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Aidan Heavey: Good morning and welcome to the Full Year Results Presentation. Just before we hand over to the team to go through it in detail, just in summary our strategy is working and as we said last year we firmly believe that the best way is to find your own oil. It's the lowest cost way and it gives you a lot more options. That's starting to come through now with the cash flow, you saw the cash flow last year of just short of \$2 billion and we're a year further on in relation to how we can get real value from the very big resource base that we have and looking at Ghana, the TEN project coming on stream in 2016 and we also make great progress in relation to East Africa both in Uganda and Kenya which Paul will talk about. The exploration programmes, what we have said for years is that we want to find 200 million barrels of oil a year. We found 220 last year. It has been a pretty challenging year in the exploration sector. The costs have gone very high, especially in the deep water areas and we believe they've gone a bit too high and that in time they will start to come back again and so what Angus will be showing you is there's a switch a bit away from the deeper water areas, less deep water wells and concentrating a little more on the less expensive exploration near areas that we can get value faster. I think one of the strengths of our exploration portfolio is that we can switch and do that.

A key part of our programme as we said in the past is selling the non-core assets and we started a process of that last year. We've managed to dispose of Bangladesh. We're waiting on approval for Pakistan. The UK and Dutch assets, it was probably too big a package for the market that was out there and so we decided to split it into smaller units and we're now seeing much better business on those and business we're quite happy with, so we expect to complete some of those sales.

The TEN Project which is a big project for us, this is a very valuable asset and the process is ongoing on that. The developments, one of the key things in developments these days is really



to get your costs down, project delivery and making sure that you have the best cost structure, so Paul again will be talking about the efforts that we've been putting in place to cut the capital costs in these key areas.

Then finally in funding, one of the strengths of Tullow over the last number of years has been the flexibility and strength of our balance sheet and we've always made sure that that is as strong as possible. Last year we took the opportunity of diversifying our debt a bit. We went out to the bond market. It was very well received, it was well oversubscribed, we got \$650 million and that leaves us currently with a headroom of about \$2.4 billion. So our strategy is to keep a very strong and flexible balance sheet and keep loads of options so I think the company is in pretty good shape financially. We've got a very good portfolio of exploration licenses which gives us flexibility as well and our development projects and there's no doubt in my mind that if you continue to find oil at less than \$5 a barrel, that is the best way to have an exploration of business and then have the people in place that will deliver on time.

On that I will hand you over to Ian who will take you through the finance.

Ian Springett: Thanks very much Aidan and welcome ladies and gentlemen, good morning. Through the financials, I will start on my usual slide, the full year results summary. Two or three key messages here, I think first as Aidan already mentioned the increase in Jubilee production has spread through to increased sales revenue and gross profits, 13% and 7% respectively and also further down the chart increased cash generated from operations, so a very solid place and we'll come on to it later just to see how we spend that money. Secondly from a debt perspective our net debt, \$1.9 billion at the end of 2013 and \$2.4 billion of unused debt facilities, so again a strong position there. Offsetting that from a profit perspective and I will talk about profit in a bit more detail on the next slide, we didn't benefit this year like we did last year from the profit on the Uganda disposal, that's \$700 million; and secondly exploration write-offs were \$200 million higher than in 2013 and 2012. So overall the main message really increased production, increased revenue to cash flow, strong balance sheet.



Moving on to the next slide, just talking a little bit more about the changes in net income. On the left hand side there \$666 million in 2012, decreasing to \$216 million but the main point there again, the increase in revenues from Jubilee a little bit offset by reduced gas revenues, \$306 million, the increase in exploration write-offs of \$200 million, the significant decrease we've shown there on a net basis 531 of the fact that we didn't have the Uganda proceeds in 2013, they were in 2012 and a reduction in the tax charge as a combination of the tax rebates we get in Norway and also lower profits overall. So overall a set of results which I think were similar to or perhaps a little bit better than market expectations.

The next slide looks very much at the cash flow sourcing use of funds and the way I like to think about this and relate it back to our financial modelling is that if you think of the cash inflow from operations akin to equity and effectively \$2 billion of cash from operations, a little bit higher than the first page because it's after working capital adjustments, and from that we were able to fund as we said before in our model our exploration programme of around just over \$1 billion per annum for 2013; also our taxes, our interest costs and our dividends and indeed actually there was money left over if you like to actually also fund then Spring acquisition and then that effectively left just under \$1 billion spend on development and operations to be funded by debt and that really is how our model works, is we fund our exploration business, we fund our ongoing costs through cash flow and then we look to fund our developments through debt, so a good example of how that model is actually working.

From a capital perspective not a whole lot to say on this slide. Our forecast for 2014 is \$2.2 billion, that is roughly 50/50 exploration appraisal versus development & operations and what we're seeing there is money being spent in terms of the development side in bringing forward and projects which now have a good, clear line of sight to in terms of the TEN development and also beyond that in Kenya and Uganda in East Africa.

My final slide is just trying to link if you like the business strategy to the funding strategy. As we said at the start there strong cash flow. Our operating cash flow per barrel of oil equivalent was over \$60 a barrel pre-tax, so good progress on high margin production there. We're spending \$1 billion or so on exploration which is funded by our operating cash flow. We're in progress as



you know in terms of monetisation options, the big farm-down proceeds from Uganda. We completed the Bangladesh sale in 2013 and we're ongoing with TEN and Southern North Sea. Southern North Sea we're repackaging, selling that in smaller parcels.

As far as the financing initiatives which support that, we have a range of initiatives always ongoing in terms of how we look at funding the business. They broadly if you like are in four areas, we've got commercial bank facilities, the RBL facility, \$3.5 billion; the corporate facility, \$500 million. We also have a facility which allows us to effectively pre-fund our exploration expense in Norway which is the 333 EFF. We're working in advance to think about how we refinance those facilities and how we expand then. As Aidan said we raised \$650 million with a corporate bond and that was finalised in November of 2013. The strong operating cash flow, that operating cash flow if you look back just to 2010 our operating cash flow is more than 2½ times our operating cash flow in 2010 which just saw the very start of the Jubilee production and that just shows how when you bring something like Jubilee on stream, the significant cash flow that can be generated; and now with line of sight to TEN in 2016 and Paul will talk about improved line of sight to particularly Kenya and also Uganda, there will be big swathes of cash coming on stream in the future too. Then portfolio management, we are always looking to all our assets to make sure we have the right remaining equity particularly in the development stage and as I said Bangladesh was done in 2013 and we're ongoing with TEN in the Southern North Sea.

So overall in summary very much delivering the funding element of our overall strategy, a strong balance sheet ending 2013 and our debt facilities; increasing cash flow; and line of sight to future cash flow.

I will stop there and hand over to Paul.

