

Tullow Oil plc

2013

INTERIM MANAGEMENT STATEMENT

13 November 2013





News Release

Interim Management Statement

13 November 2013 – Tullow Oil plc (Tullow) issues the following Interim Management Statement, for the period 1 July to 13 November 2013, in accordance with reporting requirements of the EU Transparency Directive. The Group will announce its full year Trading Statement and Operational Update on 15 January 2014. Full year results will be announced on 12 February 2014.

Highlights

Exploration and Appraisal

- Wisting Central light oil discovery opens new basin in the Barents Sea offshore Norway
- Ekales-1, the fourth consecutive discovery in Northern Kenya, continues to build resource base
- Material upcoming drilling campaigns in Kenya, Ethiopia, Mauritania, Norway and Guinea

Production and Development

- Strong production across the group, on track to deliver 84,000 to 88,000 boepd for the full year
- Jubilee field on track to deliver average 2013 production of around 100,000 bopd
- TEN development project under way with the key contracts now awarded to deliver first oil in mid-2016
- Good progress is being made by the Kenyan and Ugandan Governments to develop oil infrastructure

Financial and Portfolio Management

- Successfully completed a \$650 million 7-year senior notes offering with a 6% coupon
- Asian asset sales agreed with completion expected over the coming months
- TEN farm-down continues to make progress with bids expected later this month
- Southern North Sea sales process ongoing and being amended to facilitate a multiple asset disposal

Operational update

WEST & NORTH AFRICA

Ghana

The first planned maintenance shutdown on the Jubilee FPSO Kwame Nkrumah was successfully completed ahead of schedule in late September 2013. Optimisation of the gas handling capacity on the FPSO continues and a third gas injection well is now on line to offset the delay in the gas export infrastructure which is now expected in the second half of 2014. Phase 1A development drilling has continued to add well capacity which is now in excess of 150,000 bopd. Jubilee gross field production is expected to average around 100,000 bopd for the full year with an exit rate in excess of 120,000 bopd, subject to completion of the gas optimisation works. The Akasa-2A appraisal well was drilled during the period and successfully tested the down-dip extent of the Akasa accumulation, the partnership continues to look at development options for Mahogany, Teak and Akasa in the West Cape Three Points licence.

The Tweneboa, Enyenra and Ntomme (TEN) development project, Tullow's second operated deepwater development in Ghana, is making significant progress with all key contracts now awarded. In October 2013, the Centennial Jewel trading tanker arrived in the Jurong Shipyard in Singapore, where it will begin its conversion into the TEN FPSO.

Mauritania

The first well in our exploration campaign to drill new, deeper plays in the offshore Mauritanian basin commenced at the end of August 2013. The first well, Frégate, in the C-7 licence is expected to reach total depth in December 2013. The rig is then expected to move to the C10 and C6 blocks where it will drill the Tapendar and Sidewinder prospects respectively.

Following the declaration of commerciality for the Banda field in November 2012, a Field Development Plan has now been approved by the Government to supply gas from the Banda field to a new local power station. Significant progress is being made with the Government, its partners and the World Bank to agree the commercial contracts required to sanction the full project.

Rest of the region

Production performance elsewhere in West & North Africa is in line with expectations with strong production from the Espoir field in Côte d'Ivoire and the Ceiba and Okume fields in Equatorial Guinea.

In the CI-103 exploration block in Côte d'Ivoire, the Paon-2A appraisal well commenced drilling on 24 October 2013. In Guinea, a 4,000 sq km 3D survey has been acquired and the Fatala prospect (formerly named Eos) has been selected for drilling in early-2014. In Gabon, the Crabe exploration well (KCM-1) in the Kiarsseny Marine licence was completed in October 2013 and has been plugged and abandoned as a dry hole. The rig has now moved to drill the Perroquet well (KPM-1), also in the Kiarsseny Marine block. Tullow's licence in Senegal has been relinquished and we have exited the country.

SOUTH & EAST AFRICA

Kenya & Ethiopia

Tullow has continued its exploration programme in Kenya and the Group made its fourth consecutive wildcat discovery with the Ekales-1 well in October 2013. The Agete exploration well, which plans to extend the play northwards from the Twiga discovery, is currently being drilled with results expected at the end of November 2013. The Amosing exploration well, south of Ngamia-1, and the Etuko-1 well test are both scheduled to commence later this month.

All operations in Block 10BB and Block 13T in Northern Kenya were temporarily suspended on 28 October 2013 as a precautionary measure following demonstrations by local people. Operations resumed on 8 November 2013 after successful discussions relating to the operating environment with central and regional government and local community leaders. These discussions led to the signing of a Memorandum of Understanding which clearly lays out a plan for the Government of Kenya, county government, local communities in Northern Kenya and Tullow to work together inclusively over the long-term and to ensure that operations can continue without disruption in the future.

In Ethiopia, the Tultule-1 well is currently being drilled in the Omo basin and a result is expected by the end of November.

