

TULLOW OIL PLC

2015

HALF YEAR RESULTS

29 July 2015



Tullow Oil plc – 2015 Half Year Results

Business re-set to meet the challenge of lower oil prices

First half 2015 financial results underpinned by strong oil production

TEN Project in Ghana remains on schedule and on budget for first oil in mid-2016

29 July 2015 – Tullow Oil plc (Tullow), the independent oil and gas exploration and production group, announces its half year results for the six months ended 30 June 2015. Details of a presentation in London, webcast and conference calls are available on page 24 of this report or visit the Group’s website www.tulloil.com

COMMENTING TODAY, AIDAN HEAVEY, CHIEF EXECUTIVE, SAID:

“Our financial results for the first half of 2015 are in line with market expectations and reflect the re-setting of our business in response to the weaker oil price. Revenues are lower due to the fall in oil price and asset sales but our hedging programme offset some of the impact. Our underlying cash generation remains solid and the restructuring programme is nearing completion and will deliver cost savings of \$500 million over the next three years. We are making good progress with our major development projects in West and East Africa. With the TEN Project on schedule and on budget for first oil in mid-2016, our West Africa oil production is set to grow to around 100,000 bopd net to Tullow in 2017. We also continue to build an inventory of exploration prospects to provide options for growth in the future.”

2015 HALF YEAR RESULTS HIGHLIGHTS

- Financials in line with expectations; impacted by oil price decline with average realised oil price after hedging for 1H 2015 of \$70.6/bbl (1H 2014: \$106.7/bbl); operating profit of \$97 million, up 169% (1H 2014: \$36 million) mainly due to a lower exploration write-off of \$88 million (1H 2014: \$402 million) resulting in reduced loss after tax of \$68 million (1H 2014: loss of \$95 million).
- Net debt at end 1H 2015 was \$3.6 billion with facility headroom and free cash of \$2.3 billion; 60% of 2015 entitlement production hedged with an average floor price of \$86/bbl; no debt maturities ahead of TEN Project coming on stream.
- 1H 2015 capital expenditure of \$783 million (1H 2014 \$1,048 million); 2015 full year forecast remains \$1.9 billion.
- The Group’s restructuring programme has resulted in a significant headcount reduction across the business which, with other related cost savings, will total \$500 million over three years. These savings will start to be recognised in 2H 2015 as lower cost allocations are made to G&A, opex and capex.
- 1H 2015 West Africa oil production within guidance averaging 66,500 bopd with Jubilee averaging 105,000 bopd gross; full year guidance remains 66,000-70,000 bopd however gross Jubilee average production is now expected to revert to previous guidance of 100,000 bopd following short term production constraints due to a gas compression issue on the FPSO.
- TEN Project in Ghana c.65% complete; on schedule and on budget for first oil in mid-2016.
- In East Africa, Kenya Extended Well Testing and appraisal drilling continues to underpin resource base; Uganda CGT dispute settled.
- Exploration campaign in 2H 2015 currently focused on Suriname (Spari), Norway (Salander) and Kenya (Cheptuket).

FINANCIAL OVERVIEW

| | 1H 2015 | 1H 2014 | Change |
|--|---------|---------|--------|
| Sales revenue (\$m) | 820 | 1,265 | -35% |
| Gross profit (\$m) | 342 | 681 | -50% |
| Operating profit (\$m) | 97 | 36 | 169% |
| Loss before tax (\$m) | (10) | (29) | 66% |
| Loss after tax (\$m) | (68) | (95) | 28% |
| Operating cash flow before working capital (\$m) | 515 | 905 | -43% |
| Interim dividend per share (pence) | – | 4.0p | -100% |

Operations review

WEST AFRICA*

| | | | |
|------------------------------------|---|--|-------------------------------------|
| 1H 2015 production 74,600 boepd | Total reserves and resources 633 mmboe | 1H 2015 sales revenue \$820 million | 1H 2015 investment \$521 million |
|------------------------------------|---|--|-------------------------------------|

*Tullow's West Africa Business Delivery Team also manages the Group's European production and development operations which are reflected in the above table

Ghana

Jubilee

Jubilee field performance was ahead of expectations in the first half of 2015, with production averaging 105,000 bopd gross (37,300 bopd net). A stable rate of gas offtake has been achieved following final commissioning of the onshore gas processing plant in March 2015, averaging around 80 mmscfd. This strong gas export performance significantly reduced the requirement for gas reinjection which allowed the effective capacity of the FPSO to gradually increase to around 115,000 bopd. However, the strong performance in first half 2015 has been offset by an unplanned technical issue that affected the gas compression system which has temporarily reduced oil production to approximately 65,000 bopd. This issue is expected to be resolved by mid-August. As a consequence of this period of unplanned lower production, full year 2015 gross Jubilee production has reverted to previous guidance of 100,000 bopd (35,500 bopd net).

Tullow will drill two additional wells in 2015, enhancing well capacity of the field over the medium term. The first of these wells, J-37 (oil producer), was drilled in early July and is expected to be online in September. The second well, J-36 (water injector), is scheduled for drilling in the fourth quarter of 2015. Tullow continues to work on the full development of the Jubilee field to extend plateau production in the longer term. This work will also evaluate how the partnership can incorporate the Mahogany, Teak and Akasa resources into the Greater Jubilee Full Field Development Plan. The finalised plan will be submitted to the Government by the end of the year.

TEN

The TEN Project is progressing well and is now approximately 65% complete. The project remains on schedule and on budget for first oil in mid-2016. A number of important milestones were achieved during the first half of the year including running two well completions and commencing a third; installing four subsea Christmas Trees; completing significant in-country fabrication, including anchor piles for the FPSO, ready for the start of the offshore installation campaign which commenced in July; and the transportation of specialist subsea manifolds and umbilicals which are now in transit from the USA to Ghana. The conversion work on the TEN FPSO continues at the Jurong Shipyard in Singapore with all major modules now installed and integration works under way. A naming ceremony will take place in September 2015 and the FPSO is due to sail to Ghanaian waters around the end of the year.

The Government of Ghana took the maritime border dispute with Côte d'Ivoire to the International Tribunal of the Law of the Sea (ITLOS) in Hamburg in late 2014. The case is ongoing with a final ruling expected during 2017. As part of the proceedings, Côte d'Ivoire applied for Provisional Measures to suspend oil exploration and exploitation activity in the disputed area which includes the TEN Project. On 25 April 2015, ITLOS rejected Côte d'Ivoire's request for suspension, allowing the TEN Project to continue with no impact on the schedule to first oil.

Non-operated West African production

Production from Tullow's non-operated West African portfolio was strong in the first half of 2015, generating an important source of cash flow for the Group.

In Gabon, net production averaged 12,800 bopd, which excludes production from the Onal fields (approximately 2,000 bopd net) due to ongoing licence discussions with the Government. An agreement with the Government to resolve licence issues is expected in the second half of the year. Elsewhere in Gabon, production from the Tchatamba field was above expectations as additional wells were brought on stream in the first half of the year and production from the Limande field is likely to be strong in the second half with additional wells scheduled for drilling.

Net production from Equatorial Guinea was in line with expectations, averaging 9,100 bopd. The Ceiba field performed strongly, averaging 3,000 bopd net to Tullow. Net production from the Okume Complex averaged 6,100 bopd in the first half of the year, marginally below guidance. The Espoir field in Côte d'Ivoire performed strongly in the first half of 2015, with production averaging 3,900 bopd net to Tullow. This is due to better than expected performance from the first three wells completed as part of the phase three infill drilling campaign. Net production from Congo (Brazzaville) and Mauritania averaged 2,200 bopd and 1,200 bopd respectively, in line with expectations.

Europe production

Working interest gas production for the first half of 2015 was within guidance averaging 8,100 boepd. Average working interest production guidance in Europe was earlier adjusted in July to 6,000-8,000 boepd from 6,000-9,000 boepd, to account for the completion of the divestment of assets in the Netherlands.

In line with Tullow's ongoing divestment plan of its non-core assets in Europe, Tullow no longer holds any operated licences in the Netherlands. Tullow completed the sale of its operated and non-operated interests in the L12/15 area and Blocks Q4 and Q5 to AU Energy on 30 April 2015 for a consideration of €64 million for the sale of approximately 1,500 boepd. In June 2015, Tullow also completed the sale of 30% equity and the operatorship of exploration licences E10, E11 (including Tullow's Vincent discovery), E14, E15c and E18b to GDF Suez E&P Nederland (ENGIE).

In the UK, the first phase of the Thames Area decommissioning has been successfully completed on schedule and on budget. The Tullow operated Horne and Wren platform is now hydrocarbon free and the subsea wells are isolated. Phase two planning is under way for the removal of the Horne and Wren platform and selected well plugging and abandonment in 2016.

EAST AFRICA

| | | | |
|---------------------------|---|------------------------------|-------------------------------------|
| 1H 2015 production NIL | Total reserves and resources 535 mmboc | 1H 2015 sales revenue NIL | 1H 2015 investment \$186 million |
|---------------------------|---|------------------------------|-------------------------------------|

Kenya

During the first half of 2015, Kenya activities primarily focused on the appraisal of the South Lokichar basin to test the extent of previous discoveries and gain important reservoir data for the field development plans.

In January 2015, the Ngamia-5 and Ngamia-6 appraisal wells were drilled from the Ngamia-1 discovery well pad, and encountered 160-200 metres and 135 metres of net oil pay respectively. In March 2015, the Ngamia-7 exploratory appraisal well tested the Ngamia field's eastern flank and encountered up to 130 metres of net oil pay, expanding the proven extent of the field. In April, the Ngamia-8 appraisal well encountered up to 200 metres of net oil pay in line with pre-drill expectations. Ngamia-9, the final exploratory appraisal well for this field, was completed in July 2015 and encountered between 90-110 metres of net oil pay in the Lokone and Auwerwer intervals.

