

Tullow Oil plc - Interim Management Statement

12 November 2008 – Tullow Oil plc (Tullow) issues the following Interim Management Statement, for the period 1 July 2008 to 12 November 2008, in accordance with reporting requirements of the EU Transparency Directive. A Trading Statement and Operational Update covering the full year will be announced on 21 January 2009.

Tullow's business has continued to perform strongly over the second half of 2008. During the period, the Group has maintained its 100% exploration success record in Uganda with four further discoveries; has drilled a successful appraisal well on the Banda discovery, and has spudded the first well in a substantial new drilling campaign offshore Ghana. Total production for 2008 is now expected to average approximately 67,000 boepd with strong production performance from Africa and Asia offsetting lower production in the UK.

AFRICA

Ghana

Excellent progress has been made on development planning for Phase 1 of the Jubilee development offshore Ghana. Project sanction and Government approval are expected before year-end and the project is on track to deliver first oil in the second half of 2010.

All major equipment for Phase 1 has been secured with Letters of Intent issued to MODEC for the FPSO vessel; FMC Technologies for the subsea production system; Aker Solutions for the supply of subsea umbilicals; and Technip for the overall installation of the subsea system and supply of the risers and subsea flowlines.

Four deepwater rigs have also been contracted for an extensive exploration, appraisal and development drilling programme. This programme started in October with the Blackford Dolphin spudding the Hyedua-2 appraisal well which is currently drilling ahead. The Eirik Raude is scheduled to commence drilling operations on the Mahogany-3 exploratory-appraisal well in early December.

A 500 sq km 3D seismic survey, an extension to the original Jubilee 3D seismic survey, completed in October. Information gained from this survey will assist in the appraisal and development of the Jubilee field, the appraisal of the Odum discovery and in the identification of further prospectivity in the region.

In the Shallow Water Tano licence, where alternative plays to those encountered in the Jubilee field are being targeted, the Ebony-1 commitment well commenced drilling on 22 October. The well has been drilled to a TD of 2,640m and logging operations are ongoing.

Uganda

In Block 3A the Kingfisher-2 appraisal well completed in August, having flowed at a combined rate of over 14,000 bopd from three reservoir zones, thereby proving up a significant discovery. The Kingfisher-3 appraisal well, which is testing further upside potential, was spudded in late September and is currently at a depth of 2,670m. This well is expected to intersect the reservoir in late November. The next well in this campaign will be Ngassa-2 in Block 2, which is scheduled to spud in February 2009.

The Butiaba drilling campaign continued over the period resulting in four additional discoveries - Karuka, Kasamene and Kigogole in Block 2, and Warthog in Block 1. The discoveries at Kasamene and Warthog are of a significant size and have de-risked the remaining prospectivity in the area. They have also increased the likelihood of achieving the reserve volumes required for a major development. Two more prospects, Buffalo and Giraffe, will be drilled in Block 1 before year-end.

Rest of Africa

Production performance from all African assets is in line with expectations with fields in Equatorial Guinea continuing to perform well and gross production levels from the Chinguetti field in Mauritania increasing from 12,000 to 17,500 bopd following completion of two infill wells.

The Banda East appraisal well in Mauritania spudded on 4 October and is situated 6.7 km east of the Banda NW well drilled earlier this year. The well was drilled to determine the commercial potential of the Banda gas and oil discovery and came in on prognosis. It intersected an 86m gross gas column above a

19m gross oil column with 29m of net reservoir sand. Planning is currently in progress to carry out a drill stem test on the gas zone.

EUROPE

The UK has benefited from very strong gas pricing during the period although gas production has been below expectations. The principal impacts on production were a decline in production from the Orwell and Kelvin fields, a delay in the drilling of the Hewett Rotliegendes well and the need to extend the annual maintenance shut-down on the Horne and Wren fields during the Wissey tie-in.

