



Tullow Uganda Operations Pty Ltd

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CORP-PAR-LET-0002

THE CHAIRPERSON
PARLIAMENTARY AD-HOC COMMITTEE ON THE
REGULARIZATION OF THE OIL SECTOR
PARLIAMENT HOUSE, PLOT Nos. 16-18 PARLIAMENT AVENUE

Attn: HON KAFABUSA MICHAEL WERIKHE (MP)

18th April 2012

Dear Hon. Werikhe,

**RE: MEETING OF 11th April 2012-SUBMISSION OF FOLLOW UP DOCUMENTATION BY
TULLOW OIL**

Reference is made to Tullow Oil's meeting with Adhoc Committee on 11th April 2012. We would like to reiterate our appreciation/thanks to you and your team, for the opportunity we were given to present, submit a statement and to answer questions before the Adhoc Committee.

The purpose of this letter is to submit the follow up documentation which was requested for during the meeting and to clarify certain points that came up during the question and answer session of the meeting.

Please find attached the following documents as requested;

1. Tullow Uganda Limited and Tullow Uganda Operations Pty Limited incorporation/registration documents showing changes of names to date.
2. Tullow's letter to Hon Hilary Onok dated 19th August 2010. Please note that this response had already asserted our position in respect to the subject matter of Hon Hilary Onok's subsequent letter of 8th September 2010, and in November 2010 we lodged a judicial review application to challenge the legality of Hon Onok's decision. Subsequently and consistent with the legal rights of Tullow and those of the Government of Uganda a negotiated contractual settlement by way of a Memorandum of Understanding was concluded with the Government of Uganda to deal with licensing issues in a manner consistent with the requirements of the Petroleum Exploration and Production Act.

3. Excel spread sheet showing approved and/or audited cost recovery.
4. Table showing number of Ugandan nationals in management positions in the Uganda Business Unit.
5. List of Ugandan employees, their positions and Job bands.
6. Email Correspondence with the Bank of Valetta
7. List of Ugandans on overseas programs(Graduate Trainees,Secondees,Scholars) and criteria of selection
8. List of who provided services to Tullow Uganda and the Tullow guidelines for procurement of those services.
9. Minutes from meetings of the Advisory Committee (ACM) and details of work plans and budgets submitted by Tullow to the ACM.

We also wish to clarify the following points that came up during the committee;

1. Clarification to section titled "Cost of Ugandan assets bought by Tullow"-at Page 24 of Tullow's written submission

As explained during the meeting on the 11th of April 2012, with respect to the Hardman and Energy Africa corporate acquisitions, Tullow acquired these two foreign incorporated entities/companies including their respective subsidiary entities, which were already registered in Uganda as branches of the foreign incorporated entities. There was no asset sale in Uganda, there was no change in the legal entity operating in Uganda except for the changes to the names of the companies which are clearly reflected in the certificates submitted with and attached to this letter. However, for Tullow's internal accounting purposes, Tullow was required to attribute certain costs to the Ugandan assets forming part of those corporate acquisitions.

In the case of the Heritage acquisition, Tullow did not acquire the company but directly acquired Heritage's participating interests/assets in the Exploration Area 1 and Exploration Area 3A licences.

It might therefore have been clearer if the total had been omitted (since this is an internal accounting number only) and the section had been phrased as follows:

"Actual or attributed cost to Tullow of Ugandan assets bought:

- Corporate acquisition of Energy Africa :(~\$500m), \$4m attributed to Uganda (2004)
- Corporate acquisition of Hardman: (~1bn), \$410m attributed to Uganda (2006)
- Direct acquisition of Heritage interests: \$1.45bn (2010)"

2. Licenses

As submitted during our meeting with the Committee and as indicated in our submission, we maintain and reiterate that all our licenses have at all times been valid, were valid at the time of the farm down to CNOOC/Total, and were properly issued in accordance with the Petroleum Exploration and Production Act which is the enabling law with respect to licensing of Oil and Gas activities in Uganda.

3. Bribery Allegations

We have also submitted email correspondence with the Bank of Valetta in which Mr. Charles Azzopardi, Manager Marketing & Communications at the Bank of Valetta, confirmed that the details of the letter from Inspector Curmi of the Maltese Police of 21 June 2010 were accurate. Mr. Azzopardi also wrote that the Bank was not minded to make any public statements and we are not aware that their stance has changed.

This email correspondence was not included in our initial submission as officials at the Bank of Valetta stated that they would not confirm by letter that Tullow was not a client of the bank unless instructed to do so by the Maltese Courts. This process was deemed prohibitively expensive but also unnecessary given the statements within Inspector Curmi's letter. As a result Tullow concentrated its efforts in Malta in officially validating Inspector Curmi's letter through the office of the Maltese Attorney General. As stated in our previous submission, the letter clearly detailed that no transactions had taken place and that the documents presented to Parliament had been forged.

Separately, while Tullow was aware that there were suggestions that the alleged payments were made to bank accounts in Dubai, Tullow made no investigations in Dubai. This is because both the Bank of Valetta and the Maltese Police confirmed that no transactions had taken place. Therefore, as it had been proved that the transactions were false; there was no need to make enquiries in Dubai.

I hope that this additional material and letter provide the detailed information that the committee was seeking following last week's meeting. Should you or your colleagues need any further information or assistance, we remain available to the committee at any time.

Yours sincerely,



Graham Martin
Director
Tullow Uganda Operations Pty Limited.