The Amosing-3 appraisal well was drilled in January 2015, approximately 1 km northwest of the Amosing-1 discovery, and encountered 107 metres of net oil pay in good quality reservoir sands. In April 2015, the Amosing-4 exploratory appraisal well was drilled and encountered 27 metres of net oil pay extending the eastern flank down-dip. For the remainder of the year, appraisal activities will focus on the drilling of the Twiga-3 and Amosing-5 appraisal wells in the third quarter of 2015. This will complete appraisal drilling in the South Lokichar Basin.

A number of Extended Well Tests (EWTs) have been completed at the Amosing field. The Amosing-1 and Amosing-2 wells were completed in five separate zones and during the test the wells produced at a cumulative average constrained rate of 4,300 bopd of 31 to 38 degree API oil under natural flow conditions. Pressure data from the two wells supports significant connected oil volumes and confirms lateral reservoir continuity, which is positive for the future development. A cumulative volume of 30,000 barrels of oil has been produced into storage. Water injection tests are under way to further validate the viability of water flood reservoir management and the oil recovery assumptions.

Preparations are now well advanced for the Ngamia field EWTs which are due to commence in August. In preparation for the Ngamia EWTs, multi zone completions have been installed in the Ngamia-8, Ngamia-3 and Ngamia-6 wells and clean-up flow testing has been completed. The Ngamia EWT flow test will be followed by water injection testing.

Elsewhere in the South Lokichar basin, in April 2015 the Ekales-2 appraisal well encountered an estimated 60-100 metres of net oil pay in the primary shallower objectives. The well was then deepened to test the basin centre stratigraphic play, where it intersected sandstones with elevated pressures and 50 metres of oil bearing sands. Operating conditions prohibited logging and confirmation of any oil pay in this section but the result is positive for future upside potential for this play.

All of the appraisal work to date is strongly underpinning the Pmean gross resources estimate of 600 mmboc and is also identifying additional prospective upside in the basin.

Exploration activity in the first half of the year focused on basin opening wells across Tullow's extensive Kenyan acreage. In January 2015, the Epir-1 exploration well in the north of the Kerio basin was drilled and encountered oil and wet gas shows over a 100 metre interval of non-reservoir quality rocks, demonstrating a working petroleum system. Further exploration activities are being considered with attention now focusing on the prospective southern part of the Kerio Basin adjacent to the major discoveries made in the South Lokichar Basin.

The Engomo-1 exploration well was drilled in March 2015 to test the North Turkana basin in Block 10BA. The well did not encounter significant oil or gas shows and was plugged and abandoned. Engomo-1 was the first well drilled in the large North Turkana Basin and analysis is now being focused on high-grading the remaining prospectivity in the basin.

Finally, the Cheptuket exploration well in Block 12A is scheduled to commence in October 2015 and will test a basin bounding structural closure in the Kerio Valley Basin in a similar structural setting to the successful Ngamia and Amosing discoveries.

Uganda

In Uganda, all appraisal activities and pre-FEED studies have been completed. Significant progress has been made on several fiscal matters and in June 2015, the Government of Uganda announced that it had amended the VAT Act to relieve oil exploration and development from VAT. Later in June, Tullow announced that it had agreed to pay the Uganda Revenue Authority \$250 million in full and final settlement of its CGT liability for the farm-downs to Total and CNOOC completed in 2012. This sum comprises \$142 million that Tullow paid in 2012 and \$108 million to be paid in three equal installments. The first of these was paid upon settlement and the remainder will be paid in 2016 and 2017. These decisions are important steps towards the sanction of the Lake Albert development. In July 2015, Tullow prequalified for the upcoming Uganda exploration bid round.

East Africa Development

In Uganda, the field development plans have been submitted to the Government and we await the award of the production licences. In Kenya, discussions are under way with the Government regarding the submission of a plan of development of the discoveries in the South Lokichar Basin at the end of 2015. Initial discussions are progressing positively and continued engagement is expected on the development plan in the coming months.

Progress on the East African pipeline route to export oil from Lake Albert in Uganda and the South Lokichar Basin in Kenya has gained pace in recent months. The Governments of Uganda and Kenya are working closely together and the pipeline studies undertaken by a joint Government-appointed independent technical consultant have progressed well. The Governments decision on the pipeline route is expected in the third quarter 2015. The overall ambition is to achieve a combined project sanction of the export pipeline and both Uganda and Kenya upstream projects by the end of 2016.

NEW VENTURES

| | | | |
|---------------------------|--|------------------------------|------------------------------------|
| 1H 2015 production NIL | Total reserves and resources 23 mmbob | 1H 2015 sales revenue NIL | 1H 2015 investment \$76 million |
|---------------------------|--|------------------------------|------------------------------------|

Africa

In the first quarter of 2015, 2D seismic was acquired in the C-3 licence in Mauritania. This data is being evaluated alongside seismic data acquired in the C-18 licence in late 2014, to determine the exploration potential of both licences and areas for future exploration activity. In February 2015, Tullow farmed down a 40.5% interest in Block C-3 to Sterling Energy, with Tullow retaining a 49.5% interest. In June 2015, the Group agreed to farm down a 13.5% interest in Block C-10 to Sterling Energy. Completion of this transaction is subject to Government approval.

In Ethiopia, seismic interpretation continues following approval from the Government to enter into the second additional exploration period through to January 2017.

Discussions have been ongoing with the Government of Guinea on the resumption of Tullow's petroleum operations after force majeure was lifted on its offshore exploration block following the discontinuation of a U.S. regulatory investigation of its project partner Hyperdynamics Corp. The drilling of the Fatala exploration well in Guinea is dependent on these discussions and the status of the Ebola situation in the country.

Europe

Exploration offshore Norway continued in the first half of the year with the non-operated Bjaaland well in May 2015 and the operated Zumba well in June 2015. Both wells were unsuccessful and have since been plugged and abandoned. Tullow has been actively managing its equity position and exposure to drilling costs in Norway and the Group reduced its equity in the Zumba well from 60% to 40%. In July 2015, Tullow acquired a 25% stake in PL 650 from E.ON, subject to government approval, in exchange for Tullow's 15% stake in PL 722. The Salander prospect in E.ON operated PL 650 commenced drilling in July 2015.

Caribbean-Guyanas

Tullow has been actively assessing and maturing its exploration opportunities in the Caribbean-Guyanas region. In Suriname, the non-operated Spari-1 well in Block 31 is in progress and is targeting a shelf-edge play, with a result expected in August. Seismic evaluation of the Tullow-operated Block 54 is ongoing, with a 4,000 sq km 3D programme to high-grade prospects for future selective drilling.

Geological studies and interpretation of seismic data of the Kanuku Block in Guyana and Block 15 in Uruguay are ongoing and a decision on whether to enter the next periods of the licences, which both include an exploration well, will be made in the second half of the year.

Following Tullow's entry into Jamaica in late 2014, a bathymetry survey has been completed over the 32,056 sq km Walton Morant Blocks. Drop core, thermal and environmental baseline studies have also been completed in the area. Following interpretation of these studies and further seismic reprocessing work, Tullow will decide whether to proceed and acquire a new 2D and 3D seismic survey in the initial three and a half year exploration period.

Asia

The Kup-1 well in Pakistan, in which Tullow has a 30% non-operated stake, is currently drilling with a result expected towards the end of 2015.

Finance Review

| Financial results summary | 1H 2015 | 1H 2014 | Change |
|--|---------|---------|--------|
| Working interest production volume (boepd) | 74,600 | 78,400 | -5% |
| Sales volume (boepd) | 66,500 | 73,200 | -9% |
| Realised oil price (\$/bbl) | 70.6 | 106.7 | -34% |
| Realised gas price (p/therm) | 46.4 | 55.2 | -16% |
| Sales revenue (\$m) | 820 | 1,265 | -35% |
| Cash operating costs (\$/boe) | 16.2 | 15.9 | 2% |
| Exploration write-off (\$m) | 88 | 402 | -78% |
| Operating profit (\$m) | 97 | 36 | 169% |
| Loss before tax (\$m) | (10) | (29) | 66% |
| Loss after tax (\$m) | (68) | (95) | 28% |
| Basic (loss)/earnings per share (cents) | (7.5) | (8.3) | 10% |
| Cash generated from operations (before working capital movements (WC)) (\$m) | 515 | 905 | -43% |
| Operating cash flow (before WC) per boe (\$/boe) | 37.9 | 63.5 | -40% |
| Capital investment (\$m) | 783 | 1,048 | -25% |
| Net debt (\$m) | 3,610 | 2,802 | 29% |
| Interest cover (EBITDA/net interest) (times) | 6.5 | 16.4 | (9.9) |
| Net debt/EBITDAX ratio | 2.65 | 1.56 | 1.09 |

Production and commodity prices

Working interest production averaged 74,600 boepd, a decrease of 5% for the period (1H 2014: 78,400 boepd). This is primarily due to the partial farm down of Schooner and Ketch fields in October 2014 and the disposal of the Q&L blocks in April 2015 which offset increased higher margin oil production from the Jubilee field and assets in Equatorial Guinea. Sales volumes averaged 66,500 boepd, representing a decrease of 9%.

