Tullow Oil plc

2014 HALF-YEARLY RESULTS

30 July 2014
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INTRODUCTION
AIDAN HEAVEY
Good progress made during 1H 2014

**West Africa**
- Stable Jubilee production – 103,000 bopd
- TEN development on time and on budget
- Onshore discovery at Igongo in Gabon

**East Africa**
- Kenya discoveries support development plans
- MoU signed with Government of Uganda
- Project FID targeted for late 2015/16

**Corporate**
- European asset sales progressing well
- Balance sheet further strengthened
- Strong cash flow maintained
TULLOW OIL PLC – 2014 HALF-YEARLY RESULTS

FINANCE

IAN SPRINGETT
2014 HALF-YEARLY RESULTS

Business and funding strategy

Solid cash flow and well funded balance sheet to execute strategy

Business Strategy

- High Margin Production Cash flow
- Costs & Dividends
- Exploration and Appraisal Fully Funded

Monetisation Options & Portfolio Management

- Selective Development Debt facilities
- Surplus Cash
- Additional Exploration, Cash Distribution

Funding Strategy

Financing Initiatives

- Commercial Bank Facilities
  - $3.5bn RBL
  - $750m RCF ~$500m EFF
  - LC Facility

- Operating Cash Flow
  ~$0.9bn in 1H14

- Debt Capital Markets
  2nd $650 million Corporate Bond issued 1H14

- Portfolio Management
  $2.9bn Uganda farm-down
## 2014 Half-yearly results summary

<table>
<thead>
<tr>
<th></th>
<th>1H 2014</th>
<th>1H 2013</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales revenue</td>
<td>$1,265m</td>
<td>$1,347m</td>
<td>Unchanged from 1H 2013 after adjusting for Bangladesh asset sale and Gabon production deferral</td>
</tr>
<tr>
<td>Gross profit</td>
<td>$673m</td>
<td>$764m</td>
<td></td>
</tr>
<tr>
<td>Administrative Expenses</td>
<td>($120m)</td>
<td>($89m)</td>
<td></td>
</tr>
<tr>
<td>Loss on disposal</td>
<td>($115m)</td>
<td>-</td>
<td>Contingent consideration &amp; licence payment</td>
</tr>
<tr>
<td>Exploration costs written off(^1)</td>
<td>($402m)</td>
<td>($176m)</td>
<td>1H activity – $185m Prior years - $217m</td>
</tr>
<tr>
<td>Operating profit</td>
<td>$36m</td>
<td>$500m</td>
<td></td>
</tr>
<tr>
<td>(Loss)/profit after tax</td>
<td>($95m)</td>
<td>$313m</td>
<td></td>
</tr>
<tr>
<td>Basic earnings per share</td>
<td>(8.3c)</td>
<td>32.2c</td>
<td></td>
</tr>
<tr>
<td>Interim dividend per share</td>
<td>4.0p</td>
<td>4.0p</td>
<td>Unchanged</td>
</tr>
<tr>
<td>Capital investment(^2)</td>
<td>$1,048m</td>
<td>$804m</td>
<td>In line with $2.1 billion forecast for FY 2014</td>
</tr>
<tr>
<td>Cash generated from operations(^3)</td>
<td>$905m</td>
<td>$1,016m</td>
<td>Unchanged as per Sales Revenue above</td>
</tr>
<tr>
<td>Net debt(^4)</td>
<td>$2,802m</td>
<td>$1,729m</td>
<td>Headroom of $2.3 billion at end June</td>
</tr>
</tbody>
</table>

\(^1\) Before tax refunds  
\(^2\) 2013 excludes Spring acquisition and includes Norway capex on an after tax refund basis  
\(^3\) Before working capital movements  
\(^4\) Net debt is cash and cash equivalents less financial liabilities  

Continued solid generation of gross profit and operating cashflow; loss after tax due to increased exploration write-offs and one-off items
2014 HALF-YEARLY RESULTS

Sources and uses of funds

**Cash inflow $1,672m**
- Operating cash flow $728m* (1H 2013:$1,030m*)
- Net loan draw down $944m (1H 2013:$901m)

**Cash outflow $1,613m**
- Cash Capex $1,196m (1H 2013:Capex $847m)
- Acquisitions nil (1H 2013: $393m)
- Other payments $37m (1H 2013 nil)
- Cash tax paid $161m (1H 2013:$291m)
- Finance Costs & fees, & Dividends $219m (1H 2013:$177m)

**Net cash inflow $59m**
- Increase in cash balances

* After working capital,
2014 HALF-YEARLY RESULTS

Debt capital structure has evolved in 1H14

### Debt maturity profile

<table>
<thead>
<tr>
<th>$mm</th>
<th>Commitment size</th>
<th>Maturity</th>
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</thead>
<tbody>
<tr>
<td>RBL</td>
<td>3,500</td>
<td>Dec 2019</td>
</tr>
<tr>
<td>Corporate Facility</td>
<td>750</td>
<td>Apr 2017</td>
</tr>
<tr>
<td>6% Senior Notes</td>
<td>650</td>
<td>Nov 2020</td>
</tr>
<tr>
<td>6¼% Senior Notes</td>
<td>650</td>
<td>Apr 2022</td>
</tr>
<tr>
<td>EFF 1</td>
<td>~500</td>
<td>Dec 2017</td>
</tr>
</tbody>
</table>