Paul McDade: Good morning, thanks Ian. 2013 if you look at the full year, successful delivery across all the aspects of development and operations. We don't talk too much about it in this forum but we should see at least one or two words on kind of Health & Safety and social performance. These are pretty fundamental aspects to our licence to operate in Africa and we had a very



strong year in that area and we continue to strengthen that team because as we go forward to some of the developments we're talking about especially in East Africa it becomes a more important aspect of our business, even more important than it is today, so a very strong year there and we continue to be a very highly respected operator within Africa.

Reserves, we replaced reserves, I'll talk about that. We added resources through the exploration drill book. Production has been strong through the year particularly in our high margin West African area. We as Aidan said initiated the sale of non-core producing assets and Aidan updated you on that. We sanctioned TEN, that's pretty fundamental to the next step of growth in terms of our cash flow and I will be able to show you that we've made some real, significant progress in East Africa which as Ian said starts to give us a line of sight to cash flow from East Africa and I think I will circle back at the end but most importantly what differentiates Tullow is the team of people we have that deliver this stuff and they do it smoothly and that's a kind of basis, a world class basis such as the Jubilee on time, on budget, a major, mega project and we continue to have that team with us and strengthen the team and again we don't tend to talk about them too much but they are pretty fundamental to what we do.

So we focus in on reserves and resources. Reserves replacement last year if we look at the revisions to some of the basic producing assets and a little bit of transfer around TEN in terms of improved transfer around TEN. We had 123% replacement last year, that gives us a five year track record of 150% reserve replacement. Angus through the drill bit added another 220 million barrels of contingent resources which again gives us a track record of seven years, average of 200 million adds from exploration and I think what's very important, the top right hand graph, the 4.8 billion of risk prospective upside which is really the feedstock to the next 5-7 years of growth is just as large as it was as we reported last year, so despite the add and the flow through to reserve and resources, that core underlying exploration portfolio stays as strong as it ever has been.

Look at the graph at the bottom we've kind of restated it to take out the Uganda sale because I think it shows the data much better, so if you just look at the chart it tells you that we've basically doubled our reserves and resource base over the last five years. If you put the 600



million barrels that we sold in Uganda into the pot we've actually close to tripled our reserves and resource base, so a strong track record over a good number of years and as we've started 2014 certainly our recent success in Kenya bodes well for when we're talking this time next year about the same chart.

If we look at production and cash flow, a strong year in 2013. The West African assets and Jubilee both produced strongly and the Southern North Sea assets despite the fact they're for sale, as Ian said we continue to look to package them up and push them out the door, they are contributing to cash flow and doing pretty well and you saw the enhancement, we made that discovery in the Netherlands package that we reported in the statement which again the assets are strong, there's a good portfolio of assets and they contribute at the moment while they're in the portfolio.

2014, we expect similar levels of production to 2013 but do remember that we've just sold 5,000 barrels of oil equivalent which was in '13 but was not in '14 because we sold the Bangladeshi assets, so it was a big headline number for production but it was a very low cash flow number, so we've got more of the higher margin production coming through in '14 although the headline number stays at a similar level.

As you look just a bit further out, '14, '15 and into '16, the top left graphic, the portfolio of West African assets we continue to invest in and as you see from the chart you see plenty of ways to keep that stable above 30,000 barrels a day, so good, solid cash flow there; and then in Jubilee a similar year this year to last year, we expect around about 100,000 barrels a day gross but we do see that stepping up in 2015 as we remove the bottleneck of the gas export scheme that the government I think finally will have on stream this year.

Looking further out the next step is really the add of TEN in 2016. That is on track and I will talk about that in a minute; and also when I come on I will talk about East Africa and Uganda and Kenya and again a much clearer line of sight towards those enhancing our production base as I will show you, when you package Kenya and Uganda together you've got an asset there that gross is probably about 300,000 barrels a day when it gets on plateau. We've got a material



stake within that, so that's pretty important. So strong cash flow last year, good solid cash flow this year and a good pipeline of projects that will continue to build the cash flow as we go out '14, '15, '16 and beyond.

Focusing in on West Africa, I mentioned the West African portfolio of assets, that's absorbing about \$200 million a year but churning in terms of capital investment and churning out revenue of about just shy of \$1 billion a year. The returns on the infill wells and the various campaigns of work-overs we do is very high, so we like it and we're working hard to keep that inventory of work activity. Certainly we can see line of sight out to '15 and '16 and we're now working on '16-'17 to try and keep it stable.

Jubilee, reservoir performance at the moment is very strong. We're running about 110,000, 111,000 barrels a day at the moment. The real constraint is not the reservoir, it's the gas export scheme. We don't have the gas export facility to push the gas onshore, so we're injecting it and that's really our bottleneck at the moment. Well capacity is about 130,000 barrels a day and we've got a couple of phase, I think three Phase IA wells that are sitting there drilled ready to produce but we're not going to spend the capital completing them until we need them, so we've got excess well stock sitting around just waiting and we can bring that online as we require it.

If you look more out to the medium term on Jubilee beyond the gas export scheme, it's just a raft of opportunities. There's the opportunity we see now, we've done the full field development planning and we clearly see line of sight of plateau out to the end of the decade with infill and incremental investments, so good, solid cash flow there. We continue to look at expanding the facility but it's hard really to talk about that while we're still bottlenecked around gas, but that work is ongoing and then there's the opportunity to extend plateau even further with the tie-back of some of the satellite discoveries in the area, so whilst short term we'll be at 100,000 this year, the kind of short to medium term looks very promising for Jubilee and it has proven itself to be the world class asset we thought it was.

Then going on to TEN, the TEN development is underway. There's tankers sitting in a dry dock in Jurong being converted as we speak, so that's well underway. All the contracts are let for the



sub-sea and it's early days for the project but we're very much on track for delivery and we expect to do what we did on Jubilee which is bring this mega project which is what it is on time and on budget and that in itself is good delivery given the industry's track record. The farm down is ongoing. We're very much focused on the value of this asset and that's something that's ongoing in the background that the team are very focused on the execution of the project – that's primary in terms of maintaining value and extracting value and we will get the farm down completed when we're ready. So really in summary if you look at West Africa in its totality we're sitting on potential of about 100,000 barrels a day net to Tullow when you look at TEN, Jubilee and our West African portfolio.

Moving over to East Africa we've made some real material progress at the back end of last year and into early this year. In Kenya we've obviously announced in January a very significant increase in volumes. We're at 600 million. We see line of sight to a billion and that is just the South Lokichar Basin. Angus will talk about the E&A programme that we're planning for the next 18-24 months but on my side the operations are going well, we're driving down the individual well cost which means that Angus, his exploration budget and the appraisal budget spreads more widely. We get more wells for the dollar, so that's good, the learning curve is kicking in. Then the other thing is recent visits to Kenya and Nairobi talking to government, it is very clear that there has been a sea change in the government's focus on this project. They see it as a project of national priority and they are very focused on getting first oil from Kenyan oil as soon as practical but doing it properly, so that's the conversation we're in with government. They recognise that the pipeline from Northern Kenya to the coastline is the critical path and they are in strong dialogue with us. They are very pleased that we've pre-empted this and we are well underway with the pre-feed. We'll have that finished in the next couple of months and we will be ready to embark upon feed and we're dialoguing with the Kenyan government about how do we put together some sort of consortia to get that pipeline underway as soon as possible so that it ties in with our plans to sanction the upstream in 2015, so very, very positive news and Angus I'm sure will enhance that when he talks about the E&A aspects of the plans as well.