On average, oil prices in 1H 2015 were lower than in 1H 2014 due to the oil price falling significantly in the second half of 2014. Realised oil price after hedging for the period was US\$70.6/bbl (1H 2014: US\$106.7/bbl), a decrease of 34% which recognises the benefit of our hedging programmes as average market prices in 1H 2015 were c\$58/bbl. European gas prices were lower than the prior period. The realised European gas price after hedging for 1H 2015 was 46.4 pence/therm (1H 2014: 55.2 pence/therm), a decrease of 16%.

Operating costs, depreciation and expenses

Underlying cash operating costs, which excludes depletion and amortisation and movements in underlift/overlift, amounted to \$220 million; \$16.2/boe (1H 2014: \$227 million; \$15.9/boe). Operating cash costs per barrel excluding royalties were \$15.4/bbl (1H 2014: \$14.8/bbl). Under/overlift and oil inventory movement has increased from a charge in 1H 2014 of \$45 million to a credit of \$32 million in 1H 2015; this is primarily driven by increased oil entitlements as a result of lower oil prices and the timing of liftings.

DD&A charges before impairment on production and development assets amounted to \$291 million; \$21.4/boe (1H 2014: \$305 million; \$21.4/boe). The Group recognised a net impairment reversal of \$11 million (1H 2014: \$8 million charge) as a result of the review of previously impaired assets in Gabon partially offset by impairments in the UK and the Netherlands.

Administrative expenses of \$100 million (1H 2014: \$120 million) include an amount of \$14 million (1H 2014: \$20 million) associated with IFRS 2 – Share-based Payments. The decrease in total general and administrative costs begins to reflect the benefits of the simplification project.

During 1H 2015 the Group recognised a provision for restructuring costs of \$42 million. After recharges to JV partners the net restructuring costs included in the income statement is \$25 million.

| Exploration costs written off | 1H 2015 \$m | 1H 2014 \$m |
|--------------------------------------|----------------|----------------|
| Exploration costs written off | (87.5) | (402.2) |
| Associated deferred tax credit | 51.0 | 109.2 |
| Net exploration costs written off | (36.5) | (293.0) |

During 1H 2015 the Group spent \$154 million, including Norway exploration costs on a post-tax basis, on exploration and appraisal activities and has written off \$28 million in relation to this expenditure. This included write-offs in Norway (\$6 million) and Gabon (\$3 million) and new venture costs (\$12 million). In addition, the Group has written off \$8 million in relation to the prior year's expenditure and fair value adjustments in Norway.

Derivative financial instruments

Tullow continues to undertake hedging activities as part of the ongoing management of its business risk to protect against volatility and to ensure the availability of cash flow for reinvestment in capital programmes that are driving business growth.

At 30 June 2015, the Group's derivative instruments had a net positive fair value of \$298 million (1H 2014: negative \$87 million), inclusive of deferred premium. While all of the Group's commodity derivative instruments currently qualify for hedge accounting, a pre-tax charge of \$25 million (1H 2014: charge of \$18 million) in relation to the change in time value of the Group's commodity derivative instruments has been recognised in the income statement during the period.

| Hedge position | 2015 | 2016 | 2017 | 2018 |
|---|--------|--------|--------|-------|
| Oil hedges | | | | |
| Volume – bopd | 34,500 | 31,257 | 19,500 | 5,000 |
| Average Floor price protected (\$/bbl) | 85.98 | 79.29 | 76.68 | 68.04 |
| Gas hedges | | | | |
| Volume – mmscfd | 3.69 | 0.61 | | |
| Average Floor price protected (p/therm) | 55.00 | 63.00 | | |

Net financing costs

The net interest charge for the period was \$82 million (1H 2014: \$47 million) and reflects an increase in finance costs associated with the increase in net debt, partially offset by an increase in capitalised interest associated with the TEN development. Capitalised interest for the period was \$72 million (1H 2014: \$55 million). The period's net interest charge includes interest incurred on the Group's debt facilities and the decommissioning finance charge offset by interest earned on cash deposits and borrowing costs capitalised principally against the Ugandan assets and the TEN development.

Taxation

The overall net tax charge of \$58 million (1H 2014: \$66 million) includes a one-off tax charge of \$108 million for settling the Uganda CGT liability. This matter is discussed further below. The tax charge also includes recurring charges in respect of the Group's North Sea, Gabon, Equatorial Guinea and Ghanaian production activities offset by the tax credits arising from Norwegian exploration and non-recurring deferred tax credits associated with losses on disposal, exploration write-offs and impairments. After adjusting for the non-recurring amounts related to Uganda CGT, losses on disposal, exploration write-offs and impairments and related deferred tax benefit, the Group's underlying effective tax rate is 32% (1H 2014: 37%). The decrease in the underlying effective tax rate is primarily a result of higher PSC income and the tax credit recognised on the derivative financial instruments.

In respect of the Uganda CGT settlement noted above, on 22 June 2015, following constructive discussions with the Government of Uganda and the Uganda Revenue Authority, Tullow announced that it had agreed to pay \$250 million to the Uganda Revenue Authority in full and final settlement of its CGT liability for the farm-downs to Total and CNOOC that completed in 2012. This sum comprises \$142 million that Tullow paid in 2012 and \$108 million to be paid in three equal instalments. The first of these was paid upon settlement and the remainder will be paid in 2016 and 2017.

Loss after tax from continuing activities and basic earnings per share

The loss from continuing activities for the period amounted to \$68 million (1H 2014: \$95 million loss). Basic earnings per share was a loss of 7.5 cents (1H 2014: 8.3 cents loss).

Dividend per share

In 2015, in view of the fall in the oil price during 2H 2014, the Board suspended the dividend. At a time when Tullow is focusing on capital allocation, financial flexibility and cost reductions, the Board believes that Tullow and its shareholders are better served by investing these funds into the business.

Operating cash flow

Operating cash flow before working capital movements decreased by 43% to \$515 million (1H 2014: \$905 million) as a result of reduced sales volumes and lower realised commodity prices partially offset by lower cash operating costs. In the period, this cash flow, together with increased debt facilities, helped fund the Group's \$832 million of capital expenditure in exploration and development activities and the servicing of debt facilities.

| Reconciliation of net debt | \$m |
|--|----------------|
| Year-end 2014 Net debt | (3,103) |
| <i>Revenue</i> | 820 |
| <i>Operating costs</i> | (220) |
| <i>Operating expenses</i> | (85) |
| Cash flow from operations | 515 |
| Movement in working capital | (65) |
| Tax paid | (80) |
| Capital expenditure | (832) |
| Disposals | 57 |
| Other investing activities | 1 |
| Financing activities | (113) |
| Foreign exchange gain on cash and debt | 10 |
| 1H 2015 Net debt | (3,610) |

Capital expenditure

Capital expenditure amounted to \$783 million (1H 2014: \$1,048 million) (net of Norwegian tax) with \$630 million invested in development activities and \$153 million in exploration and appraisal activities. More than 75% of the total was invested in Kenya, Ghana and Uganda and 95%, \$746 million, was invested in Africa. Based on current estimates and work programmes, 2015 capital expenditure is forecast to be \$1.9 billion (net of Norwegian tax), with \$250 million allocated to exploration and appraisal activities.

Portfolio management

On 30 April 2015, Tullow completed the sale of its operated and non-operated interests in the L12/15 area and Blocks Q4 and Q5 to AU Energy. The consideration was €64 million producing a profit after tax of \$7.4 million and a loss before tax of \$46.2 million. On 5 June 2015, Tullow completed the farm-down to GDF Suez E&P Nederland of 30% equity and the operatorship of Exploration Licences E10, E11 (including Tullow's Vincent discovery), E14, E15c and E18b.

Balance sheet

In the first half of 2015, Tullow increased its commitments under the Revolving Corporate Facility from \$0.75 billion to \$1.0 billion and commitments under the Reserve Based Lending Facility increased from \$3.5 billion to \$3.7 billion. Furthermore, amendments to the financial covenants on the Reserve Based Lending Facility and Revolving Corporate Facility were agreed to address the risk of any potential covenant breach during a period of oil price volatility and investment in production and development assets in West Africa. At 30 June 2015, Tullow had net debt of \$3.6 billion (1H 2014: \$2.8 billion). Unutilised debt capacity and free cash at 30 June 2015 amounted to approximately \$2.3 billion. The EBITDA interest cover decreased to 6.5 times (1H 2014: 16.4 times). Total net assets at 30 June 2015 amounted to \$3.8 billion (30 June 2014: \$5.2 billion) with the decrease in total net assets principally due to the loss during 2H 2014 from continuing activities.

Liquidity risk management and going concern

The Group closely monitors and manages its liquidity risk. Cash forecasts are regularly produced and sensitivities run for different scenarios including, but not limited to, changes in commodity prices, different production rates from the Group's producing assets and delays to development projects. In addition to the Group's operating cash flows, portfolio management opportunities are reviewed to potentially enhance the financial capability and flexibility of the Group. In the currently low commodity price environment, the Group has taken appropriate action to reduce its cost base and had \$2.3 billion of unutilised facility headroom and free cash at 30 June 2015. The Group's forecast, taking into account the risks described above, show that the Group will be able to operate within its current debt facilities and have sufficient financial headroom for the 12 months from the date of approval of the 2015 half-year results.

2015 principal financial risks and uncertainties

The Board determines the key risks for the Group and monitors mitigation plans and performance on a monthly basis. The principal risks and uncertainties facing the Group at the year-end are detailed in the risk management section of the 2014 Annual Report. The Group has identified its principal risks for the next 6 months as being:

- The impact on the TEN project of the outcome of the maritime boundary arbitration dispute between Ghana and Cote d'Ivoire;
- Continued delivery of financial strategy to maintain appropriate liquidity;
- Ensuring cost and capital discipline; and
- Oil price and overall market volatility.