### Key metrics

<table>
<thead>
<tr>
<th>$mm</th>
<th>30 June 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>411</td>
</tr>
<tr>
<td>Debt outstanding</td>
<td></td>
</tr>
<tr>
<td>RBL Facilities</td>
<td>1,632</td>
</tr>
<tr>
<td>EFF 1</td>
<td>281</td>
</tr>
<tr>
<td>Corporate Facility</td>
<td></td>
</tr>
<tr>
<td>Senior Notes</td>
<td>1,300</td>
</tr>
<tr>
<td>Total debt</td>
<td>3,213</td>
</tr>
<tr>
<td>Net debt</td>
<td>2,802</td>
</tr>
<tr>
<td>Facility headroom</td>
<td>2,300</td>
</tr>
</tbody>
</table>

- RBL remains core facility (development/producing asset based)
- Corporate Facility (further capacity from resources base)
- Corporate bonds provide diversification of investor base, tenor, structure (unsecured) and pricing (fixed rate)
- LC Facility creates $300m additional headroom

Tullow has access to ~$6.0bn of committed debt facilities with current headroom of $2.3bn and no near term maturities
2014 capital expenditure

$2.1 billion capex for full year 2014

- Ghana: Jubilee Phase 1A & TEN developments ($760m)
- Kenya: Exploration and appraisal drilling ($310m)
- Uganda: Appraisal drilling and development progress towards FID ($200m)
- Other Africa: Maintaining mature production & high impact exploration ($580m)
- ESAA: selected high impact exploration ($220m)
- ESAA: Maintaining mature production ($30m)

1H 2014 capital split:

- 35% Ghana; 90% Africa

Notes:
- i) 2013 Capital Expenditure excludes the Spring acquisition expenditure
- ii) 2013 and 2014 Exploration expenditure is net of Norwegian tax refund
- iii) 2011 Capital Expenditure excludes the Nuon and Ghana EO acquisition expenditure.
2014 HALF-YEARLY RESULTS

Highlights

Financial performance
Strong Revenue and Cash Flow generation from core West African production

Strong balance sheet
Second successful $650m bond issue, re-financing of $750m corporate RCF plus new $300m LC facility

Portfolio management
Sale of non-core European and Asian assets and ongoing TEN farm-down

Investing for the long term
Solid cash flow and well funded balance sheet to execute strategy
TULLOW OIL PLC – 2014 HALF-YEARLY RESULTS

DEVELOPMENT & OPERATIONS

PAUL McDADE
Core West African production on track to meet FY 2014 target

**West African production**
- 1H 2014 actual: 63,900 boepd
- FY 2014 guidance: 64-68,000 boepd

**North Sea production**
- 1H 2014 actual: 14,500 boepd
- FY 2014 guidance: 13-14,000 boepd
  - Pro rated adjustments to guidance will be made once sales complete

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**Ghana – Jubilee field**
- Operated oil production

**West Africa**
- Non-operated oil production

**KENYA**
- South Lokichar Basin
  - Development studies underway; single basin has potential to produce in excess of 100,000 bopd gross.

**UGANDA**
- Lake Albert Rift Basin
  - Basin development targeting over 200,000 bopd gross production.

**GHANA TEN development**
- On track for first oil in mid-2016; FPSO gross capacity of 80,000 bopd.
Ghana projects on track to enhance production and cash flow

- Jubilee production on track to meet 2014 FY production guidance of 100,000 boepd
  - Jubilee 1H 2014 gross production 103,000 bopd
  - Onshore gas processing facility expected online in Q4 2014
  - Production to be increased to FPSO capacity in 2015, subject to gas disposal
- TEN development project on budget and on track to deliver first oil mid-2016
  - $4.9bn budget
  - c.30% project completed; c.50% by year end
  - 8 of 10 wells required at startup drilled
  - Facility oil production capacity of 80k bopd

Developing over 2 billion boe of reserves and resources
2014 HALF-YEARLY RESULTS

West African production generating strong cash flows

- Significant incremental investment activity across non-operated assets
- Strong pre-tax operating cash flow generation across West African portfolio in 1H 2014
  - Pre tax operating cash flow: $916m

West & North Africa pre-tax operating cash flow

- [Bar chart showing pre-tax operating cash flow for FY 2011, FY 2012, FY 2013, and 1H 2014 for different regions.]

Regional business with potential to deliver net 100,000 bopd and generate ~$2.5bn pre-tax operating cashflow

Equatorial Guinea
- Okume Complex infill drilling; 4 wells completed with 6-8 further in 2014-16
- 100% success rate with 4D seismic at Okume to date resulting in new 4D survey over Ceiba/Okume planned 1Q 2015.

Côte d’Ivoire
- Espoir infill drilling commencing 4Q 2014
- 12+ wells to be drilled continuously in 2014-16; 8+ producers and 4 water injectors.
- Strong 2014 Gas Sales

Gabon
- Tchatamba - Marin and South infill; 4 of 6 wells remaining.
- Onal - Maroc Nord Development drilling: in progress with three rigs.
- Echira infill; Infill well program consisting of 2 wells completed Q2 2014.
2014 HALF-YEARLY RESULTS

Progressing oil resources towards development in East Africa

- Full life cycle regional scale E&P business
- Two basins discovered; over 300,000 bopd gross potential
- Large yet-to-find from basin opening campaigns
- GoU, GoK & partners aligned for earliest possible first oil
- Significant progress on Uganda and Kenya upstream developments and export pipeline

World class asset base – early in value cycle
Highlights

Core West African production
Core West African production on track; generating 1H pre tax operating cashflow $916m

TEN development
TEN development mid-2016 first oil on track; building to a 100,000bopd regional business

