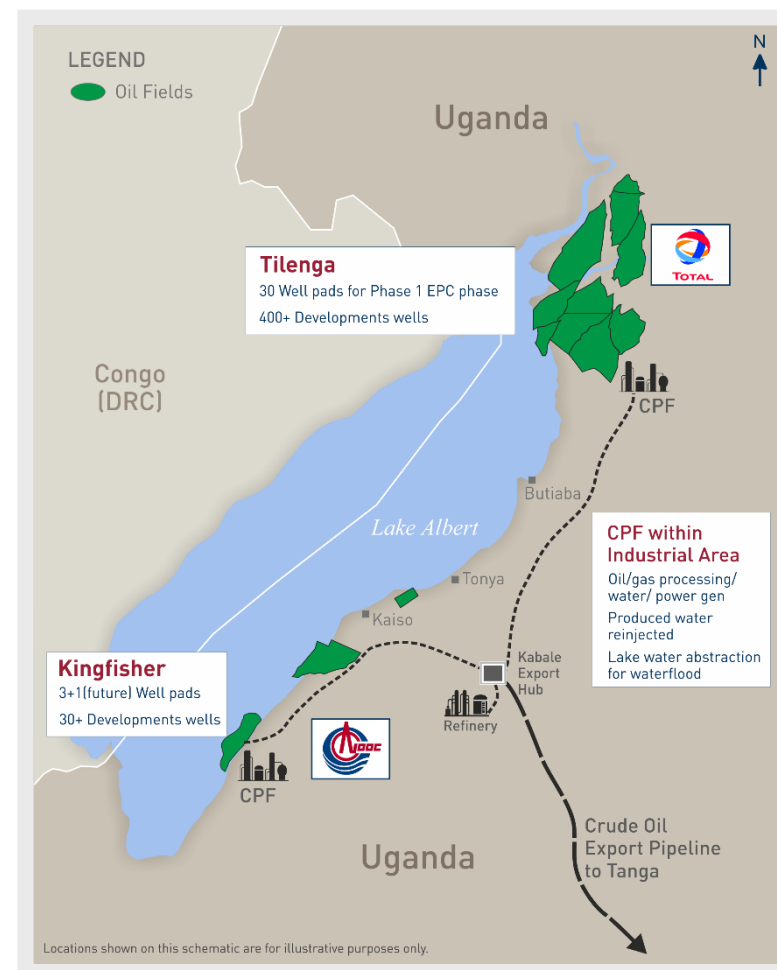
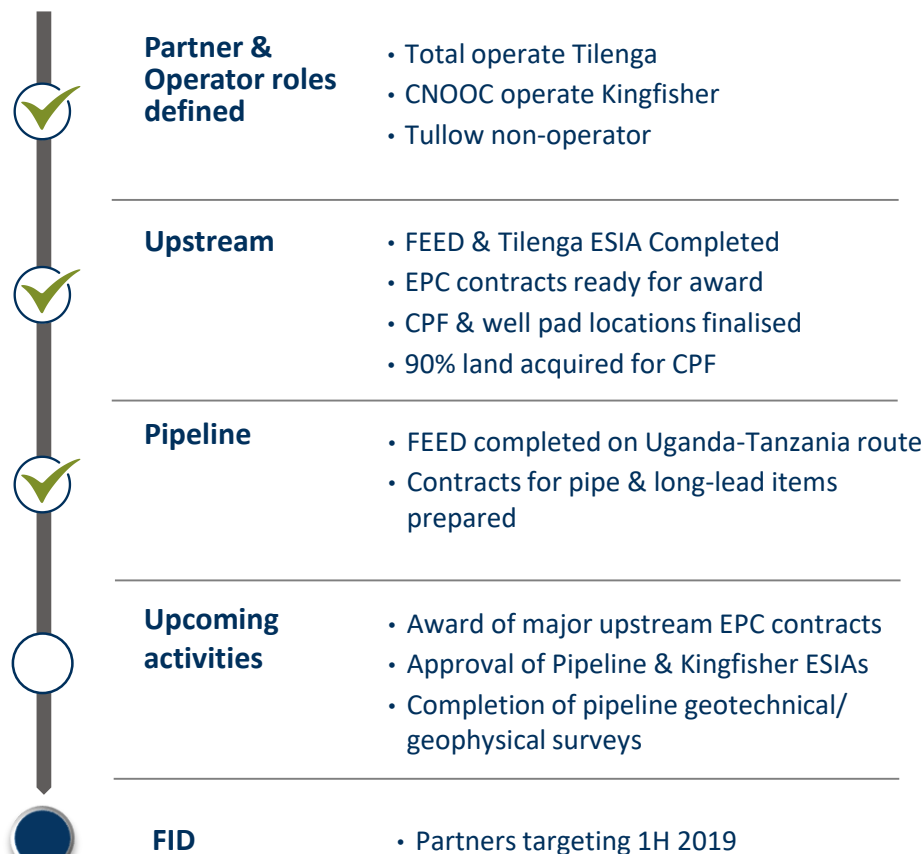
23,000 bopd
net Tullow production



Robust development; Tullow share funded through farm down

UGANDA - PROJECT UPDATE

Key milestones to FID



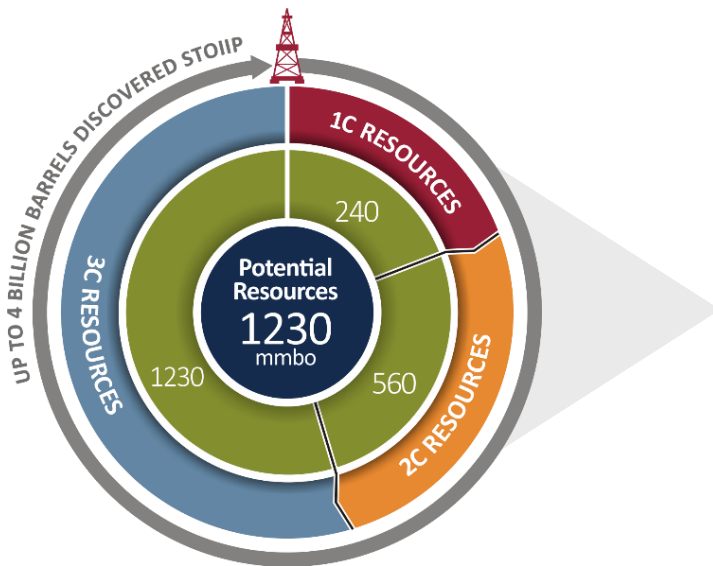
Multiple technical milestones achieved in readiness for FID 1H 2019

KENYA - A PROGRESSIVE APPROACH TO ONSHORE FIELD DEVELOPMENT

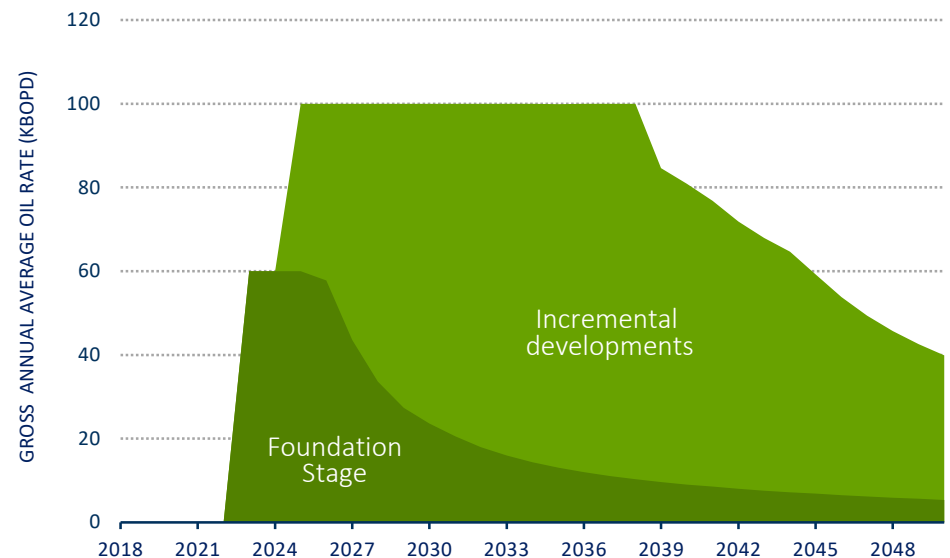
A new strategy to commercialise Kenya discoveries



South Lokichar resources

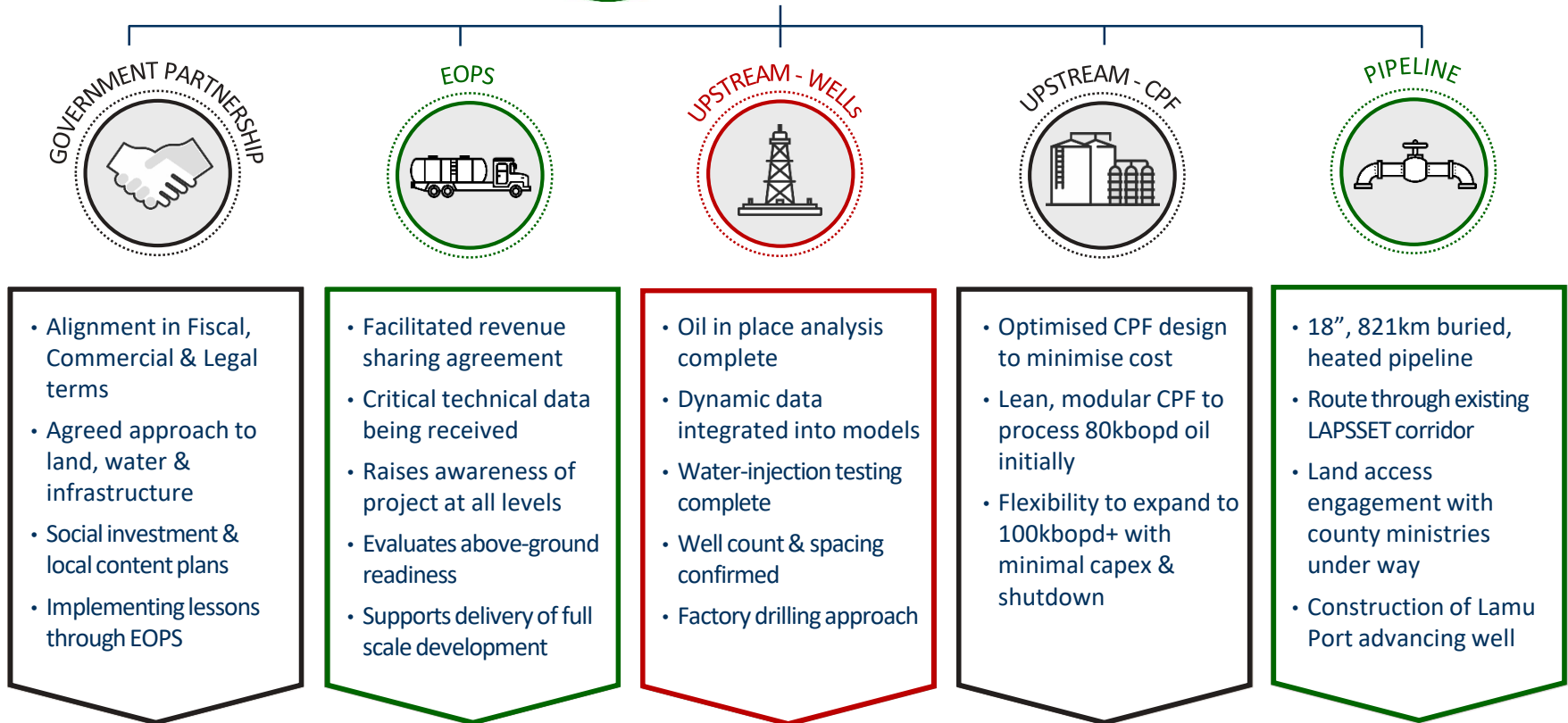


Long-term production profile



Single focus of accelerating the development of Kenya's resources

PROJECT OIL KENYA – KEY BUILDING BLOCKS TO PROJECT DELIVERY



Significant amount of work completed by Partners and Government in 2018

KENYA – STEPPING STONES TO FID

To achieve FID in 2019, the following tasks must be completed:

Complete pipeline & upstream Front End Engineering & Design



Submit Environmental and Social Impact Assessment



Finalise agreements over land title for upstream and pipeline



Heads of Terms for critical commercial frameworks with Govt

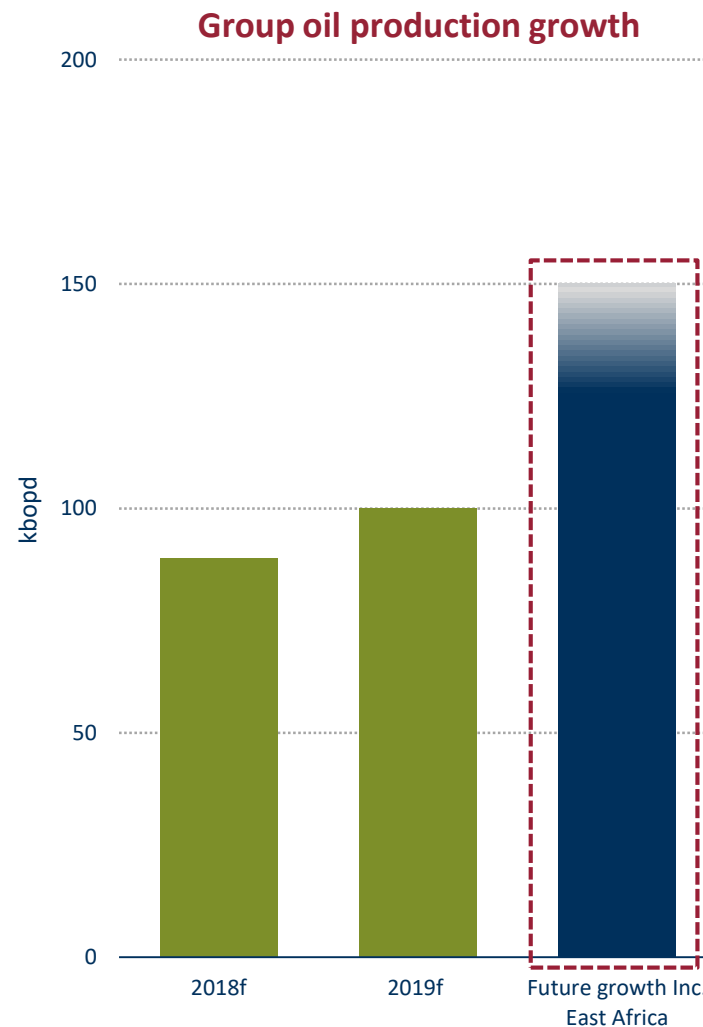
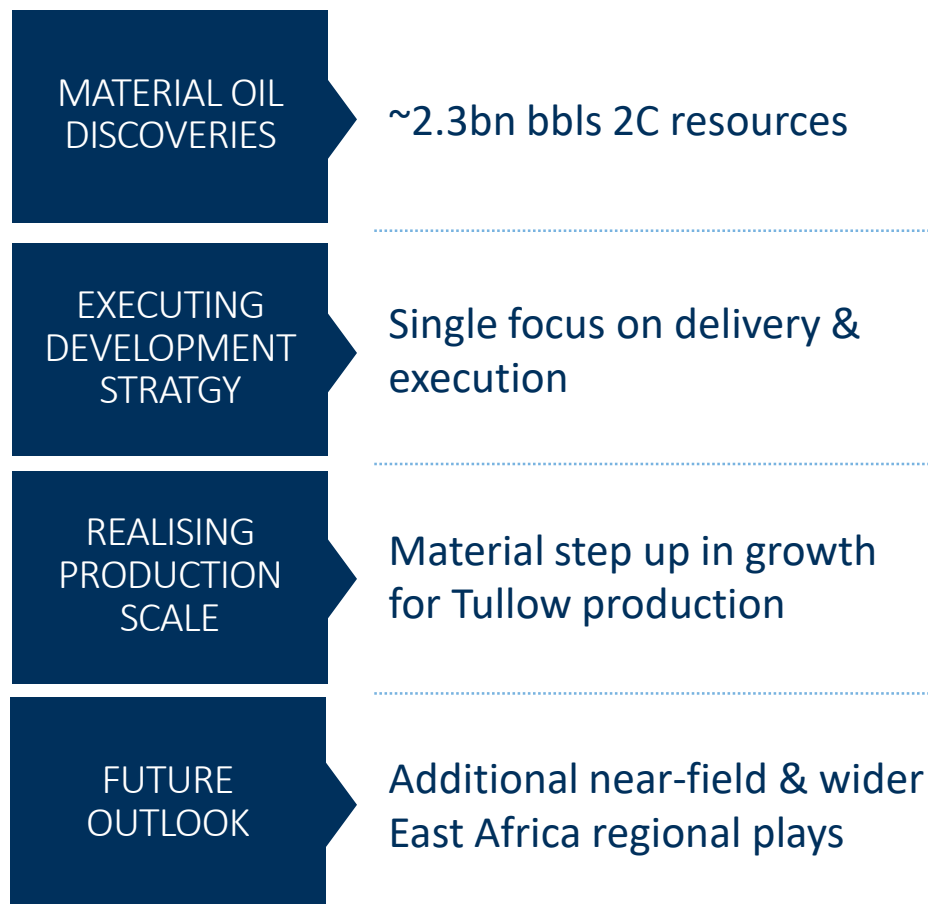
Finalise contract on agreed project water source

Award of Engineering, Procurement and Construction contracts

Implement project finance structure for the pipeline

Ambitious, clear path to achieving FID in 2019, first oil in 2022

CREATING TULLOW'S NEXT PRODUCTION HUB



East Africa remains core component of Tullow's growth strategy

Capital Markets Day 2018

MAXIMISING PRODUCTION

Gary Thompson, EVP West Africa



CASH GENERATION FROM EXISTING ASSETS



WEST AFRICA BUSINESS

PRODUCTION GROWTH

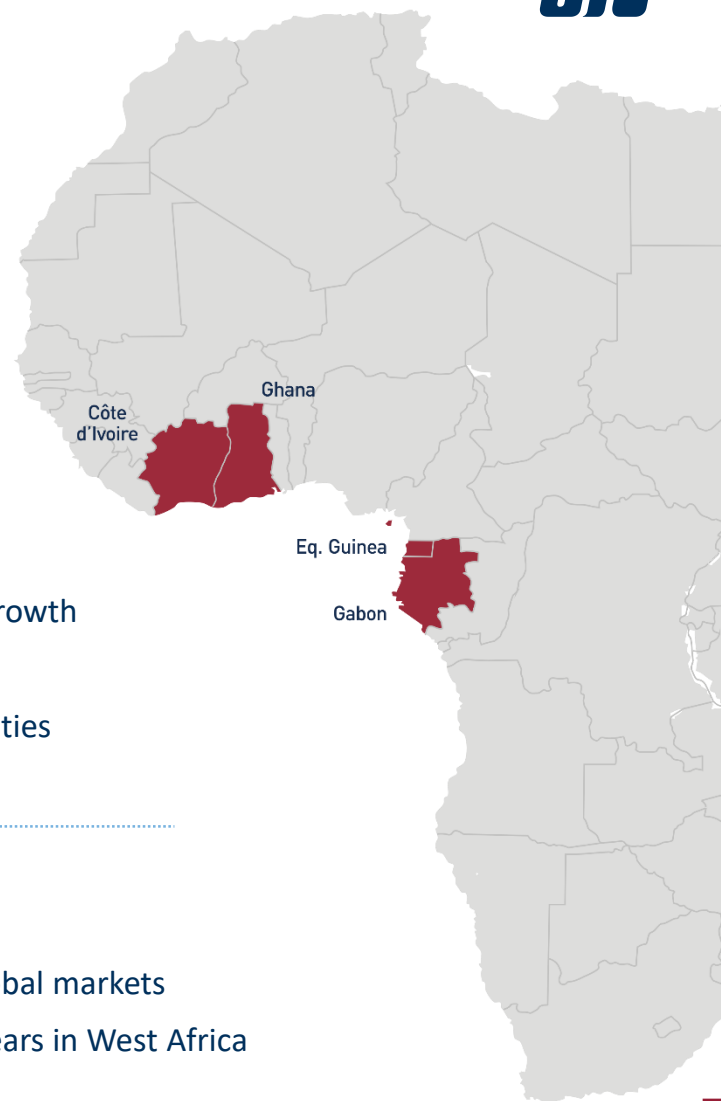
- Scope to grow net production beyond 100,000 bopd
- Return to a multi-year drilling campaign in Ghana
- Revival of Central & West Africa portfolio

RESERVES GROWTH

- Significant scope for continued reserves & resources growth
- Organic delivery of Ghana business that is still growing
- Portfolio of infill, near-field, and exploration opportunities

LOW RISK/ HIGH VALUE

- Low-cost operations averaging ~\$10 opex/bbl
- High-quality, low-sulphur light crudes, appealing to global markets
- Established relationships and expertise through 30+ years in West Africa

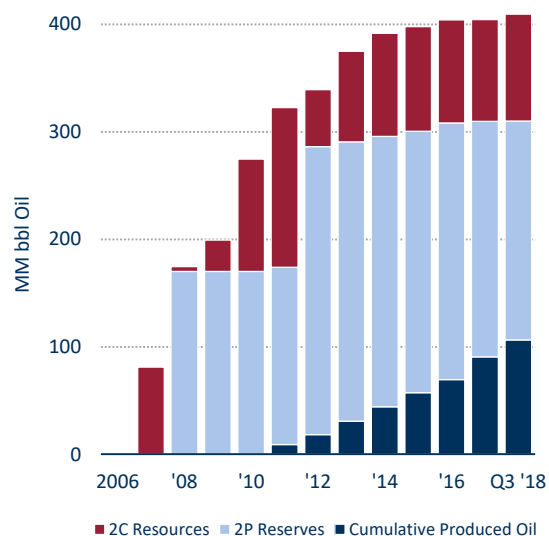


GHANA BUSINESS DELIVERED ORGANICALLY



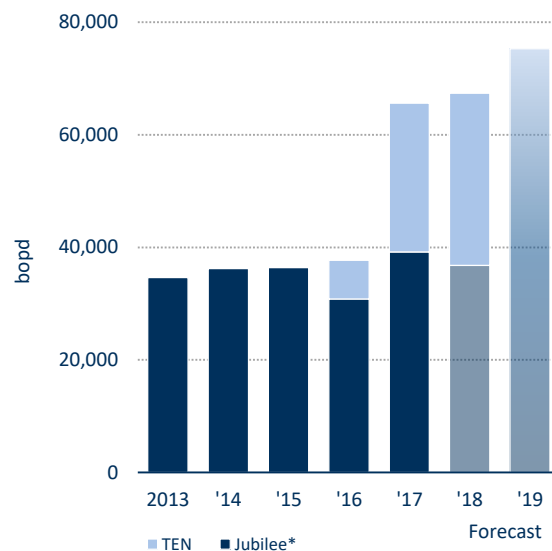
Significant asset base early
in production lifecycle

