News Release

Tullow Oil plc - Trading Statement and Operational Update

9 July 2008 - Tullow Oil plc ("Tullow") issues this Trading Statement in respect of the first half of the 2008 financial year and this Operational Update in respect of recent Production, Development and Exploration activities.

The Trading Statement is in advance of the Group's Interim Results, which are scheduled for release on Wednesday, 27 August 2008. The information contained herein has not been audited and is subject to further review.

HIGHLIGHTS

Exploration

- Mahogany-2 appraisal well on the Jubilee field in Ghana extends upside potential to 1.8 billion barrels.
- Jubilee and Odum have proved two new plays and de-risked substantial follow-up prospects scheduled for drilling in Ghana and Côte d'Ivoire within the next 12 months.
- Kingfisher-2 well in Uganda intersects zones encountered in Kingfisher-1, deep target results expected in August.
- Ugandan Butiaba campaign yields three more discoveries and opens up a new geological fairway.
- Four-well drilling campaign in India commenced in Block CB-ON/1 in late June.

Production and Development

- Group working interest production averaged 70,550 boepd for the first half of 2008 and is expected to average between 70,000 and 72,000 boepd for the full year.
- Jubilee production facilities tender under way and on track to achieve first oil target of 2010.
- Three deepwater rigs contracted for Ghana, next phase of drilling to commence in September.
- Early Production System in Uganda is expected to be sanctioned in the third quarter 2008.

Finance and Portfolio Management

- Successful portfolio rationalisation in the first half of 2008 will raise approximately US$1 billion and a total anticipated profit on disposal after tax of approximately £400 million on completion.
- Capital expenditure in first half was £170 million, planned expenditure for 2008 is forecast to be £480 million.
- Net debt at 30 June 2008 was £420 million.

Commenting today, Aidan Heavey, Chief Executive, said:

"Tullow has performed exceptionally well over the first half of 2008. We have had solid production performance, outstanding appraisal results in Ghana, continued exploration success in Uganda and announced almost $1 billion worth of non-core disposals to enhance our financial and operational flexibility. These factors, combined with the unprecedented strength in oil and gas pricing and our ongoing exploration programmes mean that Tullow has never been in a better position to enhance shareholder value."

Presentation, Webcast and Conference Calls: In conjunction with this announcement Tullow has scheduled two conference calls. Details are included at the end of the release.

Trading Statement

Production

Group working interest production for the first half of 2008 averaged 70,550 boepd, 1% higher than the 2007 average. Sales volumes for the first half of 2008 averaged 60,000 boepd. A further breakdown of these figures is provided in the Operational Update for each core area.

Production figures remain subject to final reconciliation and do not equate to sales volumes. This is due to variations in lifting schedules and because a portion of the production is delivered to host governments under the terms of Production Sharing Contracts.

Average working interest production for 2008 is expected to be between 70,000 and 72,000 boepd, before any adjustment in respect of disposals.

Realised Prices and Oil Discount

Average prices realised during the first half of 2008 continued to be exceptionally strong. Realised oil price was approximately US$106/bbl (pre hedges) and US$80/bbl (post hedges) and realised UK gas price was approximately 56p/therm (pre hedges) and 52p/therm (post hedges).

The Group's oil production sold at an average discount of approximately 3% to Brent during the first half of 2008, and this level of discount is expected to continue for the remainder of 2008.

Overlift

At 30 June 2008, Tullow was in a net overlift position amounting to an estimated 7,000 barrels. Movements in overlift positions are recorded at market value and, combined with stock movements during the period, give rise to a credit of approximately £3 million to Cost of Sales.

Exploration Write-Off

Tullow's exploration write-off for the first half of 2008 is expected to be of the order of £25 million. This write-off is principally associated with unsuccessful exploration activities in the UK and Mauritania, new ventures activity and licence relinquishments.

Capital Expenditure

Capital expenditure for the first half of 2008 amounted to £170 million and anticipated capital expenditure for 2008 is now forecast to be £480 million. The increase in full year planned expenditure is principally due to the acceleration of development activities on the Jubilee field in Ghana. Investment will be split 45% on production and development and the remainder on exploration and appraisal. Tullow's activities in Africa will comprise 75% of the anticipated 2008 capital outlay, with the principal expenditures being in Ghana and Uganda.

Portfolio Management

During the first half of 2008 Tullow announced the disposal of a number of non-core assets for a combined consideration of approximately $1 billion.

In Africa, Tullow announced the sale of its 11% interest in the M'Boundi field to the Korea National Oil Company (KNOC) for a total cash consideration of $435 million. The sale is subject to government approval and is expected to complete in the third quarter of 2008. On 2 July 2008 Tullow completed the sale of its 40% interest in the Ngosso licence, offshore Cameroon, to MOL.