East Africa progress
Kenya E&A progressing; Uganda & Kenya development studies underway for 2015/16 FID’s

Non-core asset portfolio management
Portfolio management of non-core Asian and North Sea assets on track
TULLOW OIL PLC – 2014 HALF-YEARLY RESULTS

EXPLORATION & APPRAISAL

ANGUS McCOSS
### 2014 HALF-YEARLY RESULTS

**Finding oil in 2014**

<table>
<thead>
<tr>
<th>H1 E&amp;A Outcomes</th>
<th>Commercial Discovery</th>
<th>Technical Discovery</th>
<th>Dry Hole</th>
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<tbody>
<tr>
<td><strong>EAST AFRICA</strong></td>
<td></td>
<td></td>
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<tr>
<td><strong>Exploration</strong></td>
<td>Ewoi-1</td>
<td>Emong-1</td>
<td>Shimela-1</td>
</tr>
<tr>
<td></td>
<td>Amosing-1</td>
<td></td>
<td>Gardim-1</td>
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<tr>
<td></td>
<td>Ekunyuk-1</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Appraisal</strong></td>
<td>Twiga-2A</td>
<td></td>
<td>Agete-2E</td>
</tr>
<tr>
<td></td>
<td>Ngamia-2</td>
<td></td>
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<tr>
<td></td>
<td>Waraga-3</td>
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<td>Rii-2</td>
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<td><strong>WEST AFRICA</strong></td>
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<td><strong>Exploration</strong></td>
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<td>OMOC-601</td>
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<td><strong>NORTH ATLANTIC</strong></td>
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<tr>
<td><strong>Exploration</strong></td>
<td>Hanssen-1</td>
<td>Langlitinden-1</td>
<td>Gotama-1</td>
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<td>Vincent-1</td>
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<td>Lupus-1</td>
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<td>Butch East</td>
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<td>Butch SW</td>
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</tbody>
</table>

- We continue to find our own oil
- Cost-effective feedstock for value creation
- Campaign approach hedges annual variability
- E&A investment managed to maximise value
2014 HALF-YEARLY RESULTS

Campaign approach to finding oil in Africa & the Atlantic

We find oil in Africa & the Atlantic

Value added through finding our own New Oil

Drilling Out Successful Core Plays & Basins

- Campaigns focus delivery
  - High success rates in drill out
  - Feedback to New Ventures
  - Monetise our finds

Testing Frontier Plays & Basins

- Campaigns hedge & phase risks
  - Adapt to geoscience outcomes
  - Adapt to business environment
  - Success every 2-3 years
  - Some tests will fail...

Africa & Atlantic New Frontiers

‘Big Picture’ New Concepts
- Geological databases
- Expertise & knowledge
- Business networks

Retired campaigns - for refocus
- Overly complex / costly
- Sub-economic
- Or simply, no oil there

Slide 21
2014 HALF-YEARLY RESULTS

Balancing investment across the portfolio

We find oil in Africa & the Atlantic

>100 opportunities reviewed p.a. 97% rejected on value basis

Frontier

1. South Atlantic Margins
   - Low cost options give exposure to upside
   - Older turbidites beneath shelf (low cost)

2. Guyanas Margin
   - New oil basin opened in 2011
   - Strong portfolio enables value refocus

3. Central Atlantic Margin
   - New oil play opened in 2014
   - Shift to lower-cost material oil plays

Core

4. East African Rift Basins
   - 10 Bbo STOIIP found in ~40 Bbo potential
   - 2 new oil rift basins opened 2006 & 2012
   - Oil province potential in 12+ basin portfolio

5. North Atlantic Continental Shelf
   - Hoop oil basin opened in Barents Sea
   - Near infrastructure exploration
   - Fiscal incentives encourage exploration

6. West African Margin
   - Discovered 4.6 Bboe in place
   - Near infrastructure exploration
   - Selective wildcats for elusive next Jubilee

2015 E&A Capex Split

~10%

~25%

~65%
Shifts of emphasis within exploration portfolio for value

Past → Present
→ Less complex →

Higher cost / Lower non-technical risk

Ultra deep-water turbidites
Highly overpressured turbidites
Slope turbidites e.g. Jubilee
Ancient carbonate reefs
Shelf clastics
Sub-salt traps
Post-salt traps
Reachable older turbidites
Tilted fault blocks
Old rift basins onshore
Young rift basins onshore

Lower cost / Higher non-technical risk

Uruguay
Ghana
Liberia, Sierra Leone
Guyana
Suriname
Gabon
Namibia
Netherlands
Norway
Mauritania
Guinea
Madagascar
Uganda
Ethiopia
Kenya
Netherlands
Namibia
Liberia, Sierra Leone
Ghana
Guyana
Suriname
Gabon
Namibia
Netherlands
Norway
Mauritania
Guinea
Madagascar
Uganda
Ethiopia
Kenya

Planned Wells in 2014/15
E&A campaign delivery – parallel approach

1. **South Lokichar Basin drill-out, appraisal & testing**
   - Discovery of over 600 mmbo Pmean gross resources
   - Flow tests confirm good productivity
   - 8/9 wildcat wells discover producible oil
   - Emong-1 discovers oil in tight sands
   - Etom-1 drilling and Ekosowan-1 to spud Q4

2. **Basin testing wildcats**
   - Volcanics encountered in Chew Bahr lacustrine basin
   - Kodos-1 to test Kerio Central sub-basin in 2014
   - Epir-1 to test Kerio North sub-basin in 2014
   - Engomo-1 to test Turkana NW sub-basin in 2014
   - 2015 activity: five more sub-basins to be tested

