



News Release

THIS PRESS RELEASE CONTAINS INSIDE INFORMATION

Capital Markets Day

Tullow Oil plc (Tullow) announces that it is hosting a Capital Markets Day presentation today in London for sell-side analysts and institutional shareholders.

The event will be hosted by Paul McDade, CEO, and will include presentations from members of Tullow's Executive Team on the Group's growth strategy. The presentations will be streamed via a live webcast on Tullow's website from 13:30. Registration for the webcast and materials for the day can be found at the following link:

www.tulloil.com/reports

PAUL MCDADE, CHIEF EXECUTIVE OFFICER, TULLOW OIL PLC, COMMENTED TODAY:

"Tullow has made excellent operational and financial progress over the past 18 months. Having reached our target of being a balanced self-funding Exploration and Production business and having embedded cost discipline across the Group, this is the right time to reinstate a dividend and focus on our plans for growth."

Platform for growth

At today's Capital Markets Day presentation, the Executive team will remind investors of Tullow's high-quality portfolio, operational capabilities, emerging market experience and extensive network of relationships across Africa. The team will also demonstrate how a solid platform for growth has been established by driving down debt, delivering significant free cash flow and embedding financial discipline across the Group.

Tullow expects to deliver growth across its portfolio. In West Africa, the Group has substantial low-cost resources to be developed and produced in Ghana, Gabon, Equatorial Guinea and Côte d'Ivoire. In East Africa, Tullow has two major projects in Uganda and Kenya that have the potential to grow the Group's production by 50%. Tullow has also built an extensive exploration portfolio in both Africa and South America that will test major prospects in proven hydrocarbon basins over the next few years. In addition, Tullow will be in a strong position to take advantage of further investment opportunities as they arise.

Capital returns policy

Reflecting the significant progress the business has made, the Board has decided to establish a capital returns policy that will start from the 2019 financial year. Tullow plans to pay an ordinary dividend based on the Group's free cash flow generation, while ensuring an appropriate balance with debt reduction and investment in our business. It is expected that the ordinary dividend in any year will be no less than \$100 million and will be payable semi-annually, split between the interim and final dividend (1/3:2/3). In periods of particularly strong free cash flow generation, the Board will also look to supplement the ordinary dividend with additional returns to shareholders.

With respect to the 2018 financial year, the Board will review the potential for a one-off ordinary dividend after the year-end financial close.

Cancellation of Tullow's Corporate Credit Facility

Given the strength of the balance sheet the Board has decided to cancel the Group's undrawn \$350 million revolving corporate credit facility (RCF), four months before maturity, to realise cost savings from reduced commitment fees. Following the cancellation of this facility, liquidity headroom of unutilised debt capacity and free cash is expected to be over \$1 billion at the end of 2018, maintaining flexibility for future opportunities.

Tullow farms in to licences in the Comoros

Tullow also announces today that it has agreed with Discover Exploration Ltd to farm into Blocks 35, 36 and 37, offshore the Union of the Comoros ("the Comoros") in the Indian Ocean. Following the completion of this transaction, which requires Government approval, Tullow will operate the three blocks and hold a working interest of 35%. The blocks comprise an area of 16,063 sq km with a gross unrisks resource potential of up to 7 billion barrels of oil. A 3D seismic survey is planned for 2019.

FOR FURTHER INFORMATION CONTACT:

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Tullow Oil plc

Tullow is a leading independent oil & gas, exploration and production group, quoted on the London, Irish and Ghanaian stock exchanges (symbol: TLW). The Group has interests in over 80 exploration and production licences across 16 countries which are managed as three business delivery teams: West Africa, East Africa and New Ventures.

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