In Europe, the sale of certain CMS assets to Venture Production for a consideration of £35 million completed on 23 June 2008. Also in June, Tullow announced the proposed sale of its 51.68% interest in the Hewett-Bacton complex to Eni for a cash consideration of £210 million. This transaction, which is expected to complete in late 2008, will also involve the assumption by Eni of approximately £45 million of abandonment liabilities and will give rise to an anticipated profit on disposal after tax of approximately £225 million.

The combined impact of these transactions will give rise to an overall profit on disposal after tax of approximately £400 million in 2008, of which approximately £15 million will be reflected in the first half results.

Net Debt

Net debt at 30 June 2008 was approximately £420 million while unutilised debt capacity was in excess of $400 million. The reduction in the period reflects a greater weighting of capital programmes towards the second half of the year and the positive impact of portfolio management receipts which totalled £35 million during the period.

Derivative Instruments

At 30 June 2008 the Group's derivative instruments had a net negative mark to market value of approximately £435 million. Approximately £120 million of this valuation relates to hedges acquired as part of the Energy Africa acquisition in 2004. The increase in the mark to market position principally reflects the unprecedented rate of increase in commodity prices during the first half of 2008.

Hedging – IAS 39

While all of the Group's commodity derivative instruments currently qualify for hedge accounting, a credit of approximately £7 million (£4 million after taxation charges) will be recognised in the income statement for the first half of 2008. The IAS 39 credit comprises approximately £10 million relating to the movement in the non-intrinsic (or time value) component of both oil and gas hedges, partially offset by a charge of approximately £3 million relating to the ineffectiveness of both oil and gas hedges. The favourable movement in the time value element is largely due to the movements in the oil and gas forward curves since the beginning of the year. Brent forward oil prices and natural gas prices in the UK have risen considerably and with prices now trading significantly above the strike prices less time value is associated with the mark to market value.

Commodity Hedging Summary

At 30 June 2008 the Group's hedge position to the end of 2011 was as follows:

Hedge Position	2H 2008	2009	2010	2011
Oil Hedges *				
Volume – bopd	18,000	11,000	4,000	-
Current Price Hedge - US$/bbl	70.85	63.56	116.93	-
Gas Hedges				
Volume – mmscfd	65.2	44.9	16.6	3.1
Current Price Hedge - p/therm	54.2	56.1	60.3	71.0

*Oil hedges include an Energy Africa legacy position of 4,000 bopd at $29.30 until end 2009.

Operational Update

AFRICA CORE AREA

Tullow's African interests are in Uganda, Ghana, Gabon, Côte d'Ivoire, Congo (Brazzaville), Equatorial Guinea, Mauritania, Namibia, Senegal, Angola, Tanzania, Madagascar and Congo (DRC).

In the first half of 2008 Tullow continued to invest in its African producing and development assets, with production averaging 41,580 boepd, a 6% increase from the same period in 2007. Significant progress is being made across the African portfolio, specifically on the Jubilee development project and the Ugandan Early Production System. Exploration and appraisal programmes have continued to be successful with a significant upgrade in Jubilee field resources in Ghana, three further discoveries in the Butiaba region of Block 2 in Uganda and successful appraisal of the Banda gas discovery in Mauritania.

Working interest production	1H 2008 Average (boepd)	Current Production (boepd)
Congo (Brazzaville)	4,590	4,600
Côte d'Ivoire	6,540	6,200
Equatorial Guinea	15,450	15,700
Mauritania	1,900	1,700
Gabon		
Tchatamba	4,420	4,900
Niungo	4,270	3,900
Other Gabon	4,410	4,800
Africa Total	**41,580**	**41,800**

Ghana

Significant progress has been made on our exploration, appraisal and development programmes in Ghana in the first half of 2008. In particular, the successful Mahogany-2 exploratory-appraisal well has led to a material upgrade in the resource potential of the Jubilee field while the Phase One development programme remains on track to deliver first oil in 2010. The next drilling phase is planned for September 2008 with the arrival of the Blackford Dolphin. The Eirik Raude rig is expected in October and the recently contracted Attwood Hunter is scheduled to start work in the second quarter of 2009. These rigs will focus on additional appraisal of the Jubilee field, development drilling and a further phase of exploration. The overall programme has the potential to deliver significant upside over the next 12 months across Tullow's acreage in both Ghana and Côte d'Ivoire.

Jubilee Field Appraisal Programme

The drilling of the Mahogany-2 exploratory-appraisal well completed in May indicates that the Jubilee field is a continuous stratigraphic trap extending at least 11 km to the Hyedua-1 discovery well in the adjacent Deepwater Tano licence. Combined hydrocarbon columns in excess of 600 metres have been identified and the recoverable resources of the field are now estimated to range from 500 million barrels up to 1.8 billion barrels.