**Kenya – Ethiopia: World-class oil province potential**

Eight new sub-basins to be tested in 18 months
2014 HALF-YEARLY RESULTS

Near infrastructure & Frontier opportunities in North Atlantic

Barents Sea - Frontier
- Major oil finds continue at Wisting prospect cluster
- Hassel & Bjaaland target cluster potential up to 500 mmbo

Norwegian Sea - Near Infrastructure
- Zumba - Upper Jurassic exciting new syn-rift play
- Hagar - Upper Jurassic structural play

North Sea - Near Infrastructure
- Heimdalshø - drilling Upper Jurassic structural play
- Rovarkula - Middle & Upper Jurassic structural play
2014 HALF-YEARLY RESULTS

West African near-field exploration in producing heartlands

Frontier exploration in producing heartlands
- Pre-salt oil play being tested offshore
- Sandstone reservoirs targeted; age equivalent to Brazil/Angola pre-salt carbonate play
- Sputnik to spud imminently - 206 mmbo (gross unrisked mean), 427 mmbo (P10), CoS 27%
- Further prospects & leads identified with gross mean risked resources > 330 mmbo

Oil field & production plateau extensions
- Numerous near-field & near-infrastructure exploration & appraisal prospects in Ghana, Gabon (e.g. Igongo), Equatorial Guinea, Côte d’Ivoire, Congo B
- High value & cost effective incremental projects for rapid tie back & oil production

Utilising proprietary knowledge & technology for maximum value extraction
Highlights

Good progress year to date

Successful Exploration & Appraisal outcomes in first half of 2014, continuing to add value to portfolio

Campaign approach

Campaign approach hedges annual variability, phases risk & focuses delivery

Shift of emphasis

Investment in successful onshore campaigns and lower complexity offshore wells to maximise value

More to come in 2014+

Three basin opening wildcats in Kenya, Sputnik well in Gabon & multiple wells in Norway
Delivering on our strategy

- Material cash flow generation and development upside from West Africa
- New oil province potential in East Africa delivering significant future resource growth
- Industry leading exploration portfolio in Africa and Atlantic Margins
- Strong balance sheet provides foundations to deliver long term value to shareholders
TULLOW OIL PLC – 2014 HALF-YEARLY RESULTS

APPENDIX
## 2014 Half-Yearly Results

### Net Income 1H 2014 v 1H 2013

<table>
<thead>
<tr>
<th></th>
<th>1H 2013</th>
<th>Price</th>
<th>Volume</th>
<th>Operating Costs</th>
<th>Other Costs (*Other Cash Costs)</th>
<th>Exploration Write-offs</th>
<th>Net Finance</th>
<th>Tax</th>
<th>Loss on Disposal</th>
<th>1H 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>$m</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Income</td>
<td>313</td>
<td>2</td>
<td>84</td>
<td>43</td>
<td>27*</td>
<td>226</td>
<td>53</td>
<td>107</td>
<td>115</td>
<td>95</td>
</tr>
</tbody>
</table>

*Other cash costs* include fields exploration, write-offs, net finance, and loss on disposal.
TULLOW OIL PLC – 2014 HALF-YEARLY RESULTS

APPENDIX
DEVELOPMENT & OPERATIONS
### 2014 HALF-YEARLY RESULTS

#### Potential to increase Jubilee FPSO capacity

**FPSO capacity improvements**

<table>
<thead>
<tr>
<th></th>
<th>Work completed</th>
<th>Work in progress</th>
<th>Work outstanding</th>
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<tbody>
<tr>
<td><strong>Oil optimisation</strong></td>
<td>Run down improvements</td>
<td>Run down improvements</td>
<td>Pumps and</td>
</tr>
<tr>
<td></td>
<td>Cooling optimisation</td>
<td>Cooling modifications</td>
<td>exchangers</td>
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<tr>
<td><strong>Gas compression</strong></td>
<td>Debottlenecking</td>
<td>Rewheeling</td>
<td>Upgrading power</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Dehydration optimisation</td>
<td>capacity</td>
</tr>
<tr>
<td><strong>Water injection</strong></td>
<td></td>
<td>Scale unit by-pass</td>
<td></td>
</tr>
</tbody>
</table>

- **Current oil capacity**
  - Constrained by gas export infrastructure
  - On track to deliver 100,000 bopd in 2014

- **FPSO capacity is being upgraded**
  - FPSO tested at maximum 126,000 bopd
  - On completion of FPSO debottlenecking, oil capacity of c.140,000 bopd
  - Gas capacity being increased from 160 mmscf to c.180 mmscf

- **Good reservoir management will determine long term production potential**

**Near term opportunities to increase long-term FPSO capacity**

**CAPACITY POTENTIAL**

- **Oil**
  - 125 kbopd
  - 135 kbopd
  - 140 kbopd

- **Gas**
  - 160 mmscf
  - 170 mmscd
  - 180 mmscf

**JUBILEE OIL & GAS**

- Potential Resources: 1,000 mmbbl
- Reserves: 650 mmbbl
- Production: 100,000 bopd
- 10% of Ghana's oil production

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*Slide 33*
Visible future growth – TEN development overview

Base development case
- 300 mmboe reserves being developed
- 24 well development
- Gross development capex of $4.9 billion
- Leased FPSO, capacity of 80,000 bopd

Mid-2016 start up
- 10 wells on stream at start up; 7 drilled to date
- Plateau production reached by end 2016
- c.$4 billion capex spent by First Oil