In Uganda the MoU we signed so we now have kind of confirmation or signed confirmation of the overall development plan, pipeline, refinery and a single Lake Albert Basin development



plan, so that's a step forward. We have been working pretty hard in the background. Lake Albert is a challenge, the terms as we always said in Uganda are challenging so whilst we've been waiting to get the MoU confirmed we've been working very hard with our partners to try and see if we can't drive down costs and it's kind of good to report that we've actually identified multi-billion dollar potential to reduce the cost base of the development within Uganda, so we're not ready to give new guidance yet. It's still work in progress with the partnership, but Tullow guided before about 8-12 billion for the full cycle, so the whole life of field capital to develop 1.7 billion barrels. We would see new guidance coming in very much at the lower end of that capital range and we will provide that once we're ready to do so, so that has been very encouraging enhancing the value of the Ugandan project and obviously with the progress we're making now and the focus on the pipeline in Kenya there's another value enhancement because we're going to be sharing that piece of infrastructure with Kenya, so we will see a per capita reduction in the cost of the pipeline through probably some sort of tariff mechanism. So both enhancing the value and again I think we talked about this in the past, we have been unhappy with the pace of things in Uganda. We have been extremely pleased with the pace in Kenya and the combination of the two means we're actually working to a very similar sanction point on both Uganda and Kenya, around about 2015, late '15 and early '16.

I think the other thing I'd just point out with the graphic in the bottom right and the scales in the bottom left is while we've drawn in that map the Kenyan-Ethiopian acreage looks similar in size to the Lake Albert. As you know that's not the case, it's about 10 times a factor of difference; and the graphic in the bottom right really just trying to give you a sense of the net potential oil production that is there within Kenya and Uganda and the dash line is really an indicator is reminding you that the red under the curve is only one basin and Angus will talk about the multiple basins that we've yet to go exploring in in the near term.

So really to wrap up, a strong year in 2013, a great start to 2014. The team continued to deliver. We've delivered high margin cash flow. With respect to our strategy we've delivered early parts of the portfolio management and that's ongoing with the SNS and TEN. We're well underway with TEN in terms of selective development. We're really making progress towards that sanction in Kenya specifically and also Uganda and all of that kind of leads to the strategy which is



building towards substantial cash flow as we go look out 3-5 years. Again I would reiterate that I think the key differentiator with Tullow is that we actually have the team in-house who has got a proven track record of delivering the things we're talking about in the near term.

So with that I'll hand over to Angus.

Angus McCoss: Thank you Paul. Good morning everybody. Right, I will just run through the exploration part of this presentation. For most of you in this room this slide will be quite familiar. This is a graphical summary of Tullow Oil's exploration strategy which is very much focused on oil and focused on Africa and the Atlantic margins. We execute this strategy through campaigns and you see the six campaigns that we're running there are highlighted on this map. The depth and the breadth of the portfolio and the choices that we have within these campaigns allow us to be flexible, give us options, give us choices and at the moment the team is focusing on capital efficiency. We're chasing the lower finding cost plays in East African Rift Basins and in the Norwegian Continental Shelf where we enjoy a 78% tax rebate. The team is also focusing within this broad and deep portfolio and within these campaigns on risk reduction and we do that through looking for areas where we can run on patterns of success and we find that particularly so in rift basins where once we've opened a new rift basin we can hit the prospects bang-bang-bang as we have done in Kenyan with seven out of seven. Once you get into the pattern of a rift basin you can reduce the risk. Technology is also a way to reduce the risk and we're using technologies like FTG, Full Tensor Gradiometry Gravity surveying in the Kenyan Rift Basin and also using controlled source electromagnetics in the Norwegian Continental Shelf to give us these big breakthrough discoveries at lower risk such as we did with Wisting.

The team is also focusing within this strategy on delivery and we have consistently delivered 200 million barrels a year seven years in a row and I will show you some more on that later. But overall the strategy remained the same, oil in Africa and the Atlantic margin, so we're giving a pass on the resource plays and we're giving a pass on low value gas, we're going for oil in Africa and the Atlantic.



So here's a map of the six campaigns that I have been talking about in our previous slide. You see there on the left hand part of this graph the four campaigns on the left there where we're basically engaging in some very selective Jubilee play wildcatting and with the high costs of deep water we are having to be very selective in the execution of these campaigns, but we see it's still worth drilling one or two of these wells a year because the prize clearly if you find another Jubilee, it's transformational for Tullow.

In East Africa you see what we're doing there is we're chasing what we believe could be a new oil province. We have been able to open a basin, the South Lokichar Basin and that basin is a basin in a chain of basins. It's possible, probable and we will be able to prove it this year that we may be on to a new oil province and that certainly would be transformational in terms of the opportunities, the low finding cost opportunities and the ease of monetisation of those opportunities. That's a very important leading campaign in the portfolio.

Then the North Atlantic campaign on the right hand part of this chart is showing where we have low cost opportunities enjoying the 78% rebate which incentivises exploration; but also good deal flow in the neighbourhood. There's a good track record from the team that we acquired, Spring Energy team, they are now part of Tullow Norge, a good track record of selling what they find underground, so a great place to be and an important campaign. But it's a balanced spread of these E&A campaigns that provide that robust feedstock. It's a statistical game. Exploration is a statistical game. You need the broad portfolio, the breadth and the depth. You need to be able to hedge and that's why we explore in these campaigns and that's how we're able to deliver 200 million barrels a year bang-bang-bang seven years on the trot.

On that here's a graph to demonstrate that track record. You see here 200 million barrels of oil a year, steady performance. Initially a strong run of success from Uganda and from Ghana; and then through new basin activities, the campaigns that I was just talking about allow us to extend that performance and you see here as I animate the slide with continuing delivery as we open up the Kenyan Basin with Ngamia, Twiga, Etuko, Ekales being the others, but also in the offshore where Wisting put a kick in the premium curves and brings it back up. You see that these low cost Kenya and Norway successes have extended the trend. You might also note that 60% of this



delivery coming from the onshore and 40% from the offshore. You'll also note patterns in these curves. You'll see that the red curve, the onshore curve has these finding cycles, these discovery cycles, these cream curve shapes and you'll see the short cyclicity in the onshore whereas the offshore campaigns have longer, lower profile cycles. That's due to the length of time it takes to drill offshore wells and the fact that you sometimes have to pair up given the operating costs and logistics of offshore drilling. Basically it's the success in the new basin opening strategy that we have that has allowed us to extend this trend and has set up a really good set of prospects for lower finding costs going forward.