Uganda

In the Lake Albert Rift Basin, a busy work programme continues with 12 appraisal wells and three flow tests successfully completed over the period in support of the development plan. In September 2013, the Government of Uganda awarded the Kingfisher Production Licence to the partners, a further step towards commercialisation of the basin resources. During the period, the Governments of Uganda, Kenya and Rwanda jointly announced that they would work together on several infrastructure projects which include development of a refinery, crude oil export and petroleum product pipelines. The Government of Kenya will coordinate the development of the crude oil export.

Following Tullow's successful court action against Heritage Oil and Gas Ltd, and Heritage Oil plc (together 'Heritage'), Tullow received payment of \$345.8 million in August 2013. On 20 September 2013, the Court of Appeal granted Heritage permission to appeal the judgment with the appeal hearing expected to take place in May 2014.

Rest of the region

In Area 2, offshore Mozambique, the Cachalote-1 well and sidetrack discovered 38 metres of gas bearing sandstone in the upper target. The Buzio well was also drilled during the period but failed to encounter hydrocarbons.

In October 2013, Tullow completed the farm-in to Namibia Licence EL 0037 taking over Operatorship from Pancontinental.

EUROPE, SOUTH AMERICA & ASIA

Europe

Production in Europe has been in line with expectations. Production for the remainder of the year will be supplemented by the Schooner-11 well which was successfully drilled over the period and came on stream at 35 mmscfd at the end of October 2013.

In the Netherlands, the Tullow-operated Vincent exploration well commenced drilling on 20 October 2013, with a result expected around year end.

In Norway, Tullow commenced a high-impact exploration programme with the drilling of Wisting Central. In early September 2013, the well made a play opening light oil discovery in the Hoop-Maud Basin in the Barents Sea. The discovery will be appraised in 2014 and significantly de-risks similar shallow prospects in the licence.

In late October 2013, drilling of the Wisting Alternative well was completed targeting a deeper unrelated formation to the previous success at Wisting Central. The well has been plugged and abandoned after encountering oil shows in poor quality reservoir rock.

The high-impact exploration programme continues with Tullow's first operated well in Norway at Mantra due to commence later this month.

South America

In French Guiana, the fourth and final well in the drilling programme, GM-ES-5 commenced on 9 August 2013. The well has been drilled into the water leg of the Zaedyus-1 oil pool to determine the oil-water contact. The well has reached total depth and evaluation operations are ongoing.

During the period, Tullow has been awarded a 50% interest in Block 54 jointly with Statoil offshore Suriname and has acquired a 30% equity stake in Block 31.

In early August 2013, Tullow reached agreement with Repsol to secure a 30% interest in the newly defined Kanuku Block offshore Guyana and final Government approval is anticipated shortly.

Asia

In Bangladesh, workovers on two wells on the Bangora field were completed enabling production to be increased from 85 to over 110 mmsfcd plus 340 barrels of condensate per day. Development work to extend the life of the Bangora field is ongoing with new compressors being prepared for installation.

Financial and Portfolio Management update

Year to date financials are in line with expectations. Forecast capital expenditure for 2013 remains in the region of US\$2.0 billion. As of 11 November 2013, net debt is approximately US\$1.8 billion and unutilised debt capacity is approximately US\$2.5 billion. On 6 November 2013, Tullow completed an offering of \$650 million of 6% senior notes due in 2020 having originally offered \$500 million. The net proceeds have been used to repay existing indebtedness under the Company's credit facilities but not cancel commitments under such facilities. Tullow's inaugural bond issue enabled us to diversify our debt capital structure with new global fixed income investors.

With respect to the Group's portfolio management activity, the Bangladesh asset sale is awaiting Government and regulatory approval which is expected before year end. On 11 October 2013, Tullow signed a Sales and Purchase agreement with Ocean Pakistan Limited, a part of the Hashoo Group, for the sale of Tullow's 100% owned Pakistan subsidiary (TPDL). Government and regulatory approval has been requested and is expected early in 2014. The Southern North Sea asset sale is being restructured and sales of parts of this portfolio will occur over the coming 18 months. Following the receipt of initial bids, it became clear that the sales strategy needed to be adjusted to reflect current market conditions and to ensure that Tullow receives appropriate value from assets that are performing well with strong cash flows and have further exploration upside. The process to farm down Tullow's interest in the TEN Development, for a development carry, is progressing well with bids expected to be submitted by the end of this month.

Outlook

Tullow is making good progress across its main areas of operations. Our high-risk, high-impact exploration campaigns have delivered significant successes in Kenya and Norway and we have a number of material well results due in the coming months. Tullow remains confident that it will add 200 million boe to its resources this year - as it has averaged annually for the past six years - and exit 2013 with oil production at record levels. Our high impact, basin opening exploration campaigns will continue in 2014, and with wells in Kenya, Mauritania, Norway, Ethiopia and Guinea planned for the first half, there is much to look forward to.

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Notes to Editors

Tullow is a leading independent oil & gas, exploration and production group, quoted on the London, Irish and Ghanaian stock exchanges (symbol: TLW) and is a constituent of the FTSE 100 Index. The Group has interests in over 150 exploration and production licences across 25 countries which are managed as three regional business units: West & North Africa, South & East Africa and Europe, South America and Asia.

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