Post start up
- Drill and complete remaining 14 wells by 2018
- Initiate export of gas by mid-2017
- Focus on delivering upside resources

Well results to date underpin confidence in resource estimates
Visible future growth - TEN Project on track

### Execution schedule with strategic milestones

<table>
<thead>
<tr>
<th>ACTIVITY</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q1</td>
<td>Q2</td>
<td>Q3</td>
<td>Q4</td>
</tr>
<tr>
<td>General Milestones</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Drilling &amp; Completion</td>
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<tr>
<td>FPSO Engineering</td>
<td></td>
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<tr>
<td>FPSO Procurement</td>
<td></td>
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</tr>
<tr>
<td>FPSO Construction</td>
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<td>FPSO Installation</td>
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<td>Hook-up &amp; Commission.</td>
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<tr>
<td>Operations</td>
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</tbody>
</table>

- Over 2 million man-hours worked to date
- Major contracts awarded to ‘world-class’ contractors with West Africa experience
- Tullow delivery teams staffed and in place
- All permits in place for installation works, beginning in 2015
- Project progress to date on track; expect progress to be c.50% by end of 2014

Project remains on schedule and within budget
Material portfolio of high margin resources

High margin oil fields give broad technical base with potential to drive future value growth

Influencing non-operated activities

Learning from and challenging operators to transfer knowledge across West Africa portfolio

Track record of sustaining production

Selective high quality investment opportunities enable sustained production

Stakeholder management

Strong in-country relationships to ensure alignment with host Governments
• Good technical work has delivered investment opportunities
• High return investments compete strongly for capital within Tullow’s portfolio
• Medium term investment plans sanctioned and under way

High value incremental investments can sustain net production around 30,000 boepd to 2020+

Non-operated West Africa net production profile

WEST AFRICA

Mauritania

Côte d'Ivoire

Eq. Guinea

Gabon

Congo (Brazzaville)

Atlantic Ocean

21 production licences
Over 800 active wells
Non-operated case study: Gabon

- High value infill drilling has offset decline
- Tullow technical influence impacting Operator decisions
- Sputnik, pre-salt exploration opportunity, offers material upside potential in 2014

Gabon net production profile

Gabon net capex profile

- Strong reserves replacement can sustain net production >13,000 boepd, with exploration upside

Wells per Year: c.55
Reserve Replacement (last 4 years): 161%
Average payback per well (years): 0.57
Non-operated case study: Equatorial Guinea

• Use of 4D seismic data to optimise infill drilling
  - First iteration in 2010 (learning ahead of use at Jubilee & TEN)
  - Next campaign planned for late 2014/15 (Ceiba)

• Outstanding results achieved on Ceiba
  - Initial 20,000 bopd gross flow rate from recent infill wells

• Ongoing drilling activity on Okume Complex
  - 10 well programme under way
  - 4 future wells on Elon, dependent on 4D data processing

4D seismic enabling previously unseen oil to be developed
2014 HALF-YEARLY RESULTS

East Africa Business highlights

- Full life cycle regional scale E&P business
- Two basins discovered with over 300,000 bopd potential
- Large yet-to-find upside from basin opening exploration campaign
- Governments and partners aligned for earliest possible first oil
- Good progress on Uganda and Kenya developments including pipeline

East Africa Business

- 3 Countries
- 9 Licences
- 10+ Years experience
- 90,000 Sq Km Acreage
- 2.3 Bbo Discovered Resources (Gross)
- 1 to 5 Bbo Risked Yet to Find Resources (gross)
Uganda – development status

Project definition being finalised

- Appraisal programme completed
- Development costs reduced by 30%
- Kingfisher PL awarded, all EA2 Field Development plans submitted to GoU, remaining EA1 plans to be submitted between June and December 2014.
- Enhanced oil recovery (EOR) being worked

MoU underpins basis of development

- MoU provides agreement on export pipeline and local refinery initially 30,000 bopd
- Regional export pipeline being progressed.

Focus on enhancing project value and regional synergies
2014 HALF-YEARLY RESULTS

Uganda development optimisation and Capex savings

- Development optimisation and Capex reduction programme in 2013/14
- Capex reduced from c.$11bn to c.$8bn
  - Tullow’s c.$6/bbl competitive with benchmarks
- Further Capex reductions targeted
- 60% of life of project Capex pre first oil
  - Tullow’s share $1.6 bn at current equity

Capex reductions
- Wells executed to standardised repeatable designs
- Well designs minimise pad numbers
- Purpose built rigs and pads minimise drilling, completion and rig move times
- Facilities costs reduced by redesign of process, reduction in flowline lengths & sharing of facilities

Further Capex reductions targeted

$3bn Capex cost reduction

- 9% Reduction in Well & Pad Costs
- 4% Reduction in Facilities Capex
- 16% Reduction in Well & Pad Numbers

Onshore Capex per boe benchmark study

- Other onshore African basins

Source: Woodmac
2014 HALF-YEARLY RESULTS

Shortening appraisal timelines in Kenya

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</table>

Kenya and Uganda FID can be delivered together by mid-2016
Focus on driving down Kenya well costs

Since 2004

- 104 exploration and appraisal wells & sidetracks - 77 as operator
- 40 wells tested both production & injection
- 57,700 sq km of FTG surveys – all as operator
- 12,362 km 2D seismic & 2,152 sq km 3D seismic

Significant savings based on experience

- Transferring learnings on well design and execution across region
- Driving down exploration drilling costs & further reductions targeted
- Reducing rig move time and cost

Tullow most experienced explorer of Tertiary Rift Basins in Africa

Kenya well costs

*Total well cost (excl. Rig move and site preparation)
Exploring Kenya & Ethiopia’s significant resource potential