So our focus on the number one campaign, the lead campaign at the moment is the Kenya-Ethiopia campaign. We really believe we could be on the brink here of a world class oil province potential, so we're addressing this opportunity at three scales in parallel. We have a multi-basin opportunity, a chain of a dozen basins. So we have to look at them at the small scale, at the oilfield scale, at the scale of the discoveries of Ngamia and Twiga and the like and we have been testing these wells and they have been flowing well, 10,000 barrels a day total combined from Twiga and Ngamia and we are supporting the work that Paul was talking with you about about accelerating that development and focusing on achieving that material oil production for Tullow.

At the midscale we are drilling out the South Lokichar Basin. This is the first basin that we've put holes in in this chain of rift basins and it has been a great success, we've had seven out of seven successes in a row, over 600 million barrels of oil discovered and well over a billion barrels of potential in fact. This could easily be another Lake Albert Rift Basin in terms of oil materiality. It's going to be drilled out this year with ten wells being drilled during 2014.

Then the biggest scale, the big wildcatting basin opening scale is also going to be going on this year with five basins in the chain of basins being tested this year and overall 35, over 35 wells to be drilled in the next 24 months so you can see that we're really getting after this opportunity, this potentially low finding cost pattern drilling.

So just looking at the scale of this opportunity and why it excites us so much is because this chain of rift basins as I said could be a new petroleum oil province. We had pioneering activity



ongoing opening the Lake Albert Rift Basin delivering 1.7 billion barrels gross. The South Lokichar area has given us over 600 million barrels and we had some oil spillage in the South Omo Basin.

On the top left hand chart there you see on the vertical axis the gross potential in billion barrels of oil and time along the horizontal axis. There are four curves on this chart. These are scenarios, these are possible campaign scenarios. We certainly achieved the lower curve, one out of 12 basins, one out of the chain of 12 basins has certainly come in, that's Lake Albert Rift Basin giving us 1.7 billion barrels; and we're on the second curve, two out of 12 basins, it's clearly happening, it's working, the South Lokichar Basin is coming in with over 600 million barrels discovered so far, but there are more than nine more rift basins in the portfolio and we're going to test five of them this year and we see those highlighted with the red flags in the cross section underneath the chart. The outcome from that will tell us whether we're going to step up onto the next curve, onto maybe the four out of 12 basin curve. Then run the clock forward one more year into 2015 and we'll know whether we're on the 8 out of 12 curve. It's quite possible that there's something systematic in the geology here and the source rock, the reservoir and the field systems that we see in the South Lokichar Basin may also occur throughout the chain of basins. It's possible also that some of these basins are barren and we do need to know which of these basins are barren in the first year or two, but we'll know within the next 24 months whether we can reach up to that top curve. If we get on to that top curve then we'll be heading towards a 10 billion barrel prize and we're talking about a Tullow operator position, 50%. It's really a very strong position in the industry in fact, it's an industry leading opportunity.

Ok. So I will just turn swiftly now to Mauritania because it featured as an item of news today. It's one of the selective activities we have in the Deepwater and the Frégate Well we're announcing today has established a new oil play, so this is a very important technical breakthrough for Tullow. This was a model, a paradigm that we had that the cretaceous underneath the section that had been previously drilled in earlier exploration campaigns, we prognosed that the deeper section would be oil bearing despite evidence of gas in the shallower section and what we did find indeed as we drilled deeper the hydrocarbons got wetter and wetter and richer and richer and we drilled through the known gas accumulations and got into rich gas condensate and then



into oil, so we are very pleased that we've proven this proof of concept, this idea, this play works. We have an oil play, we have a new oil play in the late cretaceous turbidite. We found 30 metres of net gas condensate and oil pay in multiple sands and just for reference if we compare that to the result we announced in 2009 with the Tweneboa-1 well, Tweneboa-1 offshore Ghana found 21 metres of net pay and from that we explored our way from Tweneboa-1 using this 3D seismic and we eventually and rather quickly built up the TEN cluster of discoveries which are now heading to first oil in 2016. It's too early to say whether this is commercial or not, so for the moment we're calling it a technical breakthrough but clearly we're very excited that we've got oil in the late cretaceous in Mauritania. We have a commanding acreage position, we've got 80 prospects across this area. So the rig will move from Frégate to Tapendar and we'll drill the Tapendar well next on a structural stack of lower miocene and late cretaceous turbidite in a salt base, so another exciting follow-up well. Lots of follow-up potential, not just in the turbidites though. We've also got a broad portfolio in Mauritania and there are opportunities there for lower finding cost plays in the carbonates and in the shelf prospects, so we've got good play diversity and good optionality in Mauritania to focus on capital efficiency.

So in conclusion as I said the team has done a great job in providing through exploration and appraisal a high value oil feedstock for Tullow Oil. The team is focusing on capital efficiency, focusing on lower finding cost plays with particular success occurring in Kenya and Norway. The team is focusing on risk reduction, getting into repeatable patterns, getting these rift basins open and then following the patterns, delivering seven out of seven in the Kenyan Rift Basin; applying technology to reduce the risk and the team is delivering. The team has delivered 200 million barrels, about 222 million barrels last year and it continues to add that on an average basis and has done so for the last seven years.

Thank you.

Aidan Heavey: Thanks Angus. Just to conclude before we move on to the questions, I think the industry is going through one of its many cycles and one thing you've seen over the last 20 odd years is you need a strong balance sheet, you need loads of flexibility to keep your costs down and manage risk and I think that's what Tullow has always focused on and we have as the lads have



shown a very strong portfolio and we believe very strongly that finding your own oil in a low risk way is by far the best way to reduce risk in the industry and add value. The industry has suffered from a lot of pressure on costs, you see it everywhere. The margins and the rate of return on projects have been pretty static, whether it's a big project or a small one and really the best way of getting those margins up is as I say finding your own oil and doing deals on it and as Paul and the team are doing drive down costs, get your drilling costs down, get your delivery dates forward and that's I think what Tullow's team have been really, really good at doing and I think that's the key from an industry that we have today which is quite a tight industry.

On that I'll pass you over to the question time and the lads will answer your questions.

Michael Alsford: Good morning, it's Michael Alsford from Citi. One question then, just on...you mentioned a couple of times in the presentation around better capital allocation of your exploration budget. Could you talk a little bit more, is this a sort of preview of a more radical overhaul of the portfolio, maybe exiting Deepwater plays like French Guiana, Mozambique despite talking about more work in those areas in the release where they've not been so successful? Then I guess on that basis could you maybe talk a bit about how much money you're going to be allocating to the Deepwater plays going forwards versus say more onshore opportunities that you can talk about like Kenya and Ethiopia? Thanks.