Events since 30 June 2015

Since the balance sheet date there has been an unplanned technical issue that affected the gas compression system on the Jubilee FPSO which has temporarily reduced oil production to approximately 65,000 bopd. This issue is expected to be resolved by mid-August.

Responsibility statement

The Directors confirm that to the best of their knowledge:

- a. the condensed set of financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting';
- b. the interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and
- c. the interim management report includes a true and fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

The Directors of Tullow Oil plc are as listed in the Group's 2014 Annual Report and Accounts. A list of the current Directors is maintained on the Tullow Oil plc website: www.tulloil.com.

By order of the Board,

Aidan Heavey
Chief Executive Officer
28 July 2015

Ian Springett
Chief Financial Officer
28 July 2015

Disclaimer

This statement contains certain forward-looking statements that are subject to the usual risk factors and uncertainties associated with the oil and gas exploration and production business. Whilst the Group believes the expectations reflected herein to be reasonable in light of the information available to them at this time, the actual outcome may be materially different owing to factors beyond the Group's control or within the Group's control where, for example, the Group decides on a change of plan or strategy. Accordingly no reliance may be placed on the figures contained in such forward-looking statements.

Independent review report to Tullow Oil plc

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2015 which comprises the condensed consolidated income statement, the condensed consolidated statement of comprehensive income and expense, the condensed consolidated balance sheet, the condensed consolidated statement of changes in equity, the condensed consolidated cash flow statement and related notes 1 to 15. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with International Standards on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 2, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting," as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standards on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2015 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

Deloitte LLP

Chartered Accountants and Statutory Auditor
London, UK
28 July 2015

Condensed consolidated income statement

Six months ended 30 June 2015

| | Notes | 6 months ended 30.06.15 Unaudited \$m | *6 months ended 30.06.14 Unaudited \$m | Year ended 31.12.14 Audited \$m |
|--|-------|--|---|--|
| Continuing activities | | | | |
| Sales revenue | | 819.6 | 1,264.6 | 2,212.9 |
| Cost of sales | 7 | (477.4) | (583.4) | (1,116.7) |
| Gross profit | | 342.2 | 681.2 | 1,096.2 |
| Administrative expenses | 7 | (100.0) | (120.0) | (192.4) |
| Restructuring costs | | (25.4) | – | – |
| Loss on disposal | 9 | (43.9) | (114.8) | (482.4) |
| Goodwill impairment | | – | – | (132.8) |
| Exploration costs written off | 10 | (87.5) | (402.2) | (1,657.3) |
| Reversal/(impairment) of property, plant and equipment | 11 | 11.1 | (7.9) | (595.9) |
| Operating profit/(loss) | | 96.5 | 36.3 | (1,964.6) |
| (Loss)/gain on hedging instruments | | (25.1) | (18.0) | 50.8 |
| Finance revenue | | 1.4 | 7.3 | 9.6 |
| Finance costs | | (83.0) | (54.5) | (143.2) |
| Loss from continuing activities before tax | | (10.2) | (28.9) | (2,047.4) |
| Income tax (expense)/ credit | 8 | (57.5) | (66.2) | 407.5 |
| Loss for the year from continuing activities | | (67.7) | (95.1) | (1,639.9) |
| Attributable to: | | | | |
| Owners of the Company | | (67.9) | (75.3) | (1,555.7) |
| Non-controlling interest | | 0.2 | (19.8) | (84.2) |
| | | (67.7) | (95.1) | (1,639.9) |
| Earnings per ordinary share from continuing activities | | | | |
| Basic | 3 | ¢ | ¢ | ¢ |
| Diluted | 3 | (7.5) | (8.3) | (170.9) |
| | | (7.5) | (8.3) | (170.9) |

*The 6 month ended 30.06.2014 figures have been re-presented to align disclosure of impairments of property plant and equipment on the face of the income statement with 2015.

Condensed consolidated statement of comprehensive income and expense

Six months ended 30 June 2015

| | 6 months ended 30.06.15 Unaudited \$m | 6 months ended 30.06.14 Unaudited \$m | Year ended 31.12.14 Audited \$m |
|--|--|--|--|
| Loss for the period | (67.7) | (95.1) | (1,639.9) |
| Items that may be reclassified to the income statement in subsequent periods | | | |
| Cash flow hedges | | | |
| Gains/(losses) arising in the period | 16.1 | (2.3) | 485.7 |
| Reclassification adjustments for items included in profit on realisation | (164.4) | 3.2 | 4.6 |
| | (148.3) | 0.9 | 490.3 |
| Exchange differences on translation of foreign operations | (46.5) | 0.6 | (50.6) |
| Other comprehensive (expense)/income | (194.8) | 1.5 | 439.7 |
| Tax relating to components of other comprehensive (expense)/income | 0.5 | (1.9) | (91.0) |
| Net other comprehensive (expense)/income for the period | (194.3) | (0.4) | 348.7 |
| Total comprehensive expense for the period | (262.0) | (95.5) | (1,291.2) |
| Attributable to: | | | |
| Owners of the Company | (262.2) | (75.7) | (1,207.0) |
| Non-controlling interest | 0.2 | (19.8) | (84.2) |
| | (262.0) | (95.5) | (1,291.2) |

Condensed consolidated balance sheet

As at 30 June 2015

| | Notes | 30.06.15 Unaudited \$m | 30.06.14 Unaudited \$m | 31.12.14 Audited \$m |
|---|-------|------------------------------|------------------------------|----------------------------|
| ASSETS | | | | |
| Non-current assets | | | | |
| Goodwill | | 217.7 | 350.5 | 217.7 |
| Intangible exploration and evaluation assets | 10 | 3,852.4 | 4,406.1 | 3,660.8 |
| Property, plant and equipment | 11 | 5,160.8 | 5,115.9 | 4,887.0 |
| Investments | | 1.0 | 1.4 | 1.0 |
| Other non-current assets | 12 | 350.1 | 226.5 | 119.7 |
| Derivative financial instruments | | 122.3 | – | 193.9 |
| Deferred tax assets | | 395.5 | – | 255.0 |
| | | 10,099.8 | 10,100.4 | 9,335.1 |
| Current assets | | | | |
| Inventories | | 125.5 | 182.1 | 139.5 |
| Trade receivables | | 117.3 | 365.2 | 87.8 |
| Other current assets | 12 | 604.0 | 1,050.3 | 902.3 |
| Current tax assets | | 235.3 | 217.0 | 221.6 |
| Derivative financial instruments | | 179.0 | – | 280.8 |
| Cash and cash equivalents | | 488.1 | 410.9 | 319.0 |
| Assets classified as held for sale | | – | 45.9 | 135.6 |
| | | 1,749.2 | 2,271.4 | 2,086.6 |
| Total assets | | 11,849.0 | 12,371.8 | 11,421.7 |
| LIABILITIES | | | | |
| Current liabilities | | | | |
| Trade and other payables | | (843.8) | (1,095.7) | (1,074.9) |
| Borrowings | | (125.5) | (157.9) | (131.5) |
| Current tax liabilities | | (334.0) | (101.0) | (115.9) |
| Derivative financial instruments | | (3.3) | (47.8) | (3.3) |
| Liabilities directly associated with assets classified as held for sale | | – | (20.9) | (13.6) |
| | | (1,306.6) | (1,423.3) | (1,339.2) |
| Non-current liabilities | | | | |
| Trade and other payables | | (79.8) | (28.4) | (85.1) |
| Borrowings | | (3,906.3) | (2,958.2) | (3,209.1) |
| Derivative financial instruments | | – | (39.0) | – |
| Provisions | 13 | (1,224.0) | (976.9) | (1,260.4) |
| Deferred tax liabilities | | (1,550.8) | (1,697.3) | (1,507.6) |
| | | (6,760.9) | (5,699.8) | (6,062.2) |
| Total liabilities | | (8,067.5) | (7,123.1) | (7,401.4) |
| Net assets | | 3,781.5 | 5,248.7 | 4,020.3 |
| EQUITY | | | | |
| Called up share capital | 14 | 147.0 | 147.0 | 147.0 |
| Share premium | | 607.2 | 605.0 | 606.4 |
| Foreign currency translation reserve | | (252.2) | (154.5) | (205.7) |
| Hedge reserve | | 253.8 | 1.3 | 401.6 |
| Other reserves | | 740.9 | 740.9 | 740.9 |
| Retained earnings | | 2,260.3 | 3,820.3 | 2,305.8 |
| Equity attributable to equity holders of the Company | | 3,757.0 | 5,160.0 | 3,996.0 |
| Non-controlling interest | | 24.5 | 88.7 | 24.3 |
| Total equity | | 3,781.5 | 5,248.7 | 4,020.3 |