The following basins will be tested in 2014/2015

<table>
<thead>
<tr>
<th>Basin</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>North Kerio Basin: Kodos</td>
<td>3Q 2014</td>
</tr>
<tr>
<td>Turkana Central Basin: Epir</td>
<td>3Q 2014</td>
</tr>
<tr>
<td>Turkana North Basin: Engomo</td>
<td>4Q 2014</td>
</tr>
<tr>
<td>North Lokichar Basin</td>
<td>1H 2015</td>
</tr>
<tr>
<td>Kerio Valley Basin</td>
<td>1H 2015</td>
</tr>
<tr>
<td>Nyanza Trough</td>
<td>2H 2015</td>
</tr>
<tr>
<td>Kerio South Basin</td>
<td>2H 2015</td>
</tr>
<tr>
<td>South Omo Basin</td>
<td>2H 2015</td>
</tr>
</tbody>
</table>

Eight basin opening wells to be drilled by end of 2015
Explore, appraise and develop simultaneously

- Exploration and appraisal drill out by end 2015
  - 600 mmbo Pmean gross resources discovered to date
- Appraisal Area of Interest (AOI) established
- Extended well tests being planned
- Development plan for discovered resources by end 2015
  - Targeting c.100,000 bopd gross
- Social & environmental baseline surveys under way
- Parallel basin opening exploration campaign
  - Potential for subsequent development phases

Shortening timeline to first oil

- Government aligned on early first oil ambitions
- Leveraging Uganda experience to accelerate activities
- Targeting end 2015/2016 FID

Rapid progress being made towards commercialisation
East Africa regional crude oil export pipelines

- Regional pipeline agreed
  - Governments across region supportive

- Significant progress on technical design
  - Routing and environmental screening completed
  - Conceptual design studies completed
    - Buried pipeline
    - Flow assurance heating technology identified
    - Offshore loading system concept designs complete
  - Pre-FEED substantially progressed
  - Current costs estimated at c.$4.5 bn

- Structuring of pipeline companies being addressed
  - Tariffs and commercial structures being progressed

Export pipelines will unlock value of regions oil
TULLOW OIL PLC – 2014 HALF-YEARLY RESULTS

APPENDIX
EXPLORATION & APPRAISAL
2014 HALF-YEARLY RESULTS

2014 Exploration and Appraisal activities

Seismic Key
- Acquisition
- Processing/Re-processing
† Multi client survey

Drilling Key
- Offshore
- Onshore

Netherlands - 1 well
- Vincent (E11-1)

Mauritania - 2 wells
- Fregate-1
- Tapendar-1
- 1,950 km 2D
- 2,500 sq km 3D PSDM
- 2,000 sq km 3D PSDM
- 150 km 2D PSTM

Kenya - 8 wells
- Amosing-1
- Ewoi-1
- Emong-1
- Etuko-2 & DST
- Ngamia-2
- Ekunyuk
- Agete-2
- 822 km 2D
- 1,036 sq km 3D
- 225 sq km 3D PSTM

Gabon - 2 wells
- OMOC-601
- Igongo-1
- 1,500 sq km 3D PSTM
- 500 km 2D PSTM

Suriname
- 1,285 sq km 3D PSTM

Uganda - 2 wells
- Waraga-3
- Rii-2
- 106 sq km 3D
- 200 sq km 3D PSTM

Ghana - 1 well
- J-24 LM3
- 1,730 sq km 3D PSTM

Ethiopia - 2 wells
- Shimele-1
- Gardim-1

Kenya
- Gardim-1
- Shimela-1

Netherlands
- 2D PSTM
- 3D PSTM
- 822 km 2D

Mauritania
- Tapendar-1
- 1,950 km 2D
- 2,500 sq km 3D PSDM
- 2,000 sq km 3D PSDM
- 150 km 2D PSTM

Nigeria
- 2D PSTM
- 3D PSTM
- 950 km 2D

Uganda
- Rii-2
- 106 sq km 3D

Norway
- 6 wells
- Langlitinden (7222/11-2)
- Hanssen (7324/7-2)
- Butch East & ST (8/10-5)
- Butch SW (8/10-6)
- Gotama (31/2-21)
- Lupus (31/10-1)
- 950 km 2D
- 8,666 sq km 3D
- 3,520 sq km 3D PSTM
- 4,000 sq km 3D PSTM

Suriname
- 1,285 sq km 3D PSTM

Uganda
- 2 wells
- Rii-2
- 106 sq km 3D

Netherlands
- Vincent (E11-1)

Mauritania
- 2 wells
- Fregate-1
- Tapendar-1
- 1,950 km 2D
- 2,500 sq km 3D PSDM
- 2,000 sq km 3D PSDM
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Kenya
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- Shimela-1

Netherlands
- Vincent (E11-1)

Mauritania
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- Tapendar-1
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Uganda
- Waraga-3
- Rii-2
- Waraga-3
- Rii-2
- 106 sq km 3D

Ghana
- J-24 LM3
- 1,730 sq km 3D PSTM

Ethiopia
- Gardim-1
- Shimela-1

Netherlands
- 2D PSTM
- 3D PSTM
- 950 km 2D

Mauritania
- Tapendar-1
- 1,950 km 2D
- 2,500 sq km 3D PSDM
- 2,000 sq km 3D PSDM
- 150 km 2D PSTM

Kenya
- Gardim-1
- Shimela-1

Netherlands
- Vincent (E11-1)