Paul McDade: I will start the answer Michael. The point I was trying to emphasise was that we have a broad and deep portfolio and we have a capability that allows us to shift the emphasis depending on the market and the feedback we're getting from the wells and the cost of those wells, so certainly we're not saying that we're exiting deep water, no. We're not exiting deep water, but what we are doing is being very selective about the candidates that come through for drilling in those deep water campaigns. There's very high cost structure in Deepwater at the moment so we're responding to that and easing off on our deep water investment. They're still worth going for on a very selective basis because if we find another Jubilee, that can have a transformational impact on the future production profile of the company, but for the moment in the current climate, the current feedback that we're getting from the environment, the wells and the market is that we're going to focus more on our low finding cost opportunities in Kenya



and those Norwegian opportunities are very attractive at the moment with the incentivisation through the 78% rebate. There's more of a shift of emphasis than climate.

Aidan Heavey: But as well, what you see on the service side is that the costs have gone up a lot. And a lot of companies have been pulling back, which you now see the costs starting to come down again. So I think it's a matter of waiting and I think in time what you will see is quite a reduction of the costs. And you know, as Angus was saying, we still believe in the portfolio and we still believe in the prospects but you have to be patient, that's what they say.

Anish Kapadia: Morning, it's Anish Kapadia from Tudor Pickering Holt. Just a more broad question on exploration again. You know, if you look at it from a market perspective, what you've seen is a sharp rise in offshore drilling costs, industry exploration success rates coming down and then I suppose the NPV of discovered resource coming down from a combination of develops taking longer and it seems like it's less of – it's more of a buyer's market out there. So I was just wondering, when you've got a target of finding around 200 million barrels a year, spending \$1 billion, it comes out at NPV per barrel of about \$5 per BOE. Does that still make economic sense to find barrels at that kind of cost? Or does it make more sense to buy barrels at, it seems like in Africa, at significant discounts to \$5 per barrel for discovered pre-development resource?

Paul McDade: Where you're going to buy barrels for \$5 a barrel? No I think, listen, what you have is you have an industry that has got costs have gone out of control, and they have for quite a few years. You had costs going out of control in development. Everyone was getting more expense. And you know, the way to focus we believe is we have got by far the biggest exploration portfolio and we are very fortunate that the strategy that we had of opening up new basins has given us access to basins where the costs for finding are very, very small. Uganda is a classic example and Kenya is another example. So the key in these markets is to go in to those basins where you have very low finding costs and make them even lower by efficient wells, etc. and that is the – that is by far the best way of running this business. It always has been. And the next thing is, you know, how do you increase your rate of return? And a lot of companies will tell you, major companies and that will tell you that the rate of return on projects, you know, tends to be the same whether it's a 50-million barrel or a billion-barrel field. The costs seem to rise with



those fields. And so what is the best way of doing it is actually finding your own oil and do some trades within that to try and keep reducing those costs and getting the margins up. But you know, it is always better in finding your oil than buying it. If you would go back to between 2000 and 2008, most companies whose market cap had gone up went up because of oil price increases. It wasn't because of finding costs or efficiencies in the companies. So I think what the cycle that the industry goes through, and we've gone through loads of cycles, this is a good cycle to be in. The companies will come out a lot stronger and a lot better out of this cycle because the focus now in the company is on cash, risk, reducing costs. The service industry costs have gone crazy and so we have built a portfolio with loads of options in it and we focus on the options that will deliver value in the current market. But \$5 a barrel is daft.

John Rigby: It's John Rigby from UBS. Can I just focus on East Africa? I mean you talked about potential sanctions in the next, I guess, 18 months or so, two years on both Uganda and South Lokichar, which sounds almost like a simultaneous – which I guess would stack up with your discussion about the pipeline being to service both. And then you also talked about potentially your – it felt to me, I'm maybe inferring this wrong – but the pace of sell-down of TEN is now completely your priority, and I think you've talked about phasing of disposals in the UK. So two observations or questions out of that. The first is is there other implications for your financial strategy with a dual development of both Uganda and South Lokichar and with a slower pace of disposal and could you talk about that? And second is should we understand this a little bit that the focus of the company may start to change a little bit because of the very significant development operations that will be taking place alongside your exploration, so you sort of move from this swashbuckling explorer to something rather more prosaic? Thanks. By weighting I meant, not in absolute.

Paul McDade: Maybe if I try and work my way through and the other guys will kick in. I mean in terms of East Africa, yes, we are very much focused and I talked purposely about we're focused on a Kenya strategy of 2015, which is fast track, and we focus on a Uganda strategy of trying to pick up the pace and get it to 2015. I mean when you look at them physically, Kenya can go ahead without Uganda but Uganda can't go ahead without Kenya, yes? So that's an important factor



because that, there will be commingling through a pipeline and you can't do it without the Kenyan part of the pipeline when you get into the Uganda. So that is coming together.

You know, when you start to look at sanction and you look at the capital profile – and that's something we'll get into in future results presentations for those projects once we kind of get a better feel of the likely timing and the shapes, but you know, if you've get to sanction late in '15/early '16, real expenditure would start to kick in as you go through '16 into '17 into '18. And again, the shape of expenditure of the onshore projects, when we talk about total capex, it is not like a deepwater – deepwater you're spending that capex, the full capex over a period of maybe three years. Uganda for example, you're spending the full capex over a period of probably about eight years or maybe even longer. So it's much flatter and more spread.

And when you overlay that profile of East Africa loosely with TEN, I mean TEN capex is going to kind of peak as we go through the later part of '14 into '15 and it should start to tail off as we go into the latter part of '16. So the two lie, I mean there will be an overlay of capital requirements for the projects but it dovetails together quite nicely.

I didn't mean to highlight that the farm down of TEN was not a priority. I think the focus is though, you know, the value of TEN will very much depend on the execution, the efficient execution of that project, whether you farm it down or you don't farm it down. The whole pie is determined by how efficiently we execute, so I just want to stress that our total focus is on the execution of that project and getting it to first oil. And our focus with respect to farm down is very much on value. So it's about making sure we maximise the value of the TEN assets. Now the total pie value is all about efficiency and execution and getting it delivered on time, and then the sharing of that pie is then a discussion we'll be looking at as we go through the farm down process. I mean I don't know if you've any comments on the financial, I don't think it changes our financial planning really at all.

Ian Springett: No, I think Paul's exactly right and you know, as we said, once TEN comes onstream in 2016 then we'll have much more cash flow to play with, which will also go towards funding Kenya and Uganda as appropriate, which we think is doable.



Paul McDade: The important point that I'm trying to stress is, you know, TEN is not replacing other cash flow. It's adding on to a very solid base of cash flow from the existing assets and to a certain extent within Jubilee of growing potential cash flows.