Net Reserves/Resources



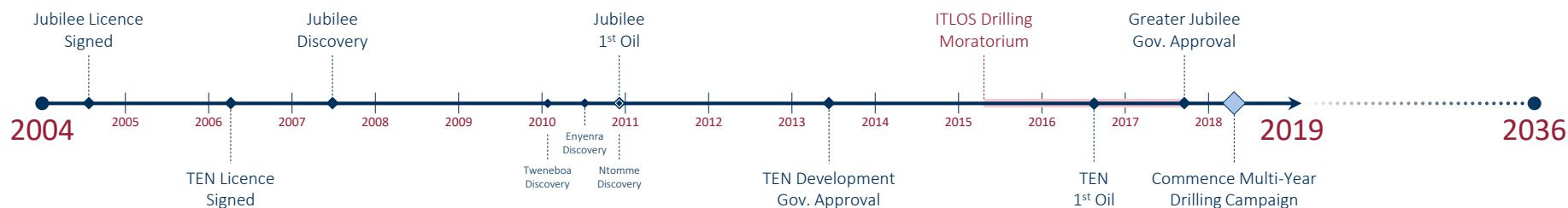
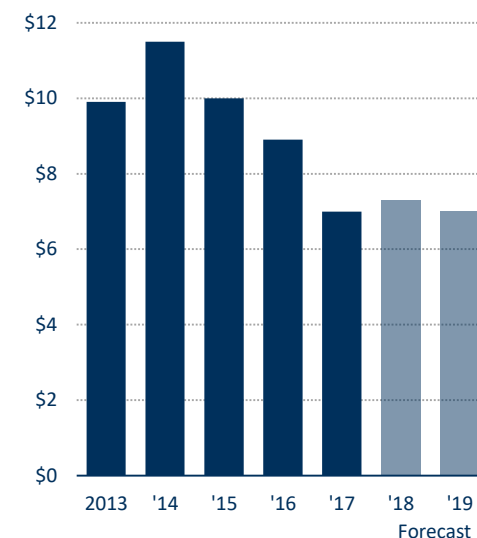
Robust business delivering
growing production

Net Production



Business reset &
sustained cost discipline

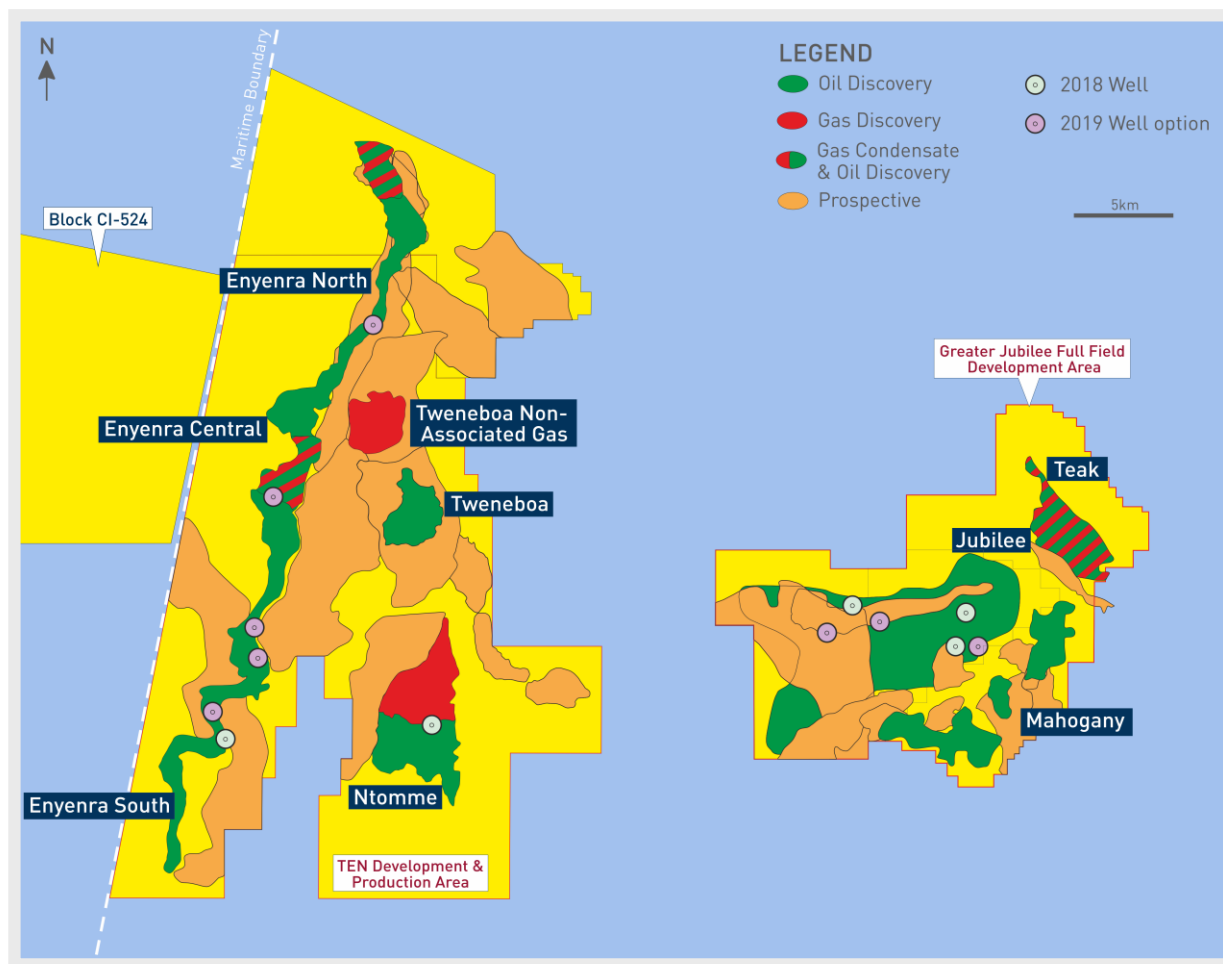
Opex/boe



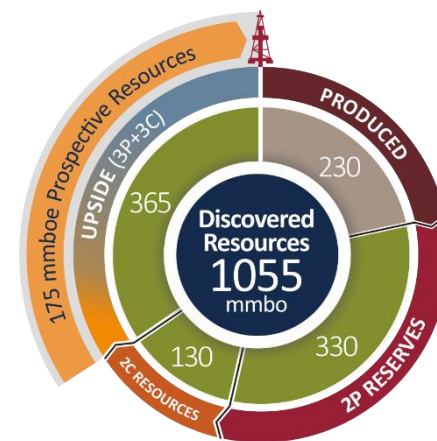
GHANA RESERVES & RESOURCES



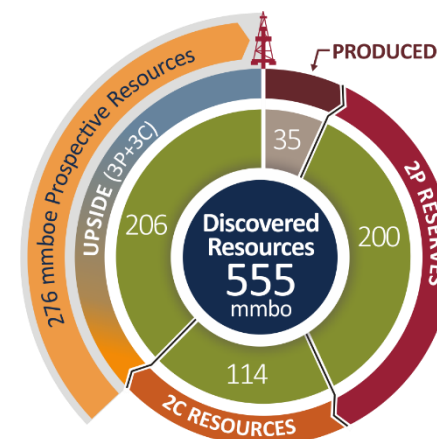
Jubilee & TEN



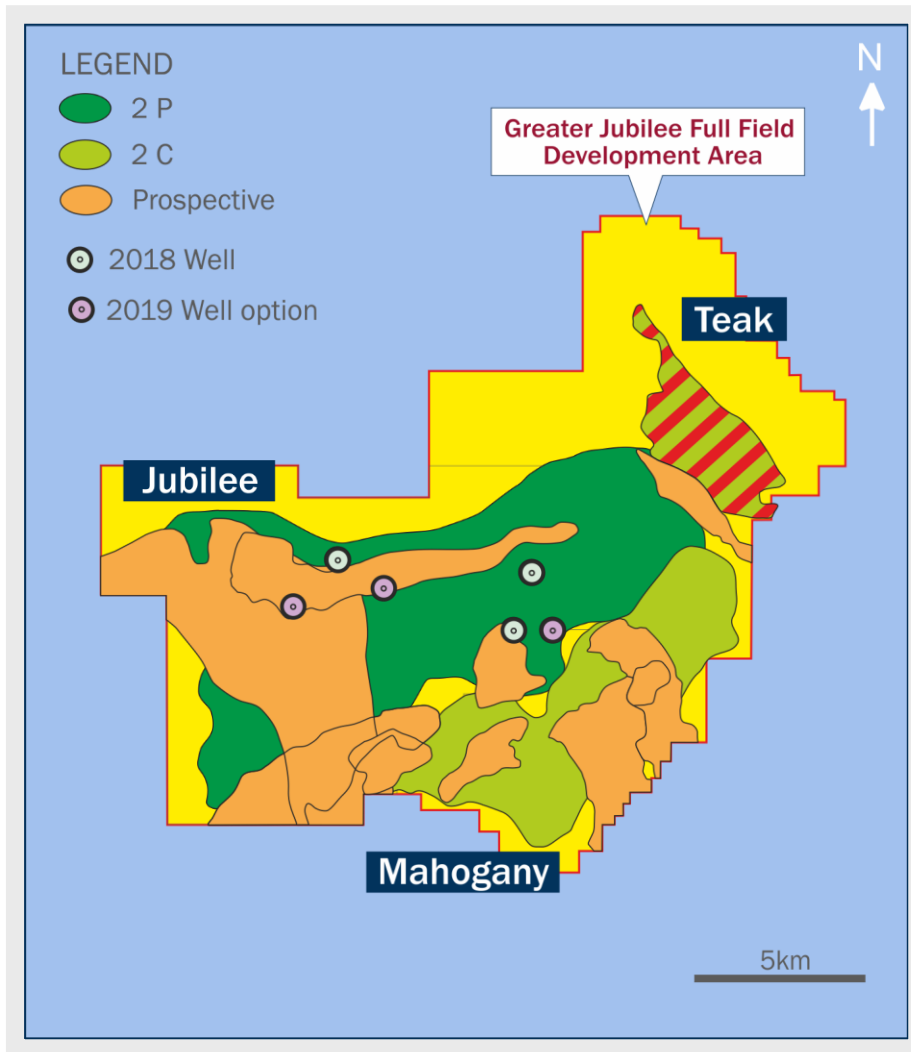
Jubilee Oil (gross)



TEN Oil (gross)