Mauritania
- Fregate-1
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- Gardim-1

Uganda
- Waraga-3
- Rii-2
- Waraga-3
- Rii-2
- 106 sq km 3D

Ghana
- J-24 LM3
- 1,730 sq km 3D PSTM

Ethiopia
- Gardim-1
- Shimela-1
### 18 month Exploration and Appraisal programme

<table>
<thead>
<tr>
<th>Country</th>
<th>Block</th>
<th>Prospect/Well</th>
<th>Interest</th>
<th>Gross Mean</th>
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<tbody>
<tr>
<td><strong>WEST &amp; NORTH AFRICA</strong></td>
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<tr>
<td>Gabon</td>
<td>Arouwe</td>
<td>Sputnik-1</td>
<td>35%</td>
<td>206</td>
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<tr>
<td>Mauritania</td>
<td>C-10</td>
<td>Kibaro/Lamina</td>
<td>59.15% (op)</td>
<td>67 / 85</td>
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<tr>
<td>Ghana</td>
<td>DW Tano</td>
<td>Wawa-2A</td>
<td>49.95% (op)</td>
<td>28</td>
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<tr>
<td>Guinea</td>
<td>Guinea Offshore</td>
<td>Fatala</td>
<td>40% (op)</td>
<td>373</td>
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</table>

In addition to our planned exploration wells, Tullow’s exploratory appraisal drilling in Gabon has a very good track record of replacing reserves and sustaining production. We expect these exploration wells to add to the success of the 2013 appraisal programme.

The Mauritania exploration programme continues with the drilling of Kibaro or Lamina on the shelf area of Block C-10 in 2015.

3D seismic acquired, processed & interpreted over deep water turbiditic Fatala and Sylli prospects. Fatala is estimated to spud between late 2014 and mid 2015, with significant follow-up prospectivity identified. Once the current issues regarding the licence that were detailed in March 2014 have been resolved a more specific spud date will be confirmed.
### 2014 HALF-YEARLY RESULTS

**18 month Exploration and Appraisal programme**

<table>
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<tr>
<th>Country</th>
<th>Block</th>
<th>Prospect/Well</th>
<th>Interest</th>
<th>Gross Mean</th>
<th>Net Mean</th>
<th>Spud Date</th>
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<td>Ekales appraisal</td>
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<td>10BA</td>
<td>Engomo (formally Kiboko)</td>
<td>50% (op)</td>
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<td>North Turkana Basin well</td>
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<td>24</td>
<td>1H 2015</td>
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<td>Kenya</td>
<td>10BB</td>
<td>Amosing-2</td>
<td>50% (op)</td>
<td>13</td>
<td>5</td>
<td>In Progress</td>
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<td>Kodos</td>
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<td>South Kerio Basin well</td>
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<td>118</td>
<td>59</td>
<td>1H 2015</td>
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<td>Q4 2014 - Q1 2015</td>
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<td>12A</td>
<td>Lead 12A-1</td>
<td>65% (op)</td>
<td>41</td>
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<td>1H 2015</td>
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<td>12B</td>
<td>Ahero Lead A</td>
<td>50% (op)</td>
<td>44</td>
<td>22</td>
<td>2H 2015</td>
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| Madagascar    | Block 3111 | Berenty | 100%* (op) | 84 | 84 | 1H 2015 |

With over 120 leads and prospects across multiple basins there is significant prospectivity and follow-up potential in this pioneering campaign that has the potential to open up a significant new oil province in East Africa.

| Madagascar    | Block 3111 | Berenty | 100%* (op) | 84 | 84 | 1H 2015 |

2D seismic acquired, processed & interpreted - further seismic being shot in 2014 with Berenty well planned to spud 1H 2015.

*- Tullow has agreed to farm-out 35% to OMV, subject to various approvals being obtained.
## 18 month Exploration and Appraisal programme

<table>
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<tr>
<th>Country</th>
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<th>Gross Mean</th>
<th>Net Mean</th>
<th>Spud Date</th>
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<td><strong>EUROPE, SOUTH AMERICA &amp; ASIA</strong></td>
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<tr>
<td>PL 494</td>
<td>Heimdalshø</td>
<td>15%</td>
<td>140</td>
<td>21</td>
<td>In progress</td>
<td></td>
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<tr>
<td>PL 591</td>
<td>Zumba</td>
<td>80% (op)</td>
<td>254</td>
<td>203</td>
<td>1H 2015</td>
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<td>PL 642</td>
<td>Hagar</td>
<td>20%</td>
<td>491</td>
<td>98</td>
<td>1H 2015</td>
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<tr>
<td>PL 537</td>
<td>Hassel (Wisting East N)</td>
<td>20%</td>
<td>97</td>
<td>17</td>
<td>1H 2015</td>
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<tr>
<td>PL 537</td>
<td>Bjaaland (Wisting East South)</td>
<td>20%</td>
<td>147</td>
<td>29</td>
<td>1H 2015</td>
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<tr>
<td>PL 626</td>
<td>Rovarkula</td>
<td>30%</td>
<td>36</td>
<td>11</td>
<td>1H 2015</td>
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<td><strong>Suriname</strong></td>
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<tr>
<td>Block 31</td>
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<td>30%</td>
<td>246</td>
<td>62</td>
<td>1H 2015</td>
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</tr>
<tr>
<td>Block 47</td>
<td>Goliathberg-Voltzberg South</td>
<td>100% (op)</td>
<td>287</td>
<td>287</td>
<td>2H 2015</td>
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</tbody>
</table>

Our exploration inventory and campaigns in Norway will continue to be built up through the years ahead, far beyond this current 18 month programme. Tullow’s exciting Barents Sea frontier acreage provides transformational new exploration opportunities for opening and extending new plays particularly after the Wisting light oil discovery in 2013. Our Norwegian Sea and northern North Sea acreage has multiple proven and new plays and prospects close to existing infrastructure for quick monetisation.