Aidan Heavey: Your comment about exploration, our development, you know, we have found a lot of oil over the last few years so, and there's a lot of value in that. So one of our focus and one of the key things that Paul has to actually do is to add value to that reserve base that we currently have. And it doesn't mean we stop exploring, far from it. We would continue to explore but it's an exploration, I think what we're saying is this. We're trying to move the risk needle in exploration a bit towards lower cost and get the costs of finding a barrel of oil down. And I think we had the opportunities to do that because of the portfolios and the bases that we currently have.

Ian Springett: And one of the best ways to have a strong balance sheet is to have strong operating cash flow.

Brendan Warn: Morning, gentlemen, it's Brendan Warn from Bank of Montreal. Just a point of clarification, just a question on the split of capex and just following on from the comments there, you've given capex for Jubilee Phase IA and TEN for 2014. How does that change on the farm down of TEN? What sort of magnitude that we could expect, if at all. And then just secondly, just in terms of gas management at Jubilee in terms of cash flows, what's the most likely Plan B outside of flaring if we're going to see the gas system further delayed into 2015?

Ian Springett: Yes, I mean the amounts you see there, Brendan, are for our current retained interest in TEN and the idea was to farm down to more like 30%, and that's still very much part of the ongoing discussions. So you know, it really depends upon the deal we end up with but as Aidan said and I think Paul said, it's very important that we end up with a deal that we believe is appropriate otherwise we will retain our interest. But you know, of the capex that you see on the earlier slide, I think it was about 750 or so for TEN and Jubilee and in the region of 500-600 of that is for TEN in 2014.



Paul McDade: Just on the Jubilee, I think there's a number of moving parts. I think we are very successfully gas injecting at the moment. We put a third gas injector, as we talked about, to add quite a bit of capacity. It's added capacity but not as much capacity as we had hoped. So there are still degrees of freedom within the gas injection but the longer the delay in the gas export plan to use up those degrees of freedom as we look at the gas export plan, the government and the GNGC are saying that they will have that mechanically complete and onstream in the second quarter, and we have seen a pickup in pace of the execution and we have got an independent review of the progression that gas plan. So our comfort levels around will it actually be delivered now this time is much higher than it's been in the past. But there's still a window. So I think all we're flagging is, you know, if all of those aspects were – and let's say the government said there will be no flaring, which I don't think they will because we're not really talking about particularly material amounts of flare, if all those turned absolutely negative you might threaten 100,000. But you know, the good thing is we've got a mixture. We've still got gas injection capacity, and that will keep us going for a while. The gas plan should come within the window that we see, and we are working on a kind of worst-case window rather than it might come in earlier, and we're just working with government saying minimum flaring over a period is probably better than starting to use up your degrees of freedoms in case something else happens. So we're reasonably comfortable. We're just flagging that if there is a risk in 2014, that's what it is but we continue to manage it as we have done successfully in 2012 and 2013.

Al Stanton: It's Al Stanton at RBC riding the capital discipline horse again. Two related question, or one question, two parts. There's three wells you're drilling in the second half where you have substantial equity stakes – Tapendar, Sidewinder and Fatala. I mean can you continue to justify paying 80-90% of the costs given what you said about getting out of higher-cost exploration? And then thinking of capital discipline in the sort of more midstream, in the Uganda developments you seem to be stepping away from participating in the pipeline. I kind of feel in Kenya you're stepping back towards maybe holding some interest in the pipeline. Where do you stand on that?



Angus McCoss: Okay, on the first one, no indeed, responding to the market and deepwater costs, we are actively managing our equity positions in the wells in Mauritania and this result at Frégate demonstrating that we have an oil play has certainly enhanced our technical case in the data room. We're also sharing the learnings from the Frégate well with the Government of Mauritania at the moment as well and there's opportunities there to talk about some sensible re-phasing of the programme. And likewise the Guinea well, the data room is open and we have interested parties looking at the prospects. So equity positions in wells are not static situations during the year. They are actively being worked. And I think this play breakthrough that we've had at Frégate is certainly enhancing the technical case in the data room.

Paul McDade: I mean on the midstream I think that's pretty easy to answer. We've always been pretty clear, I think, that investing our capital in pipelines is not the plan. So we don't have an interest in investing or being a major equity holder in the pipeline, whether it's the pipeline that crosses Uganda or the pipeline that crosses Kenya. However, in Kenya there's a difference between taking an equity position post FID and spending some money pre FID, which is nominal as you know. It's kind of tens of millions of dollars around getting pre-feed and end-feed. So given the pace at which we're moving in Kenya, which is actually very fast and the government is encouraging that piece, we're talking to the government about, well, we've got the pre-feed underway so that we make sure that the pipeline is designed for the type of crude we have and takes into account the variations of capacity for the fuels that we have in Kenya and the fuels in Uganda. We're quite willing to continue to take the lead through the feed stage whilst – because that's the most, I mean the potential bottleneck for sanction will be pipeline. I mean that's the longest [unclear]. So if we take the lead, and the government is very supportive of that, we're more likely to be able to get through feed and get to an FID on the pipeline more quickly. But we also have made it very clear to government that we have no real interest in taking anything but maybe a very, very nominal position in the pipeline and actually that fits well with their thinking because it helps them fast track it but also opens the door to thinking about consortia and third parties to come in and put funding proposals on the table for the funding and then ultimately the execution of that pipeline.



David Mirzai: Hi, David Mirzai at SocGen. A question for you, Angus. Just in terms of the Frégate well in Mauritania, can I get a sense from you as to how to your team this is different from French Guiana or from the drilling in Ivory Coast, Liberia, Mozambique where again you've already discovered a thermogenic regime? How do you follow up from here? How does it match your pre-drill expectation given that it is Cretaceous, you can't see it on the seismic, and all of the prospects that follow this will be independent?

Angus McCoss: Yes, well just picking up on your last, your penultimate point there, we can't see it on seismic, that's not actually correct. We've got very good imaging of the targets that we are drilling, through some very astute geophysics that's been done over the last few years. We've had five years to work up the Mauritania portfolio. This Frégate well will calibrate that 3D seismic no doubt and we'll be able to enhance the quality of that 3D seismic still to pursue the plays away from the well. What we've proved though is there's an oil play at that level.

The unique thing about Mauritania against that other list of countries that you provided there is that Mauritania has great play diversity. In Mauritania, we just – we're not just looking at the Late Cretaceous turbidite plays but we've also got salt basin prospectivity, we've got carbonate prospectivity and we've got rifted margin prospectivity. And those last two are in shallower water as well. So we have the opportunity in Mauritania to take the insights from this new oil play into a lower-cost environment. So that's what differentiates the Mauritania from these other examples. So we were quite excited by this result and by the strong position that we have through the whole of the continental shelf, the continental edge and the slope of offshore Mauritania.

David Farrell: Hi, it's David Farrell from Macquarie Securities. Just a quick point of clarification regarding the Ghana gas export pipeline. Is there any offshore infrastructure that needs to be put in place and if so, have those contracts actually been issued?