The lower sands of Mahogany-2 were production tested in June and flowed 36˚ API crude at a rate of 5,200 bopd and approximately 5.3 mmscfd of associated natural gas. This test confirmed that each of these highly productive wells will have the potential to produce at rates in excess of 20,000 bopd when completed for production. A second test is close to completion on the upper sands after which the Songa Saturn rig goes off contract.

No gas cap was encountered in this well indicating the oil bearing reservoirs extend further north from this location, with positive implications for ultimate Jubilee field reserves. A further appraisal campaign will begin in September 2008, with plans for a minimum of three wells planned to help determine the further upside potential of the Jubilee field, prior to initiating development drilling.

Jubilee Field Development and Well Planning
Development planning for the Jubilee field is progressing rapidly towards sanction with a target of producing first oil in 2010. The Jubilee partnership, with the support of the Ghanaian Government, has agreed on a first phase of development focusing on the core area of the field. Phase One will consist of approximately 15 production and injection wells tied back to a Floating Production Storage and Offtake vessel (FPSO) with a minimum production capacity of 120,000 bopd.

Tenders have been received and are being evaluated for production facilities (FPSO and sub-sea equipment), and the preferred contractors will be selected in the next few months. The project is expected to be sanctioned in the fourth quarter of 2008, with tender results to date supporting the objective of achieving first oil production in 2010. The facilities will include the capability to re-inject produced gas, thereby avoiding gas flaring. The Jubilee field has a potentially material associated gas resource and the partnership is currently developing plans for early export of gas to the Ghanaian market where significant energy demand exists.

Based on the exceptionally positive drilling and test results to date it is now likely that multiple phases of development will be required to fully develop the Jubilee field. The data from the upcoming appraisal drilling campaign will be incorporated into our overall view of the field prior to development work commencing in 2009.

Exploration Activity
The Odum-1 exploration well, drilled in February 2008 in the West Cape Three Points block, encountered a significant oil column with resource potential of over 100 million barrels in good permeable reservoirs. This field will be appraised by a 500 sq km extension of the 2007 Jubilee 3D/4D seismic survey and potentially by further drilling during 2009. Development options for this field will be considered following appraisal and in context of the overall Ghana development programme.

The Jubilee and Odum discoveries have established the Turonian and Campanian intervals as working geological plays in the region. These plays offer considerable upside potential across the West Transform Margin and have been de-risked by these recent discoveries. In particular, the Teak prospect in the West Cape Three Points licence and the Tweneboa prospect in the Deepwater Tano licence have a combined gross upside potential of over a billion barrels and Tullow expects both of these prospects to be drilled in early 2009. Further exploration prospects are under review in both Ghana and Côte d'Ivoire and are likely to be drilled as part of the 2009 campaign.

The Ebony prospect in the Shallow Water Tano block *(Tullow 31.5%)* is expected to be drilled by the West Ceres jack-up rig in the third quarter of 2008.

Uganda and Congo (DRC)
Tullow has continued its 100% success rate in the Lake Albert Rift Basin having encountered hydrocarbons in all 13 wells drilled. The most recent drilling activity in the Butiaba region has resulted in three discoveries and has de-risked a number of further prospects by opening up a new deltaic play in the north of the basin. The near-shore campaign has continued with the Kingfisher-2 well which has encountered oil shows in zones interpreted as analogous to those seen in the Kingfisher-1 discovery. In addition, good progress is being made towards the sanction of an Early Production System in the third quarter this year and offshore drilling is on track to commence in mid 2009. Overall, excellent progress is being made with the exploration, appraisal and early development programmes in the basin.

Butiaba Campaign - Blocks 1 & 2 (Tullow 50% and 100%)
Onshore drilling activity is currently focused on the Butiaba drilling campaign where over 20 leads and prospects have been identified with upside potential of up to billion barrels in aggregate. To date, three wells have been drilled in a nine-well campaign, Taitai-1, Ngege-1 and Karuka-1, and all have encountered hydrocarbons at the objective levels. One well is expected to be drilled per month and an integrated campaign of appraisal and flow testing for the Butiaba area will be undertaken later in the programme.

The Taitai-1 well, testing an escarpment fan play equivalent to those drilled in the Kaiso-Tonya region, reached a total depth of 1,006 metres in May and encountered five metres of net gas pay and at least eight metres of net oil pay. A thick section of oil-stained basement was also encountered and provides upside potential both at Taitai-1 and elsewhere in the basin. Pressure testing and sampling confirmed the presence of moveable 30