3D seismic acquired, processed & interpreted over deep water turbiditic Goliathberg and other prospects in Block 47 with farm-down ongoing, and shallow water turbiditic leads and prospects in Block 31.
2014 HALF-YEARLY RESULTS

Exploring for high value oil

Oil finding principles

• Focus on finding high value producible light oil
• Oil is multiples more valuable than gas
• Oil is easier to commercialise

Oil finding approach

• Oil finding focus applied across business
• Geophysically, oil harder to find than gas
• Proprietary technologies & know-how
• Scientific method: idea - test - feedback

Top quartile returns from oil discoveries

Higher profitability associated with higher oil reserve mix

2014 HALF-YEARLY RESULTS

How we explore: our process works

Exploration Business Development Maintains Hopper Levels

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<th>Fit to strategy</th>
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<td>Oil in Africa &amp; Atlantic</td>
<td>Campaigns: 3 Core 3 Frontier</td>
<td>6.6 Bbo Risked upside*</td>
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<td>400 Leads &amp; Prospects</td>
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Materiality

- 40 Senior E&A experts

Profitability

- 155 Prospectors

Chance

- 90 Drill Worthy Prospects

Basin potential

- 15 Global Exploration Leadership Team (GELT)

Play scope

- 40 Drill Ready Prospects

Prospect quality

- 15 Executive Committee

Materiality

- Planning Forum

Prospect P10 vol

- Non-technical opportunities & risks

Well cost & complexity

- 100s Operational Delivery

Business case

- Pioneering Operations

Corporate risk

- SSEA

Funding

- Safety

Efficiency/Effectiveness

- Social Performance

High Value Commercial Oil Discoveries

Risked upside* Monte Carlo simulation of Prospect & Lead Inventory (P10 = 4.3 Bbo) within full potential of plays & basins (6.6 Bbo)
2014 HALF-YEARLY RESULTS

Cost efficient exploration $3.3/boe (2007-2013)

3 core campaigns < $3.3/boe
- East African Rift Basins $1.95/boe
  - Investing in a major winner
- West African Margin $3.2/boe
  - Pioneering done, return to Jubilee NFE
- North Atlantic Margin $2.25/boe
  - Capital efficient commercial plays

3 frontier campaigns > $3.3/boe
- Guyanas Margin
  - Flat-lined at Zaedyus. Suriname kick?
- Central Atlantic Margin
  - Proven oil basin, shift to low cost plays
- South Atlantic Margin
  - Entry positions near Angola/Brazil
2014 HALF-YEARLY RESULTS

Net contingent resource additions from E&A

- 200mmboe / year, steady average performance
- Strong run of success in Uganda & Ghana
- New basins campaigns deliver continuity
- Low cost Kenya & Norway extend the trends
- 60% from onshore, 40% from offshore
- Finding cycles; short onshore, long offshore

Success in new basin opening exploration strategy has led to good prospects for lower finding costs

Uganda at original equities, no uplift from Heritage acquisition
2014 HALF-YEARLY RESULTS

Kenya overview: volumes, maps & cross-sections
2014 HALF-YEARLY RESULTS

Kenya exploration in 2014

Three basin opening wells in 2H 2014
Targeting the elusive upside of the Jubilee play

- Regional geology points to turbidite sands deposited by an ancient delta of the Niger River
- Potential scale of opportunity on a par with Ghana
- Fatala selected for drilling; 373 mmbo (gross unrisked mean), 974 mmbo (P10), CoS 20%
- Further prospects & leads identified; total gross mean risked resources > 350mmbo
Mauritania deepwater turbidites (1st phase)
- Fregate-1 discovers over 30m light oil & condensate
- Commercialisation options under review (high costs)
- Follow-up potential of new oil play being high-graded
- Campaign break to integrate data

Mauritania shelf plays (2nd phase)
- Cost effective exploration shifts inboard
- Rifted margin & carbonate plays
- Kibaro prospect; 67 mmbo (gross unrisked mean), 150 mmbo (P10), CoS 24%
- Further prospects & leads identified with gross mean risked resources > 1 Bbo
Namibia reachable turbidites
- Older turbidites beneath shelf (low cost)
- Oil system established by Wingat-1 (HRT)
- New 3D survey highlights 2015 prospect
- Albatross prospect; 422 mmbo (gross unrisked mean), 1093 mmbo (P10), CoS 17%
- Further prospects & leads identified with gross mean risked resources > 150 mmbo

Guyanas Margin
- Significant oil charge proven by Zaedyus-1 (72 m pay)
- Industry interest continues to ramp-up
- Commanding acreage spread with play diversity
- Equity being managed to mitigate exposures
- Goliathberg operated prospect in Suriname; 287 mmbo (gross unrisked mean), 788 mmbo (P10), CoS 20%
- Further prospects & leads identified with gross mean risked resources > 716 mmbo
2014 HALF-YEARLY RESULTS

Guyanas: extensive “Jubilee play” potential plus upside plays

- Non-operated E&A lacks success after Zaedyus-1, turns to de-risked oil plays and new attractive lower geo-pressured prospects on Eastern Slope
- Regional campaign shifts to operated Suriname venture & to lower-cost shallower plays in proven oil basin