Condensed statement of changes in equity

As at 30 June 2015

| | Share capital \$m | Share premium \$m | Foreign currency translation reserve ¹ \$m | Hedge Reserve ² \$m | Other reserves ³ \$m | Retained earnings \$m | Total \$m | Non-controlling interest \$m | Total Equity \$m |
|---|----------------------|----------------------|--|-----------------------------------|------------------------------------|--------------------------|--------------|---------------------------------|---------------------|
| At 1 January 2014 | 146.9 | 603.2 | (155.1) | 2.3 | 740.9 | 3,984.7 | 5,322.9 | 123.5 | 5,446.4 |
| Loss for the period | – | – | – | – | – | (75.3) | (75.3) | (19.8) | (95.1) |
| Hedges, net of tax | – | – | – | (1.0) | – | – | (1.0) | – | (1.0) |
| Currency translation adjustments | – | – | 0.6 | – | – | – | 0.6 | – | 0.6 |
| Issue of employee share options | 0.1 | 1.8 | – | – | – | – | 1.9 | – | 1.9 |
| Vesting of PSP shares | – | – | – | – | – | (0.1) | (0.1) | – | (0.1) |
| Share-based payment charges | – | – | – | – | – | 32.0 | 32.0 | – | 32.0 |
| Dividends paid | – | – | – | – | – | (121.0) | (121.0) | – | (121.0) |
| Distribution to non-controlling interests | – | – | – | – | – | – | – | (15.0) | (15.0) |
| At 30 June 2014 | 147.0 | 605.0 | (154.5) | 1.3 | 740.9 | 3,820.3 | 5,160.0 | 88.7 | 5,248.7 |
| Loss for the period | – | – | – | – | – | (1,480.4) | (1,480.4) | (64.4) | (1,544.8) |
| Hedges, net of tax | – | – | – | 400.3 | – | – | 400.3 | – | 400.3 |
| Currency translation adjustments | – | – | (51.2) | – | – | – | (51.2) | – | (51.2) |
| Issue of employee share options | – | 1.4 | – | – | – | – | 1.4 | – | 1.4 |
| Vesting of PSP shares | – | – | – | – | – | (0.3) | (0.3) | – | (0.3) |
| Share-based payment charges | – | – | – | – | – | 27.5 | 27.5 | – | 27.5 |
| Dividends paid | – | – | – | – | – | (61.3) | (61.3) | – | (61.3) |
| At 1 January 2015 | 147.0 | 606.4 | (205.7) | 401.6 | 740.9 | 2,305.8 | 3,996.0 | 24.3 | 4,020.3 |
| Loss for the period | – | – | – | – | – | (67.9) | (67.9) | 0.2 | (67.7) |
| Hedges, net of tax | – | – | – | (147.8) | – | – | (147.8) | – | (147.8) |
| Currency translation adjustments | – | – | (46.5) | – | – | – | (46.5) | – | (46.5) |
| Issue of employee share options | – | 0.8 | – | – | – | – | 0.8 | – | 0.8 |
| Share-based payment charges | – | – | – | – | – | 22.4 | 22.4 | – | 22.4 |
| At 30 June 2015 | 147.0 | 607.2 | (252.2) | 253.8 | 740.9 | 2,260.3 | 3,757.0 | 24.5 | 3,781.5 |

1. The foreign currency translation reserve represents exchange gains and losses arising on translation of foreign currency subsidiaries, monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment in a foreign operation, and exchange gains or losses arising on long-term foreign currency borrowings which are a hedge against the Group's overseas investments.
2. The hedge reserve represents gains and losses on derivatives classified as effective cash flow hedges.
3. Other reserves include the merger reserve and the treasury shares reserve which represents the cost of shares in Tullow Oil plc purchased in the market and held by the Tullow Oil Employee Trust to satisfy awards held under the Group's share incentive plans.

Condensed consolidated cash flow statement

Six months ended 30 June 2015

| | Notes | 6 months ended 30.06.15 Unaudited \$m | 6 months ended 30.06.14 Unaudited \$m | Year ended 31.12.14 Audited \$m |
|--|-------|---|---|--|
| Cash flows from operating activities | | | | |
| Loss before taxation | | (10.2) | (28.9) | (2,047.4) |
| Adjustments for: | | | | |
| Depletion, depreciation and amortisation | | 305.9 | 324.1 | 621.8 |
| Loss on disposal | 9 | 43.9 | 114.8 | 482.4 |
| Goodwill impairment | | – | – | 132.8 |
| Exploration costs written off | 10 | 87.5 | 402.2 | 1,657.3 |
| Impairment of property, plant and equipment | 11 | (11.1) | 7.9 | 595.9 |
| Decommissioning payments | 13 | (22.5) | (1.1) | (20.4) |
| Share-based payment charge | | 14.9 | 20.4 | 39.5 |
| Loss/(gain) on hedging instruments | | 25.1 | 18.0 | (50.8) |
| Finance revenue | | (1.4) | (7.3) | (9.6) |
| Finance costs | | 83.0 | 54.5 | 143.2 |
| Operating cash flow before working capital movements | | 515.1 | 904.6 | 1,544.7 |
| (Increase)/decrease in trade and other receivables | | (32.8) | (234.8) | 29.9 |
| Decrease in inventories | | 11.6 | 11.5 | 61.0 |
| (Decrease)/increase in trade payables | | (43.9) | 44.9 | (119.6) |
| Cash flows from operating activities | | 450.0 | 726.2 | 1,516.0 |
| Taxes paid | | (79.5) | (161.6) | (34.2) |
| Net cash from operating activities | | 370.5 | 564.6 | 1,481.8 |
| Cash flows from investing activities | | | | |
| Proceeds from disposals | 9 | 57.2 | (36.9) | 21.3 |
| Purchase of intangible exploration and evaluation assets | | (326.3) | (664.4) | (1,255.1) |
| Purchase of property, plant and equipment | | (505.8) | (531.1) | (1,098.3) |
| Interest received | | 1.4 | 3.1 | 4.6 |
| Net cash used in investing activities | | (773.5) | (1,229.3) | (2,327.5) |
| Cash flows from financing activities | | | | |
| Net proceeds from issue of share capital | | 0.9 | 1.9 | 3.3 |
| Debt arrangement fees | | (26.7) | (22.0) | (22.2) |
| Repayment of bank loans | | (54.0) | (642.7) | (1,202.1) |
| Drawdown of bank loan | | 737.5 | 936.8 | 1,749.8 |
| Issue of senior loan notes | | – | 650.0 | 650.0 |
| Repayment of obligations under finance leases | | (0.6) | (1.1) | (1.1) |
| Interest paid | | (86.9) | (63.2) | (172.9) |
| Dividends paid | | – | (121.0) | (182.3) |
| Distribution to non controlling interests | | – | (15.0) | (15.0) |
| Net cash generated by financing activities | | 570.2 | 723.7 | 807.5 |
| Net increase/(decrease) in cash and cash equivalents | | 167.2 | 59.0 | (38.2) |
| Cash and cash equivalents at beginning of period | | 319.0 | 352.9 | 352.9 |
| Cash transferred to held for sale | | – | – | 16.2 |
| Foreign exchange gain/(loss) | | 1.9 | (1.0) | (11.9) |
| Cash and cash equivalents at end of period | | 488.1 | 410.9 | 319.0 |

Notes to the preliminary financial statements

Six months ended 30 June 2015

1. General information

The condensed financial statements for the six month period ended 30 June 2015 have been prepared in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting and the requirements of the Disclosure and Transparency Rules (DTR) of the Financial Conduct Authority (FCA) in the United Kingdom as applicable to interim financial reporting.

The Condensed financial statements represent a 'condensed set of financial statements' as referred to in the DTR issued by the FCA. Accordingly, they do not include all of the information required for a full annual financial report and are to be read in conjunction with the Group's financial statements for the year ended 31 December 2014, which were prepared in accordance with International Financial Reporting Standards (IFRS) adopted for use by the European Union (EU). The Condensed financial statements are unaudited and do not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The financial information for the year ended 31 December 2014 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. This information was derived from the statutory accounts for the year ended 31 December 2014, a copy of which has been delivered to the Registrar of Companies. The auditor's report on these accounts was unqualified, did not include a reference to any matters to which the auditor drew attention by way of an emphasis of matter and did not contain a statement under sections 498 (2) or (3) of the Companies Act 2006.

2. Accounting policies

The annual financial statements of Tullow Oil plc are prepared in accordance with IFRSs as issued by the International Accounting Standards Board and as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting', as adopted by the European Union and the Disclosure and Transparency Rules of the Financial Services Authority.

Basis of preparation

The condensed set of financial statements included in this half-yearly financial report have been prepared on a going concern basis as the Directors consider that the Group has adequate resources to continue in operational existence for the foreseeable future as explained in the Finance Review.

The accounting policies adopted in the 2015 half-yearly financial report are the same as those adopted in the 2014 Annual report and accounts other than the following new and revised standards that impact Tullow became effective during 2015:

- IAS 19 Defined benefit Plans: Employee Contributions
- IFRS 2 Share-based Payment – Definition of vesting conditions
- IFRS 3 Business Combinations – Accounting for contingent consideration in a business combination
- IFRS 8 Operating Segments – Aggregation of operating segments
- IFRS 8 Operating Segments – Reconciliation of the total reportable segments assets to the entity's assets
- IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets – Revaluation method – proportionate restatement of accumulated depreciation/amortisation
- IAS 24 Related Party Disclosures – Key management personnel
- IFRS 13 Fair Value Measurement – Scope of paragraph 52 (portfolio exemption)
- IAS 40 Investment Property – Interrelationship between IFRS 3 and IAS 40 (ancillary services)

The adoption of these standards has not had a material impact on the financial statements of the Group.

3. Earnings per Share

The calculation of basic earnings per share is based on the loss for the period after taxation attributable to equity holders of the parent of \$67.9 million (1H 2014: \$75.3 million, loss) and a weighted average number of shares in issue of 911.0 million (1H 2014: 910.2 million).

The calculation of diluted earnings per share is based on the loss for the period after taxation as for basic earnings per share. The number of shares outstanding, however, is adjusted to show the potential dilution if employee share options are converted into ordinary shares. The weighted average number of ordinary shares is increased by 15.2 million (1H 2014: 1.8 million) in respect of employee share options, resulting in a diluted weighted average number of shares of 927.2 million (1H 2014: 912.0 million).

