



Tullow Oil plc

Notice of Annual General Meeting 2006

Haberdashers' Hall, 18 West Smithfield, London EC1
Wednesday 31 May 2006, 12 noon

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONTACT AN APPROPRIATE INDEPENDENT ADVISER IMMEDIATELY. IF YOU HAVE SOLD OR OTHERWISE TRANSFERRED ALL OF YOUR SHARES IN TULLOW OIL PLC YOU SHOULD FORWARD THIS DOCUMENT TOGETHER WITH THE ACCOMPANYING FORM OF PROXY TO THE PURCHASER OR TRANSFEREE, OR THE STOCKBROKER, BANK OR OTHER AGENT THROUGH WHOM THE SALE OR TRANSFER WAS EFFECTED FOR TRANSMISSION TO THE PURCHASER OR TRANSFEREE.

Tullow Oil plc

Tullow Oil plc

(Registered in England and Wales No. 3919249)
Registered Office: 3rd Floor, Building 11, Chiswick Park,
566 Chiswick High Road, London W4 5YS

19 April 2006

Dear Shareholder

ANNUAL GENERAL MEETING 2006

The Annual General Meeting ('AGM') of the Company will be held at Haberdashers' Hall, 18 West Smithfield, London EC1A 9HQ on Wednesday, 31 May 2006 at 12 noon. The Notice convening the AGM is set out on page 4 of this circular. A Form of Proxy and a reply paid envelope for use in respect of the meeting are enclosed. A location map is shown on the reverse of the attendance card that detaches from the Form of Proxy. I would like to take this opportunity to give you some information about the resolutions to be considered at the AGM.

Resolution 1 deals with the receipt and adoption of the Accounts for the financial year ended 31 December 2005 and the associated Reports of the Directors and Auditors. The Accounts and Report of the Directors were signed on behalf of the Board on 28 March 2006 and copies are being posted to shareholders with this circular.

Resolution 2 deals with the declaration of a final dividend of 3.0p per ordinary share which, if approved, will be paid on 7 June 2006 to shareholders on the register of members of the Company on 12 May 2006. Following the interim dividend of 1.0p per share paid on 9 November 2005, this represents an increase of 128% over the total dividends paid in respect of the 2004 financial year.

Resolution 3 invites shareholders to approve the Directors' Remuneration Report for the financial year ended 31 December 2005 which is set out on pages 35 to 41 of the Annual Report.

Resolutions 4 to 7 deal with the re-election of Directors.

I am pleased to propose the election of Paul McDade, and the re-election of Tom Hickey and Matthew O'Donoghue who are due to retire in accordance with the Company's Articles of Association. Since the last AGM, Paul McDade was appointed as an Executive Director on 29 March 2006 and now retires and offers himself for election. Tom Hickey and Matthew O'Donoghue retire having been in office for three years since their last re-election and offer themselves for re-election.

As Rohan Courtney has served on the Board for more than nine years, he is retiring and offering himself for re-election in accordance with the Combined Code on Corporate Governance. Mr Courtney has been a non-executive Director since 1993 and was appointed as the senior independent Director in 2000. He is Chairman of the Audit Committee and a member of the Remuneration and Nominations Committees. As described in the Corporate Governance Statement in the Annual Report, the Board considers that Rohan Courtney remains independent, notwithstanding that he has been a Board member for more than nine years.

Following a recent performance review of all Directors, the Board is satisfied that each Director offering himself for election/re-election contributes very effectively to the Board's deliberations with enthusiasm and commitment. The Board therefore unanimously recommends the election/re-election of the Directors proposed.

Biographical details of all Directors including those standing for election/re-election appear on page 27 of the accompanying Annual Report.

Resolution 8 deals with the re-appointment of Deloitte & Touche LLP as auditors of the Company and the authorisation of the Board to fix their remuneration.

Resolution 9 To dis-apply pre-emption rights – Section 89 of the Companies Act 1985 gives all shareholders the right to participate on a pro rata basis in all issues of equity shares for cash, unless they agree that this right should be set aside. The effect of this resolution is to empower the Directors, until the conclusion of the next Annual General Meeting, to allot equity shares for cash, otherwise than by an issue offered pro rata to existing shareholders, up to a maximum nominal amount of £3,241,632, representing 5% of the issued ordinary share capital of the Company as at the date of this circular. In addition, the resolution empowers the Directors to deal with fractional entitlements and any practical problems arising in any territory on any offer made on a pro rata basis. The Directors consider that it is appropriate for this authority and these powers to be granted to preserve maximum flexibility for the future.