Paul McDade: Yes, the offshore portion of the – the deepwater portion of the line and shallower have all been laid. They were laid in the past. So the offshore work at the moment is really just a matter of hooking up once we know that there is mechanical completion onshore, part of the



commissioning and hook-up will actually be connecting the deepwater portion of the gas export line to one of our risers in the FPSO, and obviously we don't do that until we're comfortable with the overall project integrity and various other things. But it's a pretty, relatively simple hook-up and we can access vessels to come and do that when we require.

Andrew Whittock: Andrew Whittock from Liberum. Just going back to the TEN farm out, should we expect that process to be completed before we meet here again for the preliminary results?

Paul McDade: No idea. Sound guidance is we'll just see when it happens when it happens.

Tao Ly: Hello, it's Tao from GMP here. Paul, one thing that struck me from your chat in Kenya was you've seen there being a sea change in the policy environment, one which is now allowing for better facilitation of your progress to first oil. I mean what has changed? Is it political? Is it relating to the ICC issues that are over, you know the overhang there just now, or is it to do with the commercial dynamics relating to the pipeline?

Paul McDade: I think it's a number of things but I think the main one really is if you think back, the previous announcement we made was kind of c. 250-300 million barrels, which obviously with early news I think kind of government at the highest level looked at it and rightfully probably had some concerns about managing expectations, because you don't really want – I mean the country will start to kind of run ahead of itself in terms of expectations, and many countries have done that to only find that later on, the oil that was thought to be there wasn't actually there, and Ghana is a case in point. You know, early when we made the discovery there was quite some caution because there had been events like that in Ghana before where they had discovered some hydrocarbons, thought they were on the road to a major oil and gas industry and it never happened. So I think quite sensibly, government was cautious and had its focus very much on managing national expectations. I think what's happened is that the better – you know, we've been working with them explaining the programme that Angus and the team are delivering, explaining the results and then with the most recent results been getting to 600 million barrels, I think they've decided actually this does look like it's definitely a material discovery and it definitely looks like there will be a development. Therefore now we should



turnaround and get behind it and push it forward. So I think it's not quite as simple as that but more or less. They're just doing absolutely prudent and sensible management of expectations within the country, and I think they've chosen now is the time to get ahead and they talk about the great success of Ghana and how they've moved quickly and efficiently and shown the country to be a place that's open to do business and deliver the oil and gas industry and at a fast pace and very sensible and well regulated way. And we'd like to replicate that success and now let's put our push behind it and make it successful and work together.

Robin Haworth: Robin Haworth from GMP. Just a question on the Mauritania well. Given the gas risk going into it, was it gassier than you expected or was it gassier than you hoped?

Angus McCoss: Robin, Angus here. No, it was oilier than the industry expected but as oily as we hoped.

Theepan Jothilingam: Thank you. Morning, gents. Theepan from Nomura. Just coming back to the onshore, clearly more focus there, so I was just wondering, Angus, could you sort of rank the basins you talk about in East Africa that you're testing for 2014 both in order of sort of magnitude but also sort of geological chance of success? And do you have any different views to your partner there? Thank you.

Angus McCoss: Yes, I think on the last point we're very well aligned with our partner Bask Oil and find them very, very good partners, good frontier exploration partners and we've got a really good technical rapport and alignment with our colleagues from that company. Yes, it's difficult to rank the basins but if you return in your booklets to the cross-section of the basins, I mean clearly from first principles, you can make a pretty simple assumption that the risks in the adjacent, immediately adjacent basins are intrinsically lower than those that are far away from well control. So the North Lokichar Basin and the South Kerio Basin, being adjacent to the South Lokichar Basin, clearly without the knowledge of the wells we're about to drill, stand a slightly better chance of success than the more distant basins.

That said though, one of the most attractive basins that we have undrilled at the moment is the Chew Bahir Basin, which is the most remote basin of them all and it's up in Ethiopia, in the



eastern part of the acreage. And what Chew Bahir has there are seismic amplitude anomalies which fit to structural traps, and they occur at a similar level in the seismic strategically. So it could be that they are direct hydrocarbon indicators, so we want to drill those. If they do turn out to be indicating hydrocarbon then we'll be into one of those patches, one of those drill out patches because it is really quite evident what you would do to follow up on any success in Chew Bahir.

And then combining that with the earlier part of my explanation, you know that the adjacent basins look quite good, and if the furthest basin looks quite good then that's sort of the backbone to our feeling that we might be onto a new oil programme. But we've got a lot of work to do, but we will know at the end of this year after drilling five well caps in these differently.

Theepan Jothilingam: Can you just remind us how much more seismic or FTG you need to do?

Angus McCoss: Oh, it will be an ongoing process. We will continue to acquire seismic. The FTG has been more or less completed in this area. That is the first activity, that's the reconnaissance geophysics. But the seismic will continue and we envisage being here for decades and you know, there will be always a case for 3D development and field 4D seismic and so forth. This will just carry on.

Michael Alford: Hi, it's Mike Alford again from Citi. Just a follow-up on your comments, Angus, on East Africa rift plays. Could you put into context the point that you've written off Ngassa in Uganda as not commercial from a sort of development or a play perspective but you're targeted similar sort of play types along the Lake Turkana Basin in 10BA. Does that mean that you need a lot of volumes there to really make it worthwhile?

Angus McCoss: Yes, the prospects that we're targeting on the shore of Lake Turkana like Kiboko for instance are onshore, whereas Ngassa is under the water, is under Lake Albert, and the terms attached to the Ngassa accumulation and the remaining prospectivity there just doesn't, you know, doesn't rank against the other opportunities in Lake Albert. So the focus for the



development team has been on the far easier to develop, lower-cost oil that we have in these world-class reservoirs of the Kasamene type where you have porosities in the high 30s up percent and vast permeabilities in shallow onshore oil fields, and Ngassa just isn't one of those. It's a deeper offshore track. So it's more about focusing on the low-cost, easy to develop low hanging fruit, and that means letting go of Ngassa.

Alessandro Pozzi: Alessandro from Barclays. I was wondering, in a scenario where you keep your existing equity in TEN and the capex in Uganda starts to grow in 2015-16, are you comfortable in that event to maintain a net production spend of \$1 billion and should you need to expand the facilities, is there any chance that you can put into the reserves-based lending TEN and Uganda at some point?

Ian Springett: I think the short answer to that is yes, we are confident that we can balance all those things off and our intent, as I said earlier, is that we fund exploration out of operating cash flow and we fund, on merit, developments out of debt, and we have portfolio activity to help us do that. So the short answer is yes.

Alessandro Pozzi: And on the reserve-based lending side, can you add TEN to that?

Ian Springett: We have a number of reserves-based – so reserves-based lending, we have a corporate facility, we have bonds, etc. So we have financial flexibility to look at all of those as appropriate.

Alessandro Pozzi: Thank you.