4. Dividends

The Directors intend to recommend that no interim 2015 dividend be paid (2014 interim dividend: 4.0p).

5. Approval of Accounts

These unaudited half-yearly financial statements were approved by the Board of Directors on 28 July 2015.

6. Segmental reporting

During 2015 the Group reorganised its operational structure so that the management and resources of the business are better aligned with the delivery of the business objectives. As a result the information reported to the Group's Chief Executive Officer for the purposes of resource allocation and assessment of segment performance has changed to focus on three new business delivery teams, West Africa (including non-operated producing European assets), East Africa and New Ventures. The Group has one class of business, being the exploration, development, production and sale of hydrocarbons and therefore the Group's reportable segments under IFRS 8 are West Africa; East Africa; and New Ventures. The following tables present revenue, profit and certain asset and liability information regarding the Group's business segments for the six months ended 30 June 2015 and 2014 and the year ended 31 December 2014. The tables for the six months ended 30 June 2014 and the year ended 31 December 2014 have been restated to reflect the new reportable segments of the business.

| | West Africa \$m | East Africa \$m | New Ventures \$m | Unallocated \$m | Total \$m |
|---|--------------------|--------------------|---------------------|--------------------|--------------|
| Six months ended 30 June 2015 | | | | | |
| Sales revenue by origin | 819.6 | – | – | – | 819.6 |
| Segment result | 346.3 | (0.1) | (80.2) | (0.2) | 265.8 |
| Loss on disposal of other assets | | | | | (43.9) |
| Unallocated corporate expenses | | | | | (125.4) |
| Operating profit | | | | | 96.5 |
| Loss on hedging instruments | | | | | (25.1) |
| Finance revenue | | | | | 1.4 |
| Finance costs | | | | | (83.0) |
| Loss before tax | | | | | (10.2) |
| Income tax charge | | | | | (57.5) |
| Loss after tax | | | | | (67.7) |
| Total assets | 7,427.8 | 2,461.4 | 1,563.2 | 396.6 | 11,849.0 |
| Total liabilities | (3,134.4) | (295.3) | (730.4) | (3,907.4) | (8,067.5) |
| Other segment information | | | | | |
| Capital expenditure: | | | | | |
| Property, plant and equipment | 526.1 | – | 0.1 | 10.3 | 536.5 |
| Intangible exploration and evaluation assets | 16.5 | 225.7 | 128.8 | – | 371.0 |
| Depletion, depreciation and amortization | (291.4) | (0.5) | (0.6) | (13.4) | (305.9) |
| Reversal of impairment of property, plant and equipment | 11.1 | – | – | – | 11.1 |
| Exploration costs written off | (9.5) | – | (78.0) | – | (87.5) |

Unallocated expenditure and net liabilities include amounts of a corporate nature and not specifically attributable to a geographic area. The liabilities comprise the Group's external debt and other non attributable corporate liabilities.

6. Segmental reporting contd.

| *Restated | West Africa \$m | East Africa \$m | New Ventures \$m | Unallocated \$m | Total \$m |
|--|--------------------|--------------------|---------------------|--------------------|--------------|
| Six months ended 30 June 2014 | | | | | |
| Sales revenue by origin | 1,259.5 | – | 5.1 | – | 1,264.6 |
| Segment result | 664.3 | (0.3) | (387.8) | (5.1) | 271.1 |
| Loss on disposal of oil and gas assets | | | | | (114.8) |
| Unallocated corporate expenses | | | | | (120.0) |
| Operating profit | | | | | 36.3 |
| Loss on hedging instruments | | | | | (18.0) |
| Finance revenue | | | | | 7.3 |
| Finance costs | | | | | (54.5) |
| Loss before tax | | | | | (28.9) |
| Income tax expense | | | | | (66.2) |
| Loss after tax | | | | | (95.1) |
| Total assets | 6,998.6 | 2,313.1 | 2,775.8 | 284.3 | 12,371.8 |
| Total liabilities | (2,826.8) | (306.8) | (1,147.9) | (2,841.6) | (7,123.1) |
| Other segment information | | | | | |
| Capital expenditure: | | | | | |
| Property, plant and equipment | 539.5 | 1.7 | 1.7 | 29.7 | 572.6 |
| Intangible exploration and evaluation assets | 42.9 | 261.2 | 400.0 | – | 704.1 |
| Depletion, depreciation and amortization | (309.1) | (0.2) | (0.5) | (14.3) | (324.1) |
| Impairment of property, plant and equipment | (6.4) | – | (1.5) | – | (7.9) |
| Exploration costs written off | (12.3) | (0.4) | (389.5) | – | (402.2) |

6. Segmental reporting contd.

| *Restated | West Africa \$m | East Africa \$m | New Ventures \$m | Unallocated \$m | Total \$m |
|--|--------------------|--------------------|---------------------|--------------------|--------------|
| Year ended 31 December 2014 | | | | | |
| Sales revenue by origin | 2,205.2 | – | 7.7 | – | 2,212.9 |
| Segment result | 371.8 | 0.8 | (1,656.1) | (6.3) | (1,289.8) |
| Loss on disposal of oil and gas assets | | | | | (482.4) |
| Unallocated corporate expenses | | | | | (192.4) |
| Operating Loss | | | | | (1,964.6) |
| Gain on hedging instruments | | | | | 50.8 |
| Finance revenue | | | | | 9.6 |
| Finance costs | | | | | (143.2) |
| Loss before tax | | | | | (2,047.4) |
| Income tax credit | | | | | 407.5 |
| Loss after tax | | | | | (1,639.9) |
| Total assets | 7,454.2 | 2,354.7 | 1,397.3 | 215.5 | 11,421.7 |
| Total liabilities | (3,285.9) | (267.6) | (588.5) | (3,259.4) | (7,401.4) |

Other segment information

| | | | | | |
|--|---------|-------|-----------|--------|-----------|
| Capital expenditure: | | | | | |
| Property, plant and equipment | 1,463.1 | 1.6 | 11.0 | 59.6 | 1,535.3 |
| Intangible exploration and evaluation assets | 181.9 | 555.8 | 667.8 | – | 1,405.5 |
| Depletion, depreciation and amortization | (577.1) | (0.9) | (1.2) | (42.6) | (621.8) |
| Impairment of property, plant and equipment | (592.4) | – | (3.5) | – | (595.9) |
| Exploration costs written off | (134.6) | 0.8 | (1,523.5) | – | (1,657.3) |
| Goodwill impairment | – | – | (132.8) | – | (132.8) |

| *Restated | Sales revenue 6 months ended 30.06.15 \$m | Sales revenue 6 months ended 30.06.14 \$m | Sales revenue Year ended 31.12.14 \$m | **Non-current assets 30.06.15 \$m | **Non-current assets 30.06.14 \$m | **Non-current assets 31.12.14 \$m |
|--------------------|--|--|--|--|--|--|
| Congo | 27.8 | 25.5 | 52.4 | 86.0 | 126.9 | 82.9 |
| Côte d'Ivoire | 27.2 | 14.0 | 58.5 | 151.2 | 104.9 | 143.3 |
| Equatorial Guinea | 92.6 | 139.6 | 262.8 | 309.8 | 323.8 | 354.7 |
| Gabon | 161.6 | 164.2 | 275.4 | 347.6 | 380.4 | 313.1 |
| Ghana | 427.5 | 736.3 | 1,272.1 | 4,465.0 | 3,720.6 | 4,102.9 |
| Mauritania | 12.7 | 19.7 | 35.9 | – | 143.1 | 1.4 |
| Netherlands | 34.0 | 55.9 | 93.1 | 500.9 | 854.1 | 572.6 |
| UK | 36.2 | 104.3 | 155.0 | 75.7 | 384.3 | 93.9 |
| Other | – | – | – | 3.6 | 3.7 | 10.6 |
| Total West Africa | 819.6 | 1,259.5 | 2,205.2 | 5,939.8 | 6,041.8 | 5,675.4 |
| Kenya | – | – | – | 803.7 | 466.9 | 659.4 |
| Uganda | – | – | – | 1,524.7 | 1,339.6 | 1,444.2 |
| Total East Africa | – | – | – | 2,328.4 | 1,806.5 | 2,103.6 |
| Norway | – | 5.1 | 7.7 | 740.0 | 1,129.5 | 573.9 |
| Other | – | – | – | 452.0 | 991.1 | 412.2 |
| Total New ventures | – | 5.1 | 7.7 | 1,192.0 | 2,120.6 | 986.1 |
| Unallocated | – | – | – | 121.8 | 131.5 | 121.1 |
| Total | 819.6 | 1,264.6 | 2,212.9 | 9,582.0 | 10,100.4 | 8,886.2 |

**Excludes derivative financial instruments and deferred tax assets.

7. Operating profit/(loss)

| | 6 months ended 30.06.15 Unaudited \$m | 6 months ended 30.06.14 Unaudited \$m | Year ended 31.12.14 Audited \$m |
|--|---|---|--|
| Cost of sales | | | |
| Operating costs | 220.1 | 227.0 | 511.5 |
| Depletion and amortisation of oil and gas assets | 290.5 | 305.0 | 572.2 |
| Underlift, overlift and oil inventory movement | (31.8) | 44.7 | 27.1 |
| Share-based payment charge included in cost of sales | 0.7 | 0.9 | 1.6 |
| Other cost of sales | (2.1) | 5.8 | 4.3 |
| Total cost of sales | 477.4 | 583.4 | 1,116.7 |
| Administrative expenses | | | |
| Share-based payment charge included in administrative expenses | 14.2 | 19.5 | 37.9 |
| Depreciation of other fixed assets | 15.4 | 19.1 | 49.6 |
| Other administrative costs | 70.4 | 81.4 | 104.9 |
| Total administrative expenses | 100.0 | 120.0 | 192.4 |

8. Taxation on loss on ordinary activities

The overall net tax charge of \$58 million (1H 2014: \$66 million) includes a one-off tax charge of \$108 million for settling the Uganda CGT liability. This matter is discussed further below. The tax charge also includes recurring charges in respect of the Group's North Sea, Gabon, Equatorial Guinea and Ghanaian production activities offset by the tax credits arising from Norwegian exploration and non-recurring deferred tax credits associated with losses on disposal, exploration write-offs and impairments. After adjusting for the non-recurring amounts related to Uganda CGT, losses on disposal, exploration write-offs and impairments and related deferred tax benefit, the Group's underlying effective tax rate is 32% (1H 2014: 37%). The decrease in the underlying effective tax rate is primarily a result of higher PSC income and the tax credit recognised on the derivative financial instruments.