Resolution 10 To amend the Company's Articles of Association – The Articles of Association of the Company were adopted in their current form in October 2000 and have not been revised since that time. During the intervening period, there have been a number of legislative, regulatory and best practice developments relating to the constitutional documents of UK listed public companies. Accordingly, the Board considers it prudent to update the Company's Articles of Association (the 'New Articles'). A summary of the proposed changes is set out in the Appendix on page 3 of this circular. A copy of the New Articles is available for inspection at the registered office of the Company and at the offices of Dickson Minto WS, 22/25 Finsbury Square, London EC2A 1DX in each case during usual business hours on any weekday up to and including the AGM and at the place of the AGM from 15 minutes prior to and until the close of the meeting. The New Articles may also be inspected on the Company's website (<http://www.tullowoil.com>).

Recommendation

Your Directors believe that the resolutions to be proposed at the AGM are in the best interests of the Company and its shareholders as a whole and unanimously recommend that you vote in favour of them, as they propose to do in respect of their own shareholdings.

Yours faithfully



Pat Plunkett
Chairman

Appendix

Summary of material changes contained in the proposed New Articles

The principal amendments that the Board recommends be made to the Company's existing Articles of Association are set out below. Unless otherwise stated, references to Article numbers refer to Articles in the New Articles.

Treasury shares

Since 1 December 2003, listed companies that buy back shares out of distributable profits have been able to hold up to 10% of the nominal value of their issued share capital in treasury, rather than having to cancel them. The Company already has the power under its existing Articles of Association to buy back its shares to hold in treasury. However, as the holder of treasury shares, the Company cannot attend meetings, vote, receive any distributions or exercise any other rights attaching to the shares. Accordingly, it is proposed that Articles 8 and 13 be amended to make it clear that treasury shares do not count in any vote in respect of the variation of share rights and suspension of rights.

Uncertificated shares

Various amendments are made in the New Articles to accommodate the Uncertificated Securities Regulations 2001 (the '2001 Regulations') which changed the rules governing the CREST uncertificated securities system. It should be noted that shareholders can continue to hold their shares in certificated form should they so wish. Articles 14(B) and 14(E) are amended to accommodate the operation of the 2001 Regulations.

Electronic communications and CREST

The Companies Act 1985 (Electronic Communications) Order 2000 (the 'Electronic Communications Order') permits companies to communicate with shareholders via electronic means. Although the Company has been able to communicate with shareholders in this way since the implementation of the Electronic Communications Order, in accordance with best practice various amendments to update the Articles of Association are required and have been reflected in the New Articles (see in particular the definitions section and Articles 52, 56, 138, 141, 142 and 143). These changes allow the Company to provide these services if they are requested by shareholders and give the Directors the discretion to use electronic communications to distribute notices of meetings, annual reports and accounts and summary financial statements. In addition, Articles 77 to 81 are amended to reflect the Electronic Communications Order and the 2001 Regulations by permitting members to appoint proxies in the form of an electronic communication and for those members holding uncertificated shares to appoint, instruct, amend and revoke proxy appointments using the CREST system.

Retirement of Directors by rotation

The provisions in Article 87 relating to the retirement of Directors by rotation are amended in line with the Combined Code, which recommends that all Directors must submit themselves for election at every third Annual General Meeting following the meeting at which they were elected or last re-elected.

Indemnity

The Companies (Audit, Investigations and Community Enterprise) Act 2004 (the 'Act') widens the scope for the indemnification of directors and other officers and allows companies to provide to their directors funds to cover the costs of defending legal proceedings brought against them on an 'as incurred' basis. Since directors are increasingly being added as defendants in actions against companies and litigation is often very lengthy and expensive, the Board believes the risk of directors being placed under significant financial strain is increasing. Accordingly, the Board proposes that existing Article 147 is amended to take advantage of the new law (see Article 146 in the New Articles).

In addition, under the authority in existing Article 147, the Company has entered into deeds of indemnity with each of its Directors. The indemnities do not apply to any claim which arises out of fraud, wilful default, gross negligence or breach of fiduciary duty nor to the extent that any recovery is made under any insurance policy by the indemnified person.

The Board believes that the power of the Company to indemnify its Directors in the manner described above is fair and reasonable.

Number of Directors

It is possible that the number of Directors on the Board (currently 11) may increase over the current limit of 12. Rather than going to the expense of convening an extraordinary general meeting prior to making new appointments, it is proposed that the maximum number of Directors prescribed by Article 83 be increased from 12 to 15.

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Tullow Oil plc (the 'Company') will be held at Haberdashers' Hall, 18 West Smithfield, London EC1A 9HQ on Wednesday, 31 May 2006 at 12 noon to consider and, if thought fit, to pass the resolutions set out below, of which Resolutions 1 to 8 will be proposed as ordinary resolutions and Resolutions 9 and 10 will be proposed as special resolutions.