Thomas Martin: If I can ask a question, Thomas Martin of Canaccord. Specifically on the Etuko well test, I know you weren't able to test all the horizons there but can you give us some indication of what that told you about the reservoir quality on that flank play? Do you see an improvement versus the Ngamia area? And a second one if I can, just Kenya onshore, clearly you're focusing on the low-cost exploration. Maybe I'm missing it but to my knowledge we haven't had detailed fiscal terms for Kenya. Is that something that you think you might be able to provide at some point in time?



Angus McCoss: Okay, on the Etuko well test, Etuko was drilled in the east flank of the Rift Basin. We have two discoveries on the east flank of the basin, Etuko and Ewoi, and we see these as roughly similar types of discoveries. And they differ from the other five discoveries which we've had on the basin bounding fault. The basin bounding fault has discoveries like Ngamia and Twiga and Ekales and Agete and Amosing and those are in a string of pearls and these are structures, they're more deeply buried, they have a distinctive shape and a relief which lends themselves to strong commercial oil field development practices. On the east flank of the Rift Basin you're looking at shallower reservoirs, more gently inclined reservoirs in more subtle tracks but it's laterally very extensive. So we think there's, that Etuko and Ewoi, although it's only two wells, are indicating that probably the whole of that east flank is full of oil, has a good chance of being full of oil. So we think Etuko is the clue to a very widespread, laterally extensive, huge store of oil in place but as you've seen from the well test data, the recoveries aren't as high as the more classical structures with the high relief on the basin bounding fault.

So the development, we're obviously focused more on the higher productivity classical, strong structures on the basin bounding fault but this very large oil in place on the eastern flank is a very attractive resource potential.

Another important thing is that it's a vast area, that eastern flank, and we've only got two wells the size of a dinner plate – we've got two holes the size of a dinner plate in this vast eastern flank, and it could well be that there's a delta or a system of stacked alluvial channels on the eastern flank waiting to be discovered, and then we will get the sweet spot recoveries in the east flank as well as on the basin bounding fault. So lots still to play for.

Paul McDade: In terms of returns, I think we've given guidance, and Chris can do that offline in terms of particular guidance then if he's got but generically returns in Kenya are significantly better than what we have in Uganda, and we have, we can give some guidance hopefully.

Chris Perry: Could we see if we've got any questions on the conference call please?



Operator: Yes, we have got a question here and it's from Karen Crowley from Davy Stockbrokers. Please go ahead, ma'am.

Karen Crowley: Good morning, gentlemen, just a couple of question focused on East Africa please. Just on Kenya, there's quite a lot of industry interest in that region and I'm wondering whether you have considered a farm down of some of your large equity in the blocks that you have in Kenya and if so, what would you regard as the ultimate timing – or optimal timing – for a farm down? And on Uganda, you alluded to multibillion dollar savings on the development there and I'm just wondering, within those savings do you include updated quotes from service providers and perhaps those estimates now are coming in lower given the pullback in capex that we've seen within the E&P sector? Or is it just really a case of a more efficient development design? Thanks, guys.

Paul McDade: Yes, I mean I think first of all in Kenya our focus is absolutely on – well, twofold. One on how do we maximise the overall benefit and value of the development of Lokichar, South Lokichar; and also, as Angus has just alluded to, how do we fully understand the scale of what we have in Kenya. Whether there's potential to farm down later is always there. I mean as we've shown clearly in our strategy, portfolio management is a critical part of our strategy, but that will come with time. So no firm views other than our strategy involved portfolio management and Kenya is part of our portfolio, so it's going to be something that will be considered. But I think the most important thing at the moment is trying to understand, as Angus said, the size of the prize and also making sure we are absolutely focused on how do we fast track this to a sanction in 2015.

And I think on Uganda, the savings are very much around the design of the development, not, I mean we have our views of the cross-out in the industry and we haven't – that's not a part of the savings. We actually, this is just about our reviewing what it is we're going to ultimately build, procure and build, and that's where the savings are. I think as we progress through later in '14 and into '15 and we start going into the market to see what offers are there and what tenders are there, then we'll start to understand how the market, at the time when you're



procuring, may impact the overall costs. So it's very much the former; it's all about design and what we're procuring.

Karen Crowley: Okay, thanks, guys.

Operator: And we've got also a question from Gerry Hennigan from Goodbody.

Gerry Hennigan: Good morning, just a follow-up on that there with the returns question. Paul, you mentioned that there has been a sea change in terms of the government approach to the project. What sort of concrete steps should we see outside of your own drilling activity in terms of trying to commercialise this development in the timeline you have, in terms of '15 and '16?

Paul McDade: Could you repeat the first part of the question? Sorry.

Gerry Hennigan: Sorry, yes, just in terms of – you mentioned in terms of the sea change in government thinking with regard to Kenyan development. What sort of concrete steps do you expect the government to pursue in terms of enabling you to commercialise this, in terms of pipeline activity and that?

Paul McDade: Okay, thanks. Sorry about that. Yes, in terms of concrete steps, I mean the important thing about working with government is that they create the environment and the enabling environment in which we can work in. That's the big – and they have absolutely indicated that that's what they're willing to do. They need to – for material pieces of infrastructure such as the pipeline, we need to work together with the government on a joint plan to make sure that that pipeline planning is within the framework of what Kenya wants and also ultimately when the funding is required, proper consortia and again they've started working with it. So I mean those are examples. There's really, if I look back to Ghana, I mean the key differentiator in Ghana about why were we able to fast track Jubilee and get it onstream so quickly and efficiently, and it was really all about our alignment with government and government being very clear what their desires were and us working with it to fulfil them. So, and that's starting to fall into place in Kenya. The government are recognising they need to work very closely in partnership, and in



Kenya that will extend kind of onshore to some of the local challenges up in Turkana. You know, we need to work together to make sure we bring the community with us and they see material benefits as well. That will be just as important as the technical part. So I think we are actually seeing some concrete, early concrete steps from government in terms of their contribution and working with us.

Gerry Hennigan: Okay, thanks very much.

Operator: No further questions from the audio line.

Chris Perry: Okay, well if there's no more questions – yes?

Question: Sorry, just one more question. *[off-microphone]*

Paul McDade: We added about 67 from Kenya, 71 from Uganda, Wisting was 52 and Jubilee was a revision of 41. So it's a bit of a mix. But yes, as I said, we've got the choices in the portfolio and given the feedback we're getting on the cost side of things and from the well results, we can move in that portfolio to focus on these low-cost activities. So that's what you're going to see us focusing on. It's also where we're having a large run of success so we're naturally focusing on it because of the results we're getting. Was that helpful?

Ian Springett: I think one thing that's out there is that the timing of resource bookings, there is a lag effect there so certainly the bookings so far do not correspond with the 600 million barrel growth that we talked about recently. It's quite a long way behind that.

Chris Perry: Thank you very much for your time again.