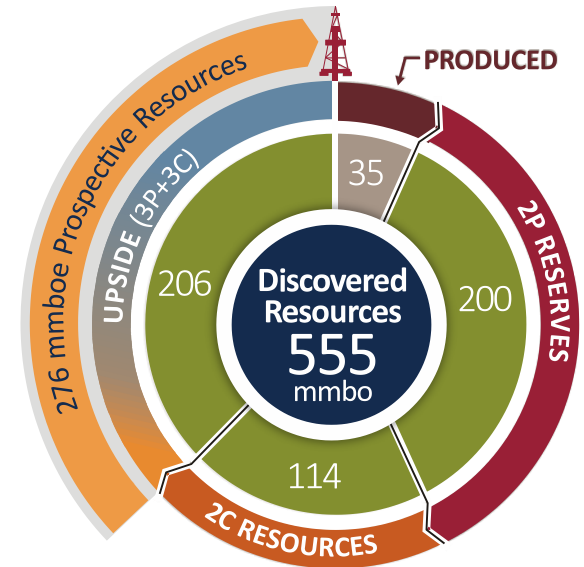
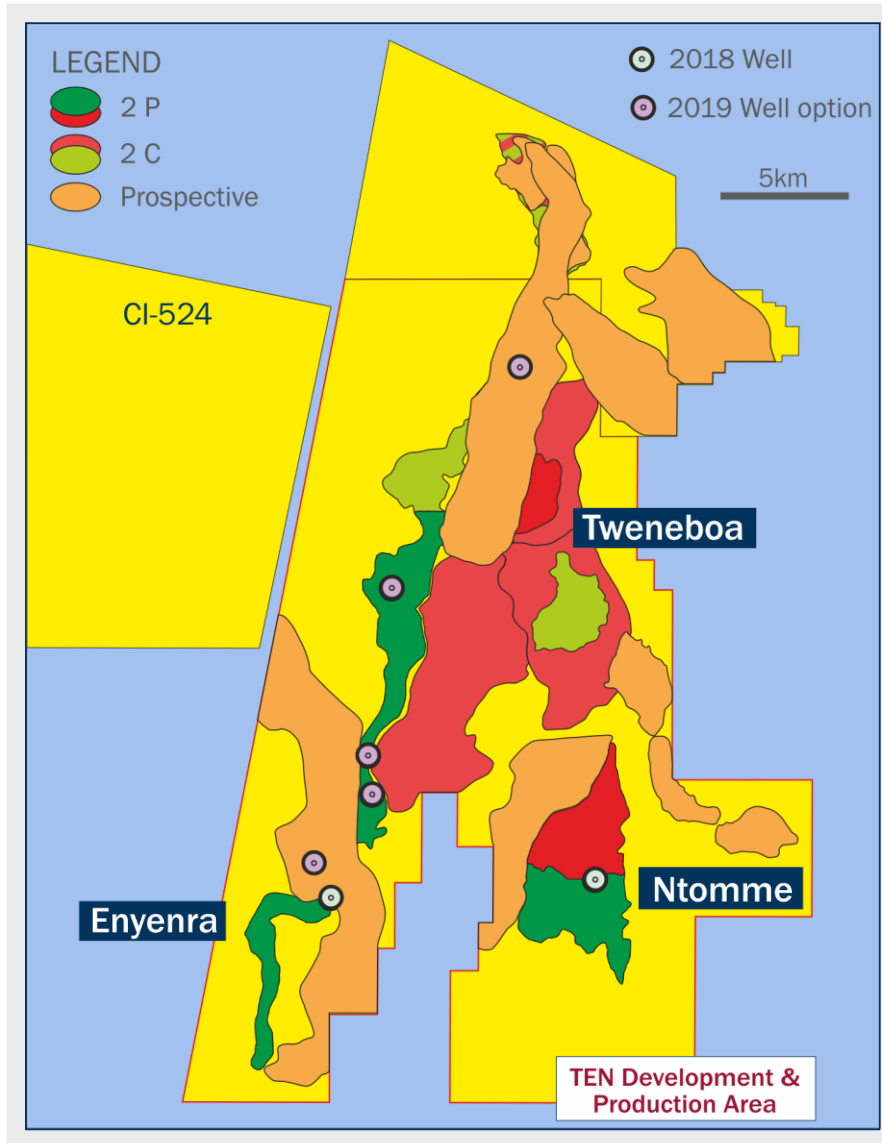


JUBILEE RESOURCES



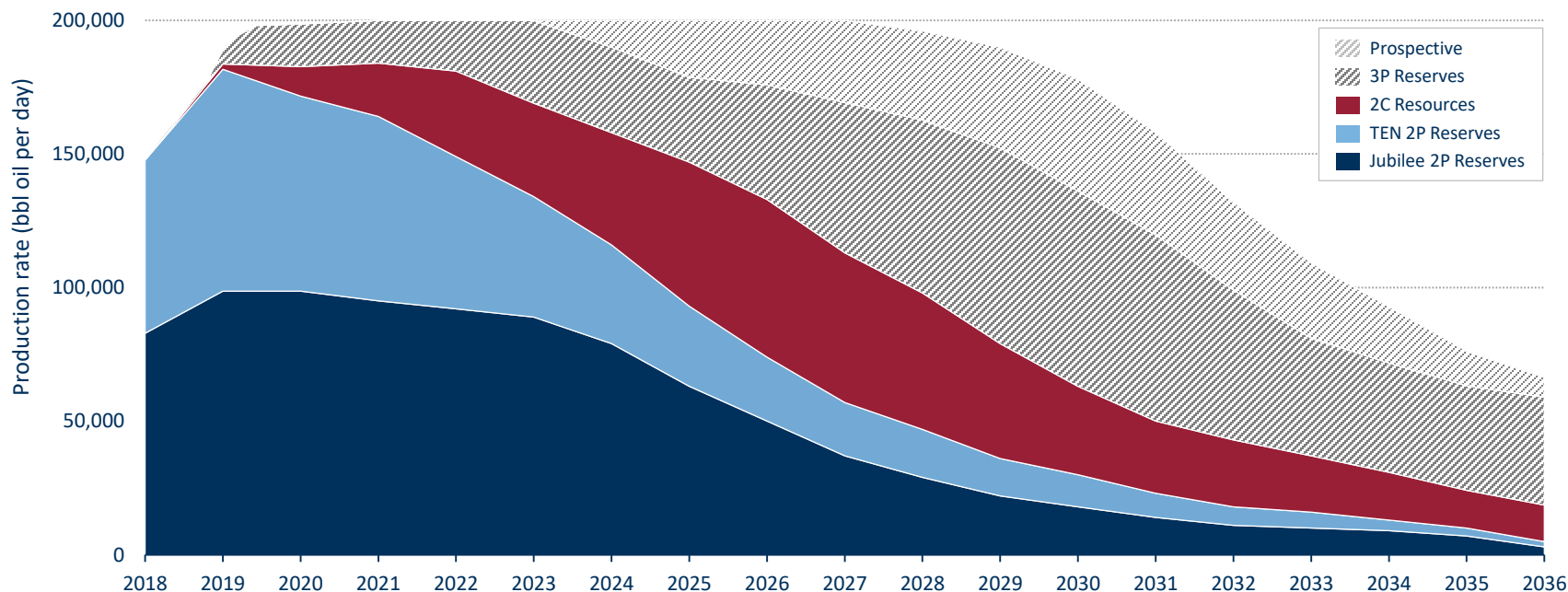
- Jubilee remains a world class asset with a significant 2P Reserves base
- 2C Contingent Resources primarily located in Jubilee & Mahogany
- Material 3P + 3C upside will be continually assessed as drilling campaign progresses
- Significant potential for organic growth through exploration in existing licence

TEN RESOURCES



- Strong production performance from TEN with bulk of reserves still to be produced
- Material 2C Resources to be tied-back to TEN FPSO
- Significant 3P + 3C upside potential
- Portfolio of near-field exploration opportunities
- Additional exploration opportunities in Block CI-524, adjacent to TEN licence

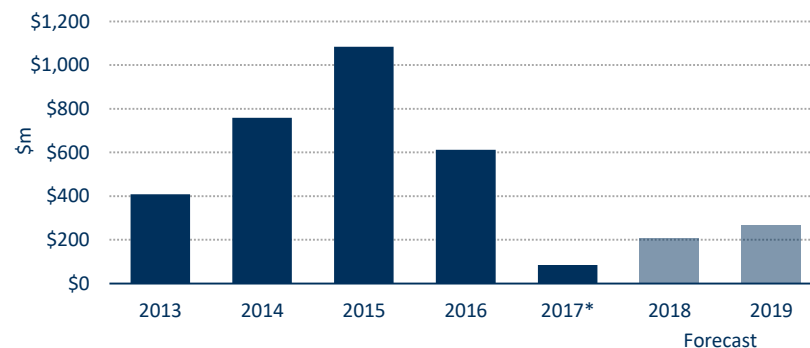
GHANA LONG-TERM PRODUCTION OUTLOOK



Investment to sustain production

- Growing production to 180,000+ bopd
- \$200-300m annual capex to grow & sustain plateau
- Market conditions continue to facilitate capex flexibility

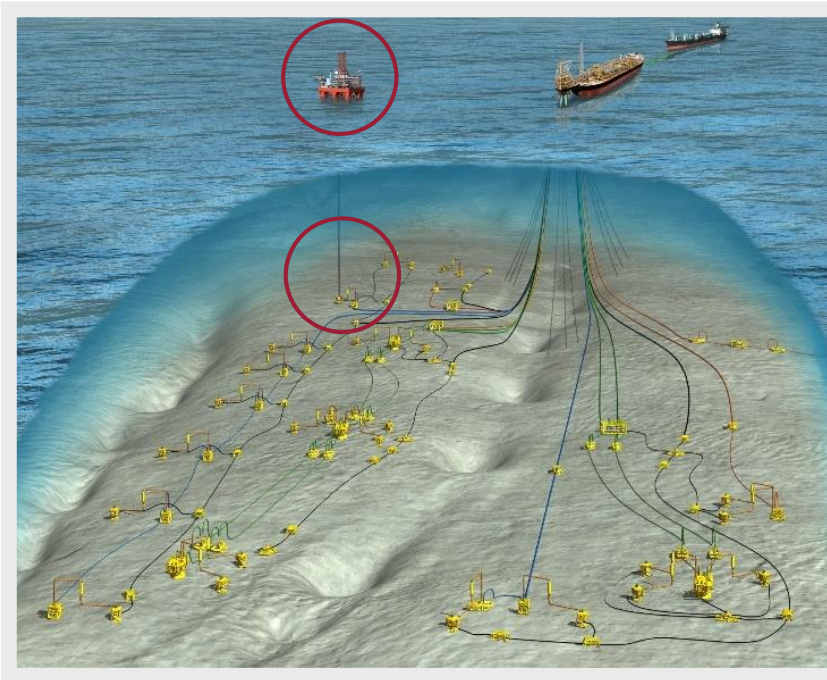
Ghana net capex



COST DISCIPLINE & PERFORMANCE: WELLS



Well Engineering



Maersk Venturer & Stena Forth 6th generation deepwater drilling rigs

-\$52m

Average well cost difference of 2018 wells vs. previous campaign

97%

2018 drilling rig operational up-time

26

Re-tendered / re-negotiated service company contracts since 2014

-1.75 Days

Reduction in average drilling days per well vs. previous campaign

Top Quartile

5 of last 7 wells achieved top quartile drilling performance Vs. Peers. All 7 are top 50%.

0 / 0 / 0

Medical cases, LTI's, Environmental spills

> 430,000

Exposure hours

6,000

Job safety analyses

17,000

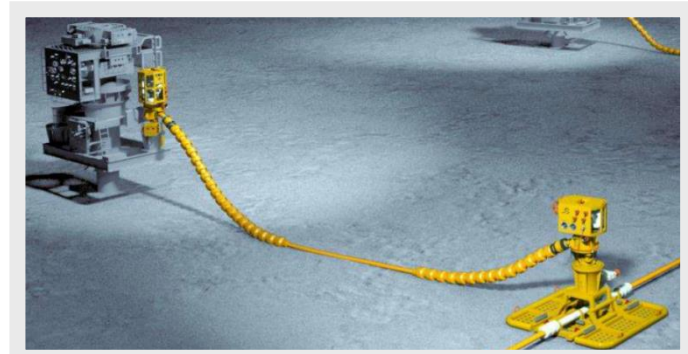
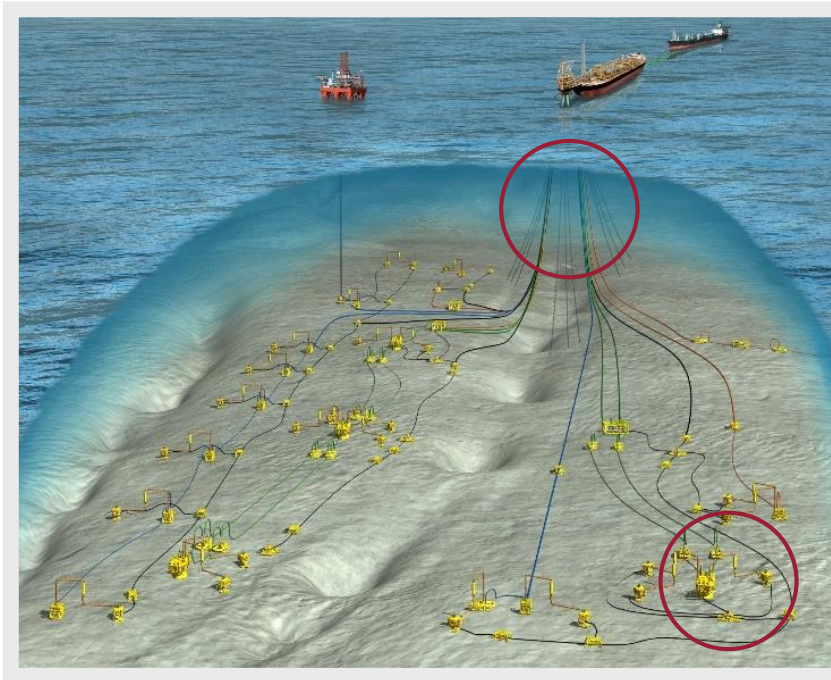
Crew safety observations

PROJECT DELIVERY & INNOVATION: SUBSEA



Subsea Engineering

Innovation in TEN Additional Development Opportunities



Source: Enpro Subsea

Inline-Tee's concept as a cost-effective alternative to production manifolds saving \approx \$35m each

Rig-less well interventions at lower costs with less production deferment



Use of construction support vessels are saving \$3-5m/well with reduced oil deferments

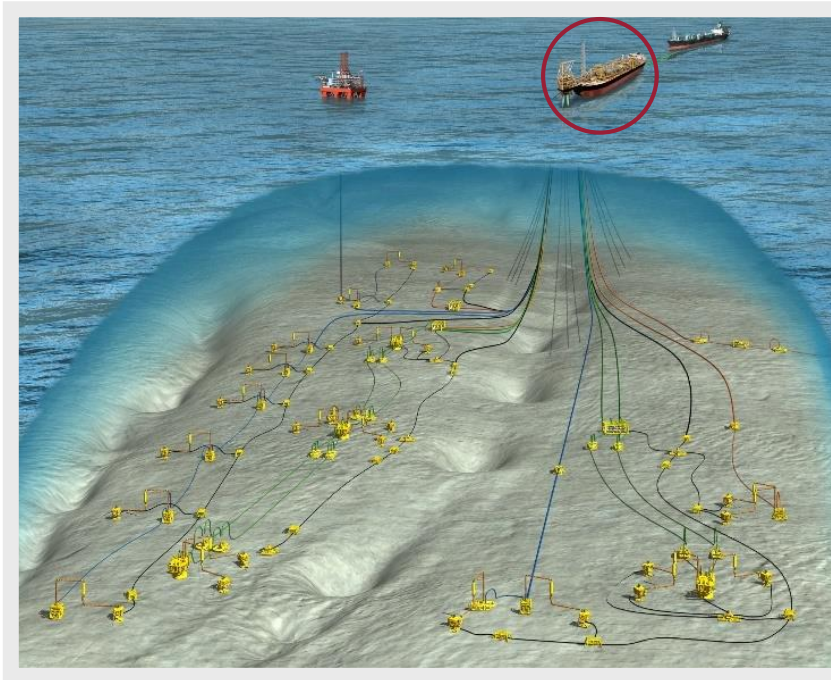
Additional initiatives being pursued

- Flexible jumpers with flow access modules vs. Rigid jumpers
 - Less bespoke, more standardised components to reduce lead-times
- Elimination of costly riser base structures in add-on developments
- Heated pipe vs. conventional dual-flowline architecture
 - Possible improvement in flow-assurance to increase production efficiency

EFFICIENCY & UPTIME: FPSO PERFORMANCE

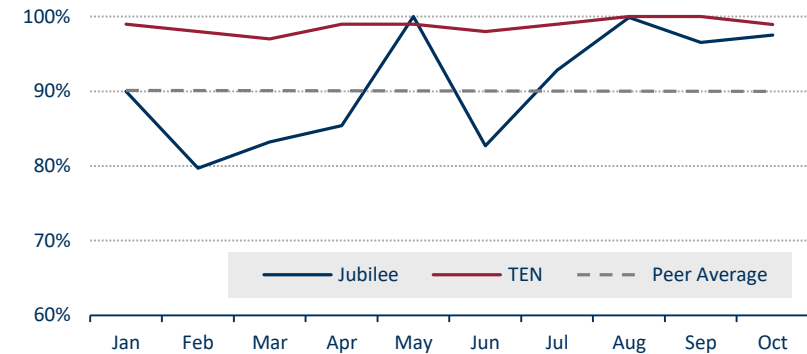


Surface Facilities



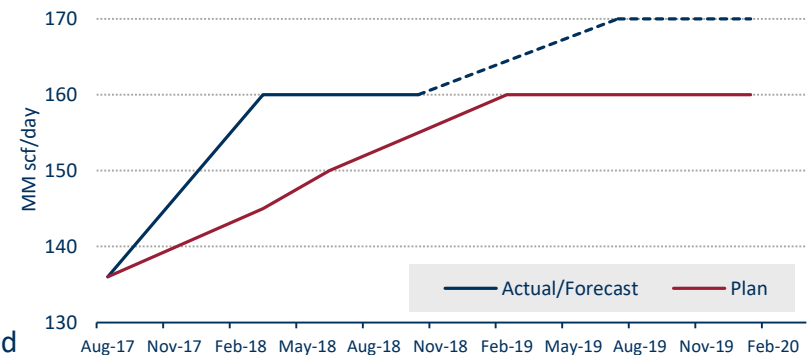
- TEN FPSO operating efficiency consistently > 98%
- Jubilee FPSO operating efficiency increasing post-2018 planned shutdowns
- Increasing oil production by de-bottlenecking gas processing capacity
- Production optimisation & 'Produce-to-the-Limit' processes embedded
- Next step: implementation of digitalisation

2018 Production efficiency



Jubilee turret remediation nearing completion and returning to steady-state operations

Jubilee gas handling capacity



Growing production by systematically removing bottlenecks

INVESTING IN THE FUTURE

The Goal

- Improve production & safety performance
- Drive uptime through failure prediction
- Minimise failures to lower maintenance costs

How

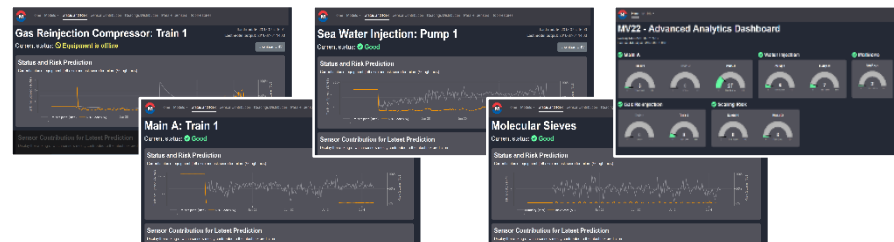
- Implement digital program
- Leverage proven application from other FPSOs
- Digital hardware & data to implement program in place

What next?

- Launching initial initiative in 2019
- Fast adoption by leveraging Brazil experience
- Small 2019 CAPEX commitment
- Ability to extend digitalisation benefits from FPSO to subsurface & subsea



- Proven offshore digital & analytics Suite
- Already incorporates 7 FPSO's in MODEC fleet
- Multiple deep learning models already deployed
- Advanced analytics insights that lead to operational change & action



CENTRAL & WEST AFRICA PORTFOLIO

NON-OPERATED ASSETS

Solid production base

28% of 2018 Group production

Focus on low-investment/high-value

Stable 5+ year production profile

~\$16 opex/boe

Diversified & low risk

3 countries / 26 licences / 24 fields

14+ years of regional experience

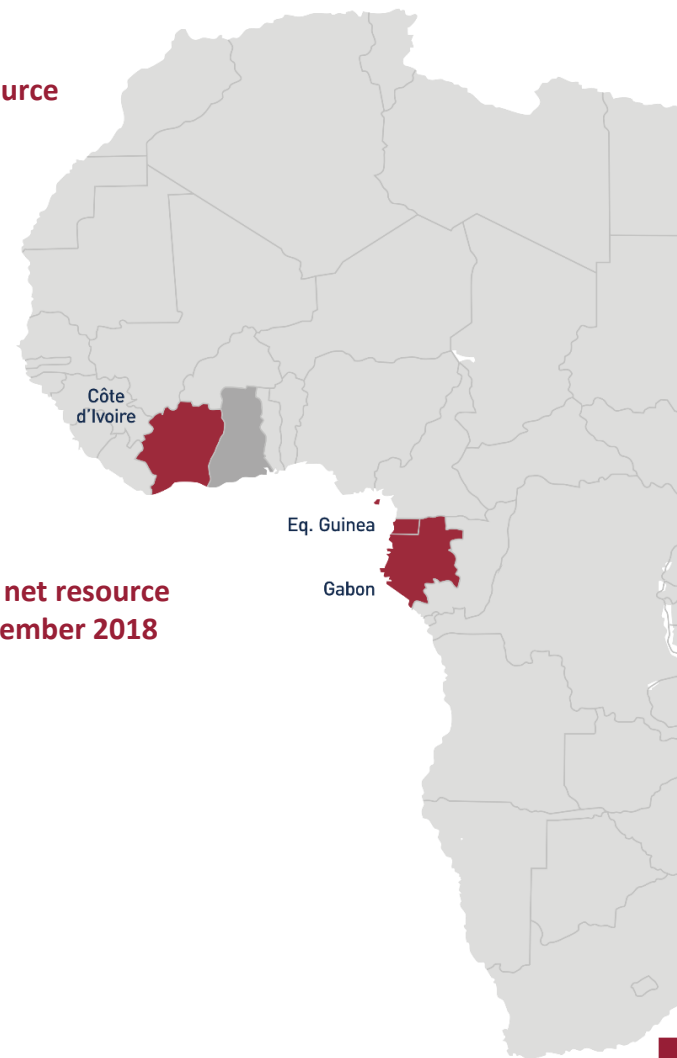
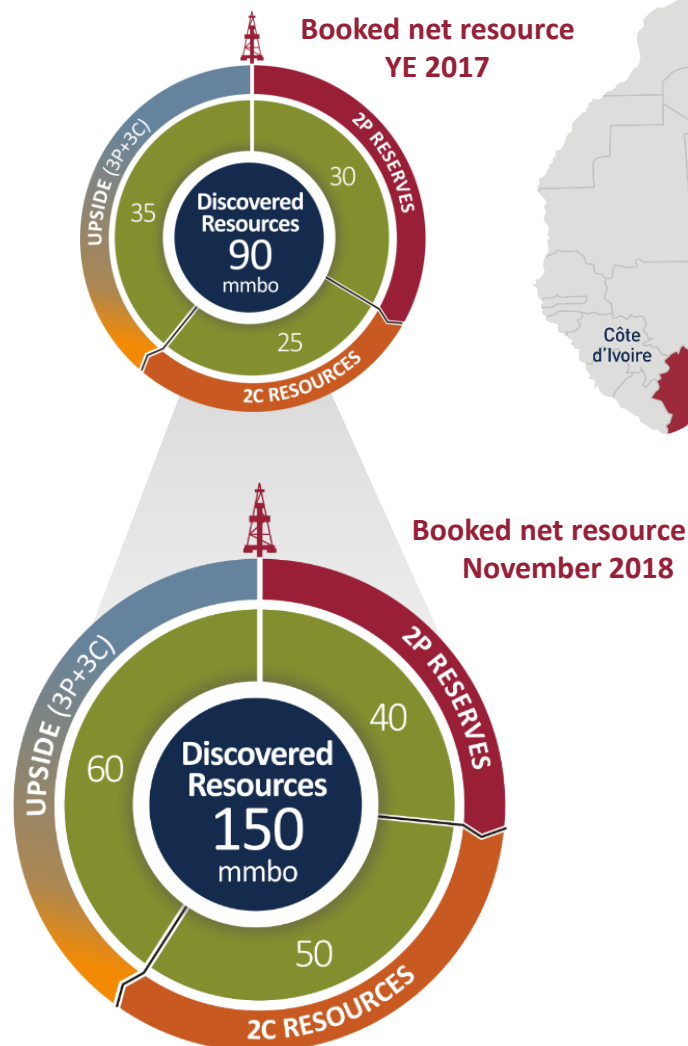
Primarily infill drilling & workovers

Platform for growth

Near-field exploration

New exploration licences

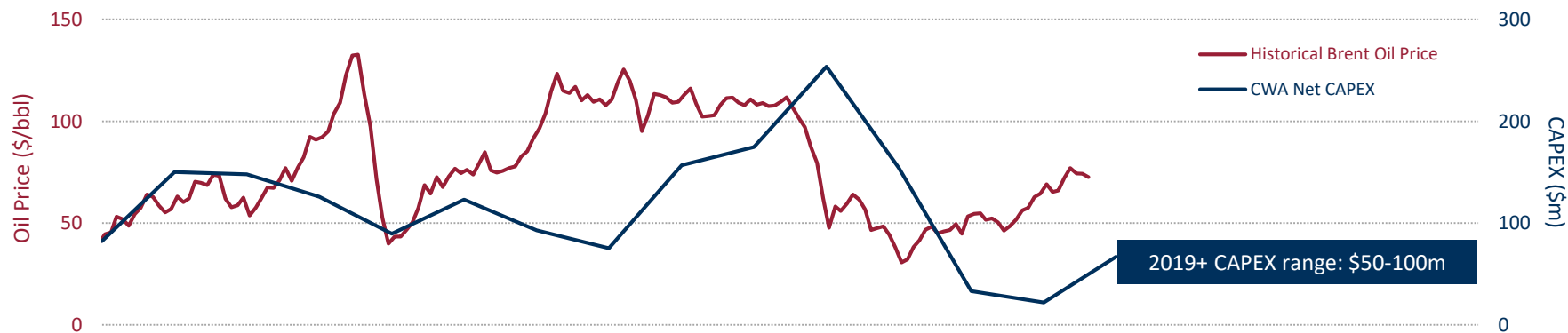
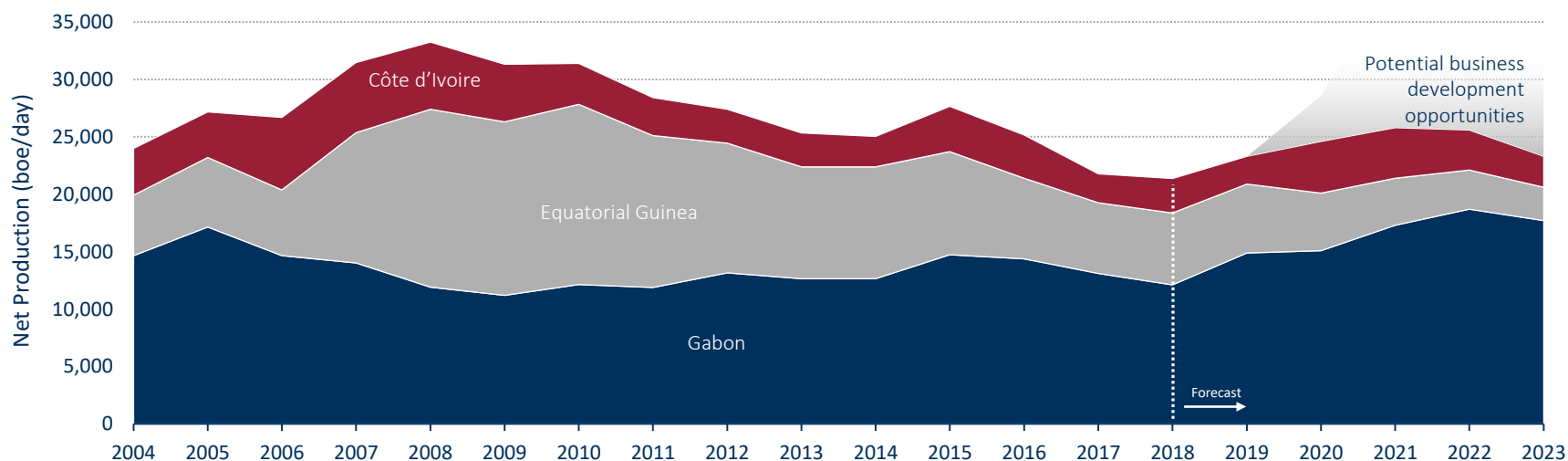
Bolt-on business development



CENTRAL & WEST AFRICA PERFORMANCE



Reliable long-term production with capex flexibility



CENTRAL & WEST AFRICA REVIVAL



160%

CWA 2P reserves replacement in 2018

(12.5 mmboe added in 2018)

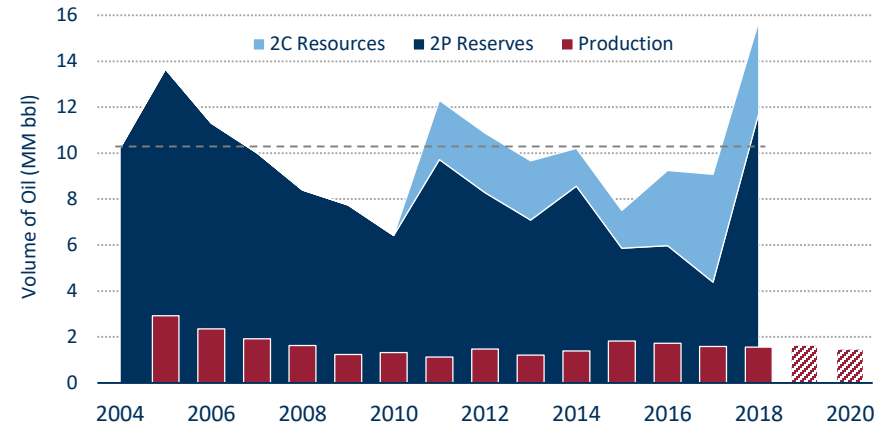
70%

CWA 2P+2C resources increase in 2018

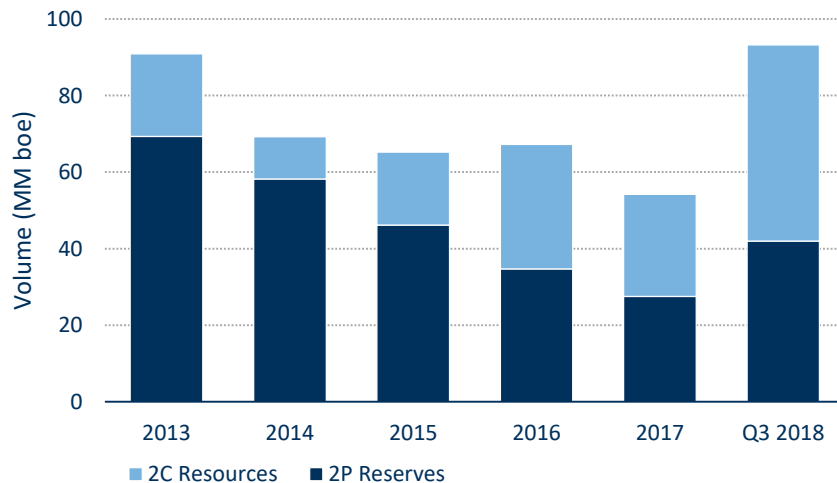
(~35 mmboe increase in 2018)

Tchatamba

Reserves growth despite consistent production



Central & West Africa reserves/resources history

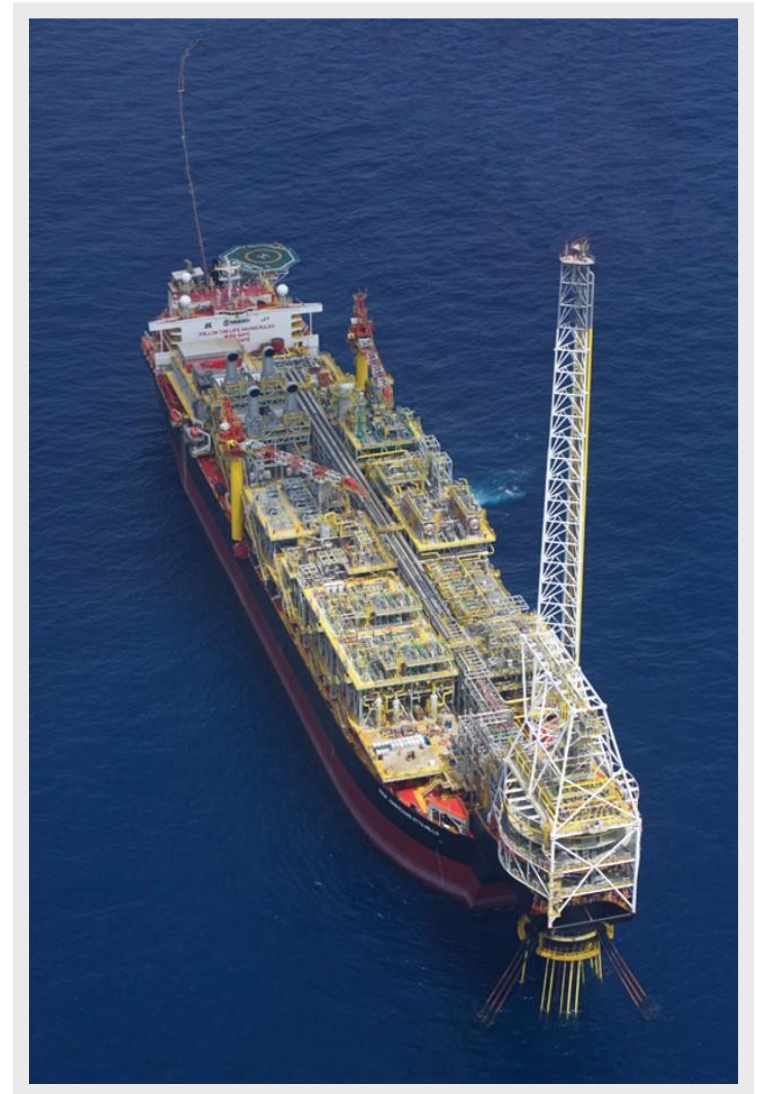


WEST AFRICA BUSINESS SUMMARY



Investment overview

- Diversified portfolio of low-cost, long-life assets that continues to deliver strong cashflows
- Continued investment in Non-Operated Portfolio delivering low-risk value and diversification
- Near term growth to ~100kbopd net production
- Return to a multi-year drilling campaign in Ghana to increase production
- Significant scope for continued reserves/resource maturation and growth
- Established long-term relationships in West Africa that underpins further growth aspirations



Capital Markets Day 2018

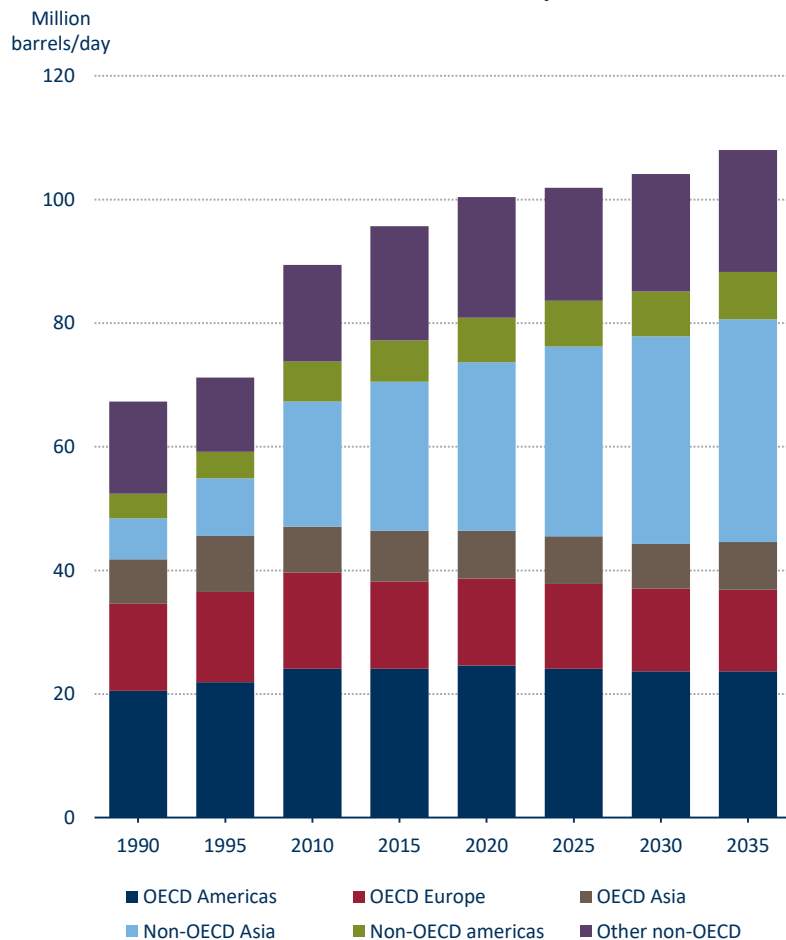
FUNDING OUR GROWTH

Les Wood, Chief Financial Officer



SECTOR AND OIL PRICE OUTLOOK CREATES OPPORTUNITIES

Growing long term global oil demand
is an opportunity for low
cost oil-focussed operators



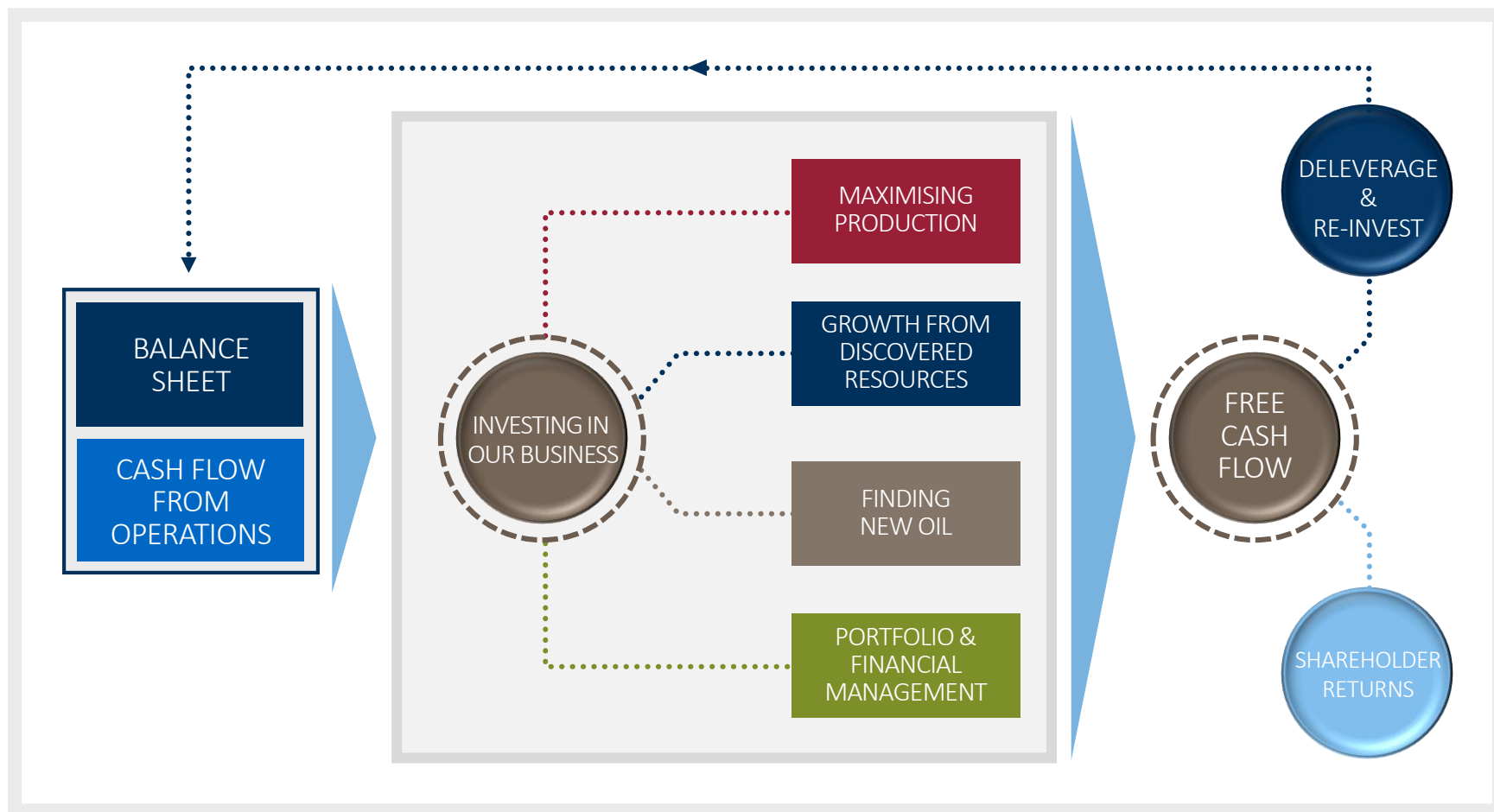
Source: Energy Information Administration

Flexible capital allocation creates the
opportunity for growth against the
backdrop of a volatile oil price



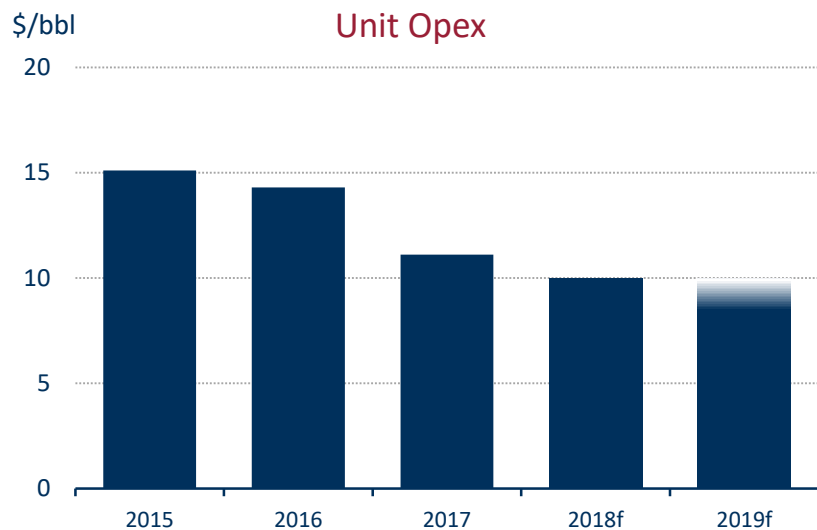
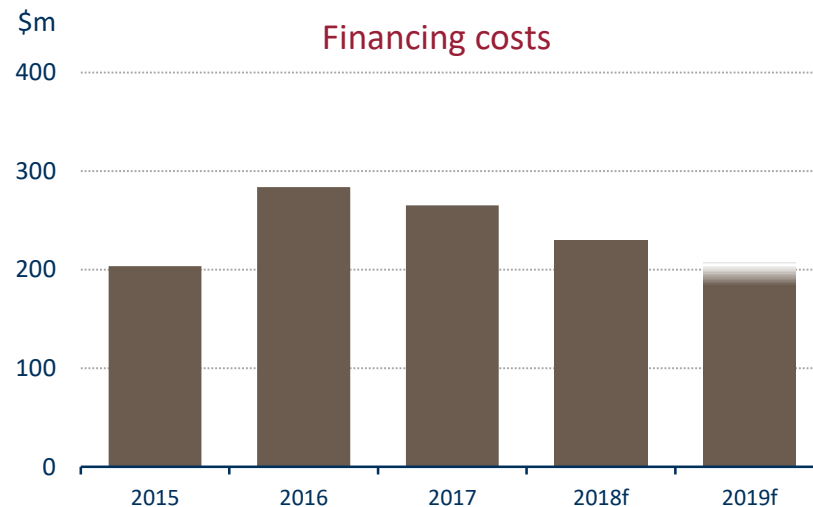
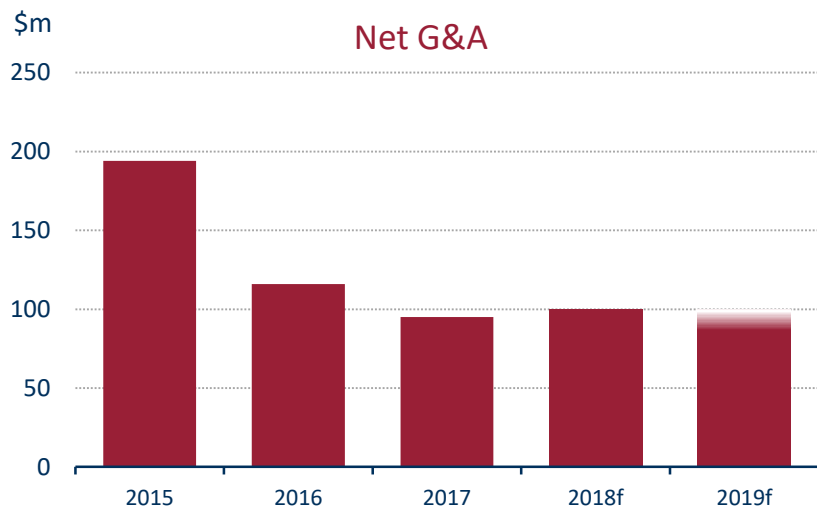
Source: Bloomberg and Tullow data @ 21/11/18

A BALANCED SELF-FUNDING E&P COMPANY



Strong free cash flow generation provides a solid platform for growth and returns

COST BASE RESET FOR THE LONG TERM



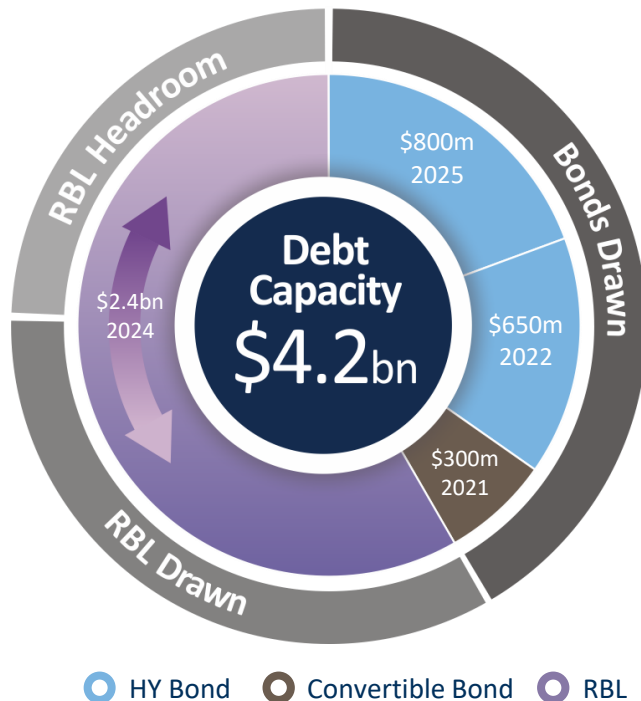
Continued cost discipline

- Competitive industry cost base
- Cost conscious culture embedded
- Targeting further operational efficiencies
- Optimising capital structure
- Sustaining low cost base through the cycle

CONTINUED PRUDENT FINANCIAL MANAGEMENT

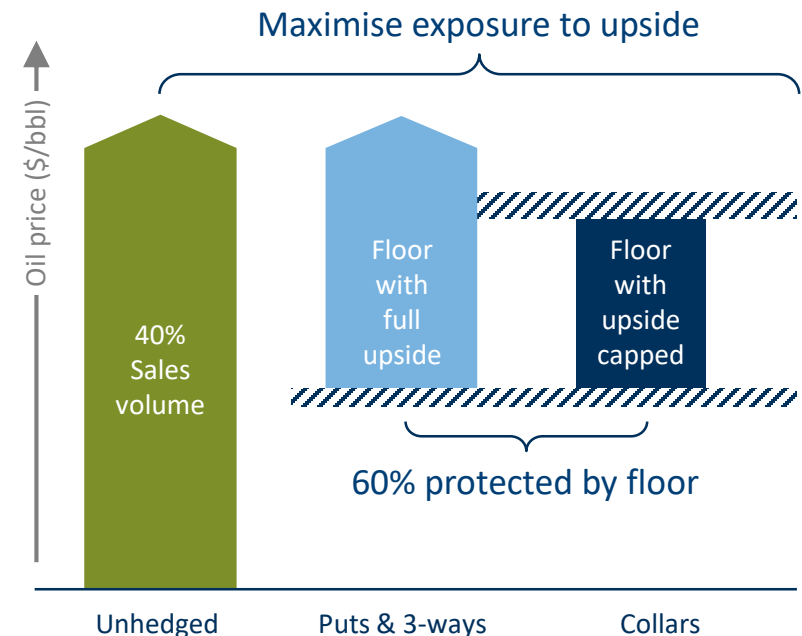
Diversified and evolving capital structure

- A balance of funding sources
- Revolving RBL provides long-term flexibility
- Strong liquidity headroom
- No near-term maturities



Revenue protection through hedging

- Proven hedging policy over 10 years
- Continue to systematically hedge
- Ongoing optimisation of structure and cost
- 2015-17 yielded \$850 million



CAPITAL ALLOCATION FRAMEWORK

DEBT AND LIQUIDITY

Balance sheet robust to future oil price volatility

Driving net debt below \$2 billion in near term

Retain flexibility with longer term gearing of 1x-2x

Ensuring headroom for future opportunities

INVESTING IN OUR BUSINESS

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

Other opportunities

SHAREHOLDER RETURNS

Demonstrating financial discipline and business progress

Capital Returns Policy established

Sustainable annual ordinary dividend

Additional returns in periods of strong FCF

Balanced capital allocation focused on maximising shareholder returns

DELEVERAGING THE BALANCE SHEET REMAINS A PRIORITY

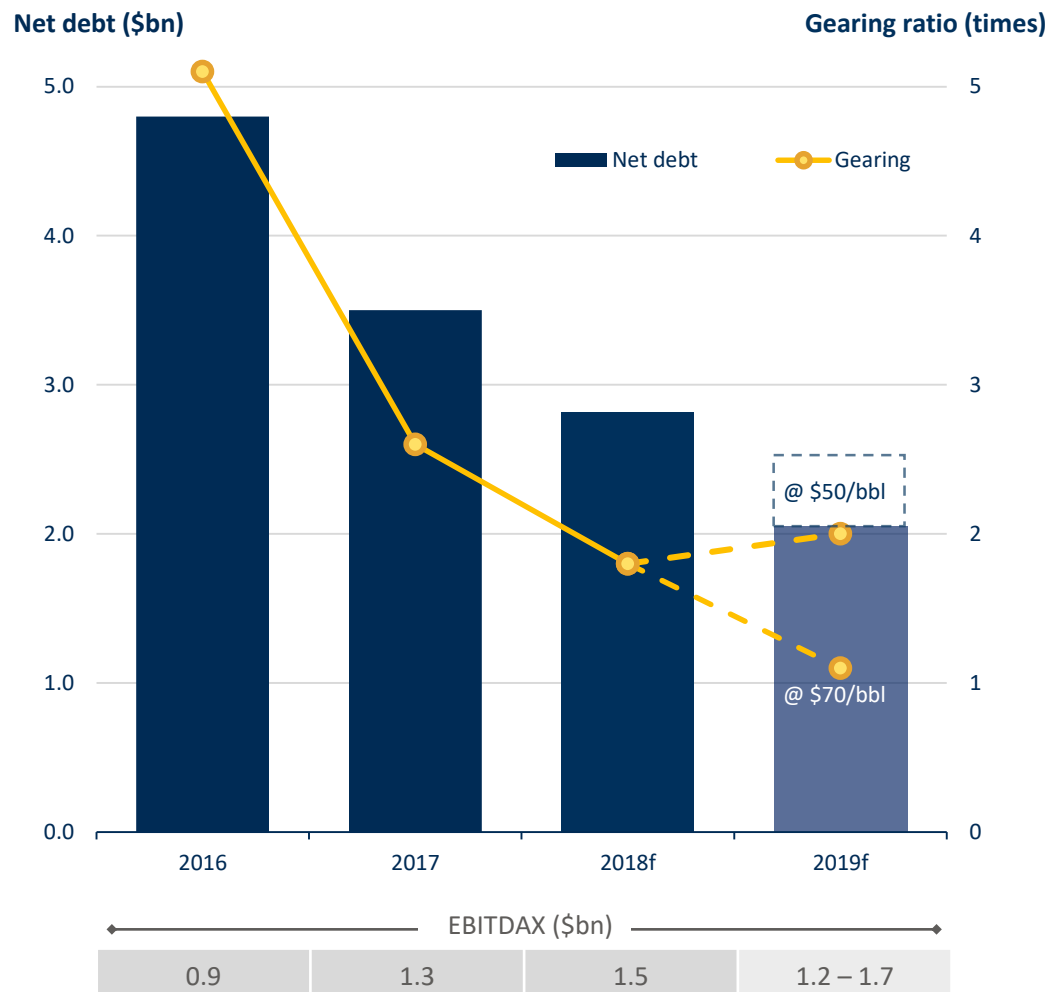
DEBT & GEARING

Balance sheet robust to future oil price volatility

Driving net debt below \$2 billion in near term

Retain flexibility with longer term gearing of 1x-2x

Building sufficient headroom for future opportunities



Robust balance sheet provides flexibility to support growth

Note: 2019 forecasts based on oil price range of \$50/bbl and \$70/bbl

ATTRACTIVE OPPORTUNITIES FOR CAPITAL INVESTMENT

← Annual investment outlook →

INVESTING IN OUR BUSINESS

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

Other opportunities

MAXIMISING PRODUCTION

\$200m - \$300m
Ghana

\$50m - \$100m
Non-op

GROWTH FROM DISCOVERED RESOURCES

Fully covered
Uganda

\$75m
Kenya (pre-FID)

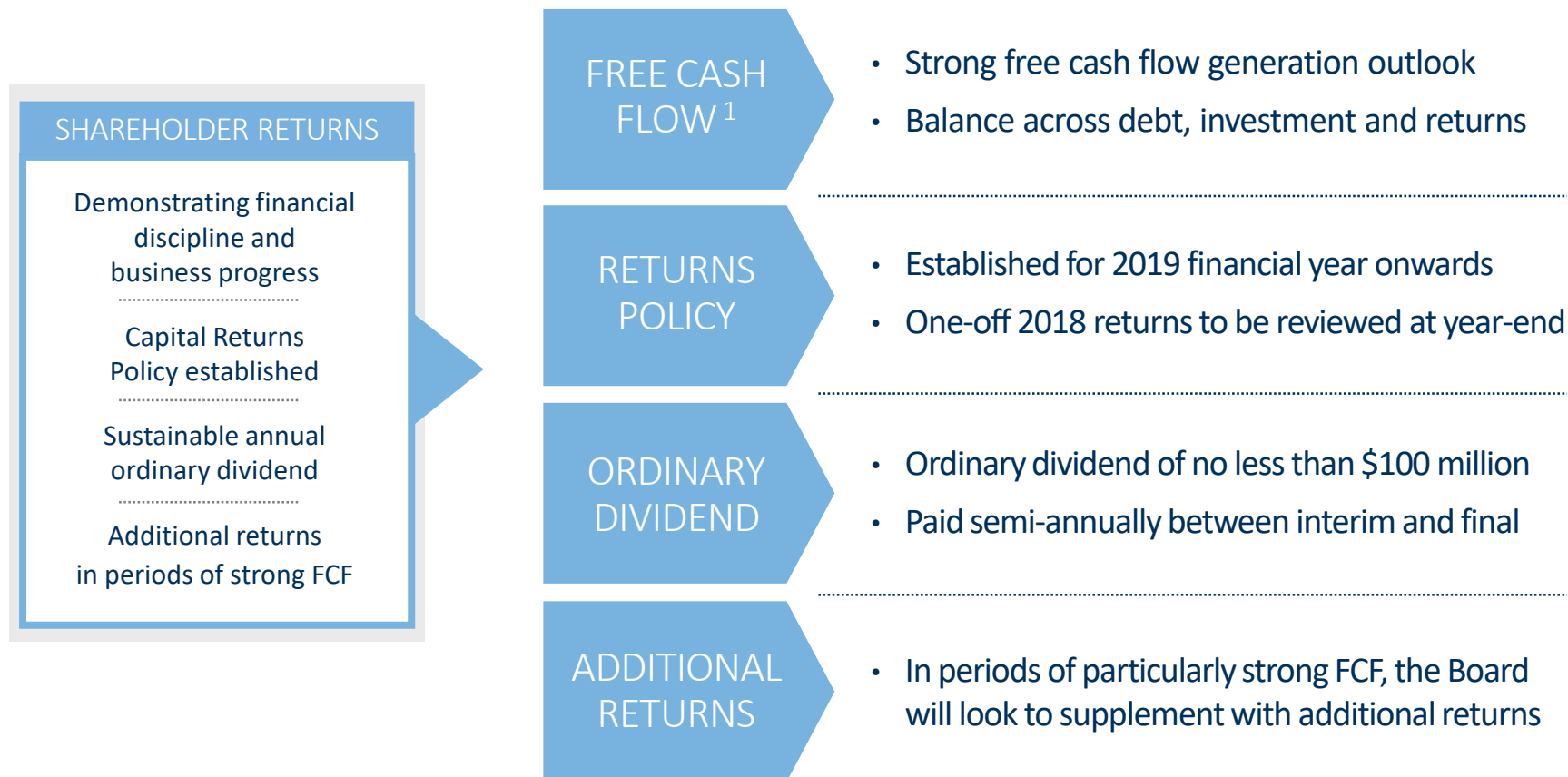
FINDING NEW OIL

Up to \$150m
Exploration

- Invest up to \$600m in high value assets
- Flexibility to lower capex if required with low oil price
- 2019 capex forecast of ~\$570m

Disciplined capital investment in opportunity rich portfolio

FINANCIAL PROGRESS ENABLES SHAREHOLDER RETURNS



Confidence in future delivery allows reinstatement of sustainable dividend

¹Free cash flow: Cash after all costs, capex and financing but before dividends and debt paydown

A BALANCED E&P DELIVERING GROWTH & RETURNS

Cash generation

- Reset business delivering substantial free cash flow
- Balanced capital allocation to maximise returns

Debt & Gearing

- Significantly strengthened balance sheet
- Deleveraging remains a priority

Investing in our assets

- Disciplined capital investment to grow our business
- Flexibility retained to respond to oil price below \$50

Shareholder returns

- Capital Returns Policy established
- Ordinary dividend supplemented by additional returns

Delivering on our targets to create value for our shareholders

Follow Tullow on:



YouTube

LinkedIn



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