In respect of the Uganda CGT settlement noted above, on 22 June 2015, following constructive discussions with the Government of Uganda and the Uganda Revenue Authority, Tullow announced that it had agreed to pay \$250 million to the Uganda Revenue Authority in full and final settlement of its CGT liability for the farm-downs to Total and CNOOC that completed in 2012. This sum comprises \$142 million that Tullow paid in 2012 and \$108 million to be paid in three equal instalments. The first of these was paid upon settlement and the remainder will be paid in 2016 and 2017.

9. Disposals

| | Income statement 6 months ended 30.06.15 Unaudited \$m | Cash flow 6 months ended 30.06.15 Unaudited \$m | Income statement 6 months ended 30.06.14 Unaudited \$m | Cash flow 6 months ended 30.06.14 Unaudited \$m | Income statement Year ended 31.12.14 Audited \$m | Cash flow Year ended 31.12.14 Audited \$m |
|--|--|--|--|--|---|---|
| Uganda farm-down consideration adjustments | – | – | (36.6) | (36.6) | (36.6) | (36.6) |
| Write-off of Uganda contingent consideration | – | – | (77.8) | – | (370.1) | – |
| Disposal of L&Q blocks (Netherlands) | (46.2) | 54.8 | – | – | – | – |
| Farm-out of E blocks (Netherlands) | – | 0.1 | – | – | – | – |
| Disposal of Brage (Norway) | – | – | – | – | 21.1 | 8.4 |
| Farm-out of Schooner & Ketch (UK) | 2.2 | 2.2 | – | – | (90.4) | 38.1 |
| Other | 0.1 | 0.1 | (0.4) | (0.3) | (6.4) | 11.4 |
| Total | (43.9) | 57.2 | (114.8) | (36.9) | (482.4) | 21.3 |

On 30 April 2015 Tullow completed the sale of its operated and non-operated interests in the L12/15 area and Blocks Q4 and Q5 to AU Energy. The consideration was €64 million (\$54.8 million) producing a profit after tax of \$7.4 million and a loss before tax of \$46.2 million. On 5 June 2015, Tullow completed the farm-down to GDF Suez E&P Nederland of 30% equity and the operatorship of Exploration Licences E10, E11 (including Tullow's Vincent discovery), E14, E15c and E18b.

10. Intangible exploration and evaluation assets

| | 6 months ended 30.06.15 Unaudited \$m | 6 months ended 30.06.14 Unaudited \$m | Year ended 31.12.14 Audited \$m |
|---|---|---|--|
| At 1 January | 3,660.8 | 4,148.3 | 4,148.3 |
| Additions | 371.0 | 704.1 | 1,405.5 |
| Disposals (note 9) | (0.1) | – | (26.8) |
| Amounts written off | (87.5) | (402.2) | (1,662.4) |
| Write-off associated with Norway contingent consideration | – | (37.7) | (88.8) |
| Transfer to assets held for sale | – | – | (13.8) |
| Transfer to property, plant and equipment | (41.0) | – | – |
| Currency translation adjustments | (50.8) | (6.4) | (101.2) |
| At 30 June/31 December | 3,852.4 | 4,406.1 | 3,660.8 |

| | Rationale for 6 months ended 30.06.15 write-off | Current year expenditure 6 months ended 30.06.15 Unaudited \$m | Prior year expenditure 6 months ended 30.06.15 Unaudited \$m | Post-tax write off 6 months ended 30.06.15 Unaudited \$m | Post-tax write off 6 months ended 30.06.14 Unaudited \$m | Post-tax write off Year ended 31.12.14 Audited \$m |
|--|---|--|--|--|--|---|
| Exploration write-offs after tax | | | | | | |
| Norway | a, b | 6.1 | 5.7 | 11.8 | 28.1 | 80.4 |
| Mauritania | c | 5.4 | – | 5.4 | 146.1 | 568.2 |
| French Guiana | c | (0.8) | – | (0.8) | – | 343.1 |
| Gabon | a, c | 3.2 | 0.2 | 3.4 | 11.2 | 33.3 |
| Côte d'Ivoire | c | 0.1 | – | 0.1 | 58.2 | 58.0 |
| Ethiopia | c | (3.3) | – | (3.3) | 28.4 | 65.1 |
| Ghana | c | – | – | – | – | 20.4 |
| Kenya | c | – | – | – | 1.9 | 0.6 |
| Uganda | c | – | – | – | – | (1.5) |
| Mozambique | c | 1.3 | – | 1.3 | (5.8) | (6.2) |
| Other | c | 3.8 | 2.4 | 6.2 | 3.5 | 55.7 |
| New ventures | | 12.4 | – | 12.4 | 21.4 | 42.3 |
| Exploration costs written off after tax | | 28.2 | 8.3 | 36.5 | 293.0 | 1,259.4 |
| Associated deferred tax credit | | 28.3 | 22.7 | 51.0 | 109.2 | 397.9 |
| Exploration costs written off before tax | | 56.5 | 31.0 | 87.5 | 402.2 | 1,657.3 |

- a. Current year unsuccessful drilling results
- b. Licence relinquishments
- c. Current year expenditure on previously written off assets

11. Property, plant and equipment

| | Oil and gas assets 6 months ended 30.06.15 Unaudited \$m | Other fixed assets 6 months ended 30.06.15 Unaudited \$m | Total 6 months ended 30.06.15 Unaudited \$m | Oil and gas assets 6 months ended 30.06.14 Unaudited \$m | Other fixed assets 6 months ended 30.06.14 Unaudited \$m | Total 6 months ended 30.06.14 Unaudited \$m | Oil and gas assets Year ended 31.12.14 Audited \$m | Other fixed assets Year ended 31.12.14 Audited \$m | Total Year ended 31.12.14 Audited \$m |
|---|--|--|---|--|--|---|--|--|---|
| Cost | | | | | | | | | |
| At 1 January | 9,240.3 | 283.7 | 9,524.0 | 8,692.4 | 221.4 | 8,913.8 | 8,692.4 | 221.4 | 8,913.8 |
| Additions | 518.7 | 17.8 | 536.5 | 536.2 | 36.4 | 572.6 | 1,454.7 | 80.6 | 1,535.3 |
| Disposals | (0.1) | (0.3) | (0.4) | – | – | – | (601.3) | 0.1 | (601.2) |
| Transfer to assets held for sale | – | – | – | – | – | – | (177.2) | – | (177.2) |
| Transfer from intangible assets | 41.0 | – | 41.0 | – | – | – | – | – | – |
| Currency translation adjustments | (17.7) | 2.1 | (15.6) | 51.0 | 5.4 | 56.4 | (128.3) | (18.4) | (146.7) |
| At 30 June/31 December | 9,782.2 | 303.3 | 10,085.5 | 9,279.6 | 263.2 | 9,542.8 | 9,240.3 | 283.7 | 9,524.0 |
| Depreciation, depletion and amortisation | | | | | | | | | |
| At 1 January | (4,489.1) | (147.9) | (4,637.0) | (3,942.3) | (108.6) | (4,050.9) | (3,942.3) | (108.6) | (4,050.9) |
| Charge for the year | (290.5) | (15.4) | (305.9) | (305.0) | (19.1) | (324.1) | (572.2) | (49.6) | (621.8) |
| Impairment loss | (21.6) | – | (21.6) | (7.9) | – | (7.9) | (595.9) | – | (595.9) |
| Impairment reversal | 32.7 | – | 32.7 | – | – | – | – | – | – |
| Disposal | – | 0.3 | 0.3 | – | – | – | 448.0 | (0.1) | 447.9 |
| Transfer to assets held for sale | – | – | – | – | – | – | 73.3 | – | 73.3 |
| Currency translation adjustments | 7.4 | (0.6) | 6.8 | (41.6) | (2.4) | (44.0) | 100.0 | 10.4 | 110.4 |
| At 30 June/31 December | (4,761.1) | (163.6) | (4,924.7) | (4,296.8) | (130.1) | (4,426.9) | (4,489.1) | (147.9) | (4,637.0) |
| Net book value at 30 June/31 December | 5,021.1 | 139.7 | 5,160.8 | 4,982.8 | 133.1 | 5,115.9 | 4,751.2 | 135.8 | 4,887.0 |

| | Trigger for impairment 6 months ended 30.06.15 | 6 months ended 30.06.15 Unaudited \$m | 6 months ended 30.06.14 Unaudited \$m | Year ended 31.12.14 Audited \$m | Discount rate assumption | Short-term price assumption ^e | Long-term price assumption |
|------------------------------------|--|--|--|--|-----------------------------|---|-------------------------------|
| Impairments after tax | | | | | | | |
| UK | a | 1.1 | – | 128.2 | 10% | 3yr forward curve | 55p/th |
| Netherlands | a | 9.6 | – | 34.0 | 10% | 3yr forward curve | 55p/th |
| Norway | | – | 1.5 | 3.5 | 10% | 3yr forward curve | 55p/th |
| Congo (Brazzaville) | b | (3.3) | – | 49.5 | 11% ^d | 3yr forward curve | \$90/bbl |
| Equatorial Guinea | | – | – | 4.9 | 15% | 3yr forward curve | \$90/bbl |
| Gabon | c | (29.3) | 6.4 | 163.3 | 11% ^d | 3yr forward curve | \$90/bbl |
| Mauritania | | – | – | 37.6 | 15% | 3yr forward curve | \$90/bbl |
| Net Impairment reversal after tax | | (21.9) | 7.9 | 421.0 | | | |
| Associated deferred tax credit | | 10.8 | – | 174.9 | | | |
| Net Impairment reversal before tax | | (11.1) | 7.9 | 595.9 | | | |