First gas from the Wissey field was achieved in August and the field is currently producing at a gross rate of approximately 70 mmscfd. Additional projects to sustain UK gas production are ongoing and include three infill wells currently drilling on the Murdoch, Boulton and Hewett fields and an infill well on the Bure field scheduled for Q1 2009.

SOUTH ASIA

Production performance in South Asia is in line with expectations. In Bangladesh, the upgrade of the Bangora field processing capacity was successfully completed increasing production from 70 to 100 mmscfd. In India, the rig has been released following three unsuccessful exploration wells on the CB-ON/1 licence. Partners will now reassess the remaining prospectivity of the block. In Pakistan, preparations are ongoing to spud the Kohat-1 exploration well early in 2009.

SOUTH AMERICA

Recent focus in South America during the period has been on new venture opportunities pursuing play types similar to the Jubilee field in Ghana across the Atlantic. Tullow has recently reached agreement with the YPF Group to farm in to the Georgetown block offshore Guyana and acquire a 30% interest, complementing the Group's existing acreage in Suriname and French Guiana. A 3D seismic survey, which commenced in October, is currently being run in the Georgetown block.

New prospects analogous to the Jubilee field have been mapped close to the giant Matamata prospect in the Guyane Maritime licence offshore French Guiana. Tullow has a 97.5% interest in this licence and is planning a new round of farm out discussions with a view to drilling in 2010.

FINANCING AND PORTFOLIO MANAGEMENT

Phase 1 of the Jubilee development project is now substantially under way and successful exploration activities continue in Uganda. It is important that Tullow maintains the financial flexibility both to fund these activities and to access other growth opportunities that may present themselves in the current financial environment. Tullow's existing reserve based lending facility, which does not mature until 2012, is underpinned by a strong syndicate of 18 banks. Tullow is working closely with this syndicate and is confident of re-financing the existing facility during Q1 2009 and extending it to incorporate the first phase of the Ghana project.

Underlying 2008 cash flow will also be augmented by previously announced portfolio activity. The Hewett-Bacton disposal remains solidly on track to complete in Q4 2008 although completion of the sale of the Group's interest in the M'Boundi field still remains subject to local government approvals, the timing of which is uncertain. Net debt at 30 September was £471 million (before any disposal receipts) and unutilised bank lines were in excess of \$500 million.

OUTLOOK

Tullow's business is entering an exciting phase of exploration, appraisal and development activity. A number of potentially transformational wells will be drilled in Ghana and Uganda over the next few months. In addition, Tullow expects the government of Ghana to sanction Phase 1 of the world class Jubilee development before the year-end. While recent oil prices have been comparatively low, Tullow has benefited from strong prices through the majority of 2008 to date and gas prices remain strong. The outlook for the remainder of 2008 and beyond is very positive.

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Notes to Editors

Tullow is a leading independent oil & gas, exploration and production group, quoted on the London and Irish Stock Exchanges (symbol: TLW) and is a constituent of the FTSE 100 Index. The Group has interests in approximately 100 exploration and production licences across 22 countries and focuses on four core areas: Africa, Europe, South Asia and South America.

In Africa, Tullow has production in Gabon, Côte d'Ivoire, Mauritania, Congo (Brazzaville) and Equatorial Guinea and two large appraisal and development programmes in Ghana and Uganda. Tullow also has exploration interests in Gabon, Côte d'Ivoire, Mauritania, Senegal, Congo (DRC), Tanzania, Madagascar, Namibia and Angola.

Tullow's European interests are primarily focused on gas in the UK Southern North Sea where it has significant interests in the Caister-Murdoch System and the Thames-Hewett areas and operates over 70% of its production. The company also has interests offshore the Netherlands and Portugal.

In South Asia, Tullow has exploration and production in Pakistan and Bangladesh and exploration activities in India.

In South America, Tullow has exploration interests in Trinidad and Tobago, French Guiana and Suriname.

For further information please refer to our website at www.tulloil.com.