Ordinary Business

- 1 To receive and adopt the Company's annual accounts for the financial year ended 31 December 2005 and the associated Reports of the Directors and Auditors.
- 2 To declare a final dividend of 3.0p per Ordinary Share for the financial year ended 31 December 2005.
- 3 To receive and approve the Directors' Remuneration Report for the financial year ended 31 December 2005.
- 4 To elect Paul McDade as a Director.
- 5 To re-elect Tom Hickey as a Director.
- 6 To re-elect Matthew O'Donoghue as a Director.
- 7 To re-elect Rohan Courtney as a Director.
- 8 To re-appoint Deloitte & Touche LLP as auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company and to authorise the Directors of the Company to fix their remuneration.

Special Business

- 9 THAT the Directors be and are hereby empowered pursuant to section 95 of the Companies Act 1985 (as amended) ('the Act') in substitution for any existing power under section 95 of the Act, but without prejudice to the exercise of any such power prior to the date hereof, to allot equity securities (as defined in section 94(2) to section 94(3A) of the Act) wholly for cash pursuant to the authority conferred on them by a resolution of the Company passed on 27 May 2004 as if section 89(1) of the Act did not apply to any such allotment provided that this power shall be limited to:
 - (a) the allotment of equity securities in connection with a rights issue, open offer or other offer or issue of such securities by way of rights to or in favour of the holders of ordinary shares in the capital of the Company on the register of members at such record date(s) as the Directors may determine where the equity securities respectively attributable to the interests of all the holders of such ordinary shares are proportionate (as nearly as practicable) to the respective numbers of such ordinary shares held or deemed to be held by them on any such record date(s) provided that the Directors may make such exclusions or other arrangements in respect of overseas holders of ordinary shares and in respect of treasury shares, fractional entitlements or legal or practical problems arising in connection with the laws of, or requirements of any regulatory body or stock exchange in, any territory as they may consider necessary or convenient; and

- (b) the allotment (otherwise than pursuant to paragraph (a) above) of equity securities up to an aggregate nominal amount of £3,241,632;

and shall expire on the conclusion of the next Annual General Meeting of the Company after the passing of this resolution save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement as if the power conferred hereby had not expired. This power applies in relation to a sale of shares which is an allotment of equity securities by virtue of section 94(3A) of the Act as if in the first paragraph of this resolution the words 'pursuant to the authority conferred on them by a resolution of the Company passed on 27 May 2004' were omitted.

- 10 THAT the proposed new Articles of Association of the Company as produced to the meeting and signed by the Chairman for the purposes of identification be and are hereby adopted as the Articles of Association of the Company in substitution for and to the exclusion of the Company's existing Articles of Association.

By Order of the Board

Tom Hickey
Secretary

19 April 2006
Registered Office: 3rd Floor, Building 11, Chiswick Park,
566 Chiswick High Road, London W4 5YS

NOTES

- 1 A member who is entitled to attend and vote at the above meeting may appoint one or more proxies to attend and, on a poll, to vote on his behalf. A proxy need not be a member of the Company. Appointment of a proxy will not preclude a member from attending and/or voting in person at the meeting if he or she so wishes.
- 2 The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, hereby specifies that only those members registered on the Register of Members of the Company as at 6.00pm on 29 May 2006 (or, if the meeting is adjourned, members registered on the Register of Members of the Company not later than 48 hours before the time fixed for the adjourned meeting) shall be entitled to attend or vote at the meeting in respect of shares registered in their name at that time. Changes to entries on the Register of Members after 6.00pm on 29 May 2006 (or, if the meeting is adjourned, within 48 hours of the time fixed for the adjourned meeting) shall be disregarded in determining the rights of any person to attend or vote at the meeting, notwithstanding any provisions in any enactment, the articles of association of the Company or other instrument to the contrary.
- 3 A form of proxy is enclosed. To be valid, the form of proxy and, if applicable, any power of attorney or other valid authority under which it is signed must be received at Computershare Investor Services plc, PO Box 1075, Bristol BS99 3FA, UK (or by hand only at Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol BS99 7NH, UK or by electronic submission in accordance with the instructions printed on the form of proxy) not later than 48 hours before the time fixed for the meeting or any adjourned meeting at which the proxy is to vote.
- 4 The register of interests of the Directors and their families in the share capital of the Company and copies of Directors' service contracts and non-executive Directors' letters of appointment are available for inspection at the registered office of the Company during usual business hours on any weekday until the date of the Annual General Meeting and will be available for inspection at the place of the meeting on 31 May 2006 for 15 minutes prior to and until the conclusion of the meeting.
- 5 A copy of the New Articles is available for inspection at the registered office of the Company and at the offices of Dickson Minto WS, 22/25 Finsbury Square, London EC2A 1DX during usual business hours on any weekday until the conclusion of the Annual General Meeting, and at the place of the Annual General Meeting for 15 minutes prior to and until the conclusion of the meeting. A copy of the New Articles is also available for inspection on the Company's website (<http://www.tullowoil.com>).