- Decrease in gas forward curve
- Increase in oil forward curve
- Reversal of previous impairments
- The impairment test was run using a post tax discount rate as tax is deducted at source.
- UK NBP gas forward curve and Bloomberg Brent forward curve

12. Other assets

| | 30.06.15 Unaudited \$m | 30.06.14 Unaudited \$m | 31.12.14 Audited \$m |
|---|------------------------------|------------------------------|----------------------------|
| Non-current | | | |
| Amounts due from joint venture partners | 117.9 | – | 57.0 |
| Uganda VAT recoverable | 50.6 | 50.6 | 50.6 |
| Norwegian tax receivable | 170.7 | 155.9 | – |
| Other non-current assets | 10.9 | 20.0 | 12.1 |
| | 350.1 | 226.5 | 119.7 |
| Current | | | |
| Contingent consideration receivable | – | 291.7 | – |
| Amounts due from joint venture partners | 411.0 | 421.0 | 633.2 |
| Underlifts | 36.2 | 7.0 | – |
| Prepayments | 58.9 | 147.7 | 82.6 |
| VAT recoverable | – | 51.3 | 49.8 |
| Other current assets | 97.9 | 131.6 | 136.7 |
| | 604.0 | 1,050.3 | 902.3 |

The increase in non-current amounts due from joint venture partners relates to a carry of TEN development expenditure in Ghana.

13. Provisions

| | Decom 6 months ended 30.06.15 Unaudited \$m | Other 6 months ended 30.06.15 Unaudited \$m | Total 6 months ended 30.06.15 Unaudited \$m | Decom 6 months ended 30.06.14 Unaudited \$m | Other 6 months ended 30.06.14 Unaudited \$m | Total 6 months ended 30.06.14 Unaudited \$m | Decom Year ended 31.12.14 Audited \$m | Other Year ended 31.12.14 Audited \$m | Total Year ended 31.12.14 Audited \$m |
|---|--|--|--|--|--|--|--|--|--|
| At 1 January | 1,192.9 | 67.5 | 1,260.4 | 841.5 | 147.7 | 989.2 | 841.5 | 147.7 | 989.2 |
| New provisions and changes in estimates | (34.2) | 14.9 | (19.3) | 9.2 | (37.3) | (28.1) | 454.9 | (82.1) | 372.8 |
| Transfers to liability held for sale | – | – | – | – | – | – | (14.8) | – | (14.8) |
| Disposals | – | – | – | – | – | – | (54.6) | – | (54.6) |
| Decommissioning payments | (22.5) | – | (22.5) | (1.1) | – | (1.1) | (20.4) | – | (20.4) |
| Unwinding of discount | 14.8 | (0.2) | 14.6 | 10.2 | (1.2) | 9.0 | 22.4 | 16.9 | 39.3 |
| Currency translation adjustment | (5.3) | (3.9) | (9.2) | 7.4 | 0.5 | 7.9 | (36.1) | (15.0) | (51.1) |
| At 30 June/31 December | 1,145.7 | 78.3 | 1,224.0 | 867.2 | 109.7 | 976.9 | 1,192.9 | 67.5 | 1,260.4 |

The decommissioning provision represents the present value of decommissioning costs relating to the European and African oil and gas interests, which are expected to be incurred up to 2035. A review of all decommissioning estimates was undertaken by an independent specialist in 2014 which has been used for the purposes of the 2015 half-year results.

Other provisions include a provision for restructuring costs of \$41.9 million which are expected to be incurred during 2015. To date \$23.3 million of the initial provision has been utilised. After recharges to joint venture partners, the income statement charge for restructuring costs is \$25.4 million. Other provisions also include a provision for a payment which is contingent in terms of timing and amount on the development of the PL407 licence in Norway and the contingent consideration in respect of the Spring acquisition.

14. Called up equity share capital

In the six months ended 30 June 2015, the Group issued 0.7 million (1H 2014: 0.4 million) new shares in respect of employee share options.

As at 30 June 2015, the Group had in issue 911.4 million allotted and fully paid ordinary shares of Stg 10 pence each (1H 2014: 910.4 million).

15. Subsequent events

Since the balance sheet date there has been an unplanned technical issue that affected the gas compression system on the Jubilee FPSO which has temporarily reduced oil production to approximately 65,000 bopd. This issue is expected to be resolved by mid-August.

16. Commercial Reserves and Contingent Resources summary (unaudited) working interest basis

| | West Africa | | East Africa | | New Ventures | | TOTAL | | |
|-----------------------------|--------------|------------|--------------|------------|--------------|------------|--------------|------------|--------------------|
| | Oil mmbbl | Gas bcf | Oil mmbbl | Gas bcf | Oil mmbbl | Gas bcf | Oil mmbbl | Gas bcf | Petroleum mmboe |
| COMMERCIAL RESERVES | | | | | | | | | |
| 1 January 2015 | 307.6 | 226.8 | – | – | – | – | 307.6 | 226.8 | 345.3 |
| Revisions | (0.9) | – | – | – | – | – | (0.9) | – | (0.9) |
| Disposals | – | (9.9) | – | – | – | – | – | (9.9) | (1.7) |
| Production | (11.9) | (9.5) | – | – | – | – | (11.9) | (9.5) | (13.5) |
| 30 June 2015 | 294.8 | 207.4 | – | – | – | – | 294.8 | 207.4 | 329.2 |
| CONTINGENT RESOURCES | | | | | | | | | |
| 1 January 2015 | 186.0 | 992.1 | 531.6 | 12.5 | 22.6 | 4.2 | 740.2 | 1,008.8 | 908.3 |
| Revisions | (0.3) | – | (0.8) | – | – | – | (1.1) | – | (1.1) |
| Additions | – | – | 1.7 | – | – | – | 1.7 | – | 1.7 |
| Disposals | – | (283.0) | – | – | – | – | – | (283.0) | (47.2) |
| 30 June 2015 | 185.7 | 709.1 | 532.5 | 12.5 | 22.6 | 4.2 | 740.8 | 725.8 | 861.7 |
| TOTAL | | | | | | | | | |
| 30 June 2015 | 480.5 | 916.5 | 532.5 | 12.5 | 22.6 | 4.2 | 1,035.6 | 933.2 | 1,190.9 |

1. *Proven and Probable Commercial Reserves are based on a Group reserves report produced by an independent engineer. Reserves estimates for each field are reviewed by the independent engineer based on significant new data or a material change with a review of each field undertaken at least every two years.*
2. *Proven and Probable Contingent Resources are based on both Tullow's estimates and the Group reserves report produced by an independent engineer.*

The Group provides for depletion and amortisation of tangible fixed assets on a net entitlements basis, which reflects the terms of the Production Sharing Contracts related to each field. Total net entitlement reserves were 301.3 mmboe at 30 June 2015 (30 June 2014: 336.3 mmboe).

Contingent Resources relate to resources in respect of which development plans are in the course of preparation or further evaluation is under way with a view to development within the foreseeable future.

About Tullow Oil plc

Tullow is a leading independent oil & gas, exploration and production group, quoted on the London, Irish and Ghanaian stock exchanges (symbol: TLW). The Group has interests in over 120 exploration and production licences across 22 countries which are managed as three Business Delivery Teams.

EVENTS ON THE DAY

In conjunction with these results Tullow is conducting a London Presentation and a number of events for the financial community.

09.00 BST - UK/European conference call (and simultaneous video webcast)

To access the call please dial the appropriate number below shortly before the call and ask for the Tullow Oil plc conference call. A replay facility will be available from approximately noon on 29 July until 5 August. The telephone numbers and access codes are:

| Live event | | Replay facility available from Noon | |
|--------------------|--------------------|-------------------------------------|----------------|
| UK Participants | +44(0)20 3427 1902 | UK Participants | 020 3427 0598 |
| Irish Participants | +353(0)1 2476528 | Irish Participants | (0)1 4860902 |
| Access Code | 2657625 | Access Code | 2657625 |

To join the live video webcast, or play the on-demand version which will be available from noon on 29 July, you will need to have either Real Player or Windows Media Player installed on your computer.

15:00 BST - US Conference Call

To access the call please dial the appropriate number below shortly before the call and ask for the Tullow Oil plc conference call.

| Live Event | | | |
|--------------------|-----------------|-------------|----------------|
| Domestic Toll Free | +1 877 280 1254 | Access code | 8205329 |
| Toll | +1 646 254 3363 | | |

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|--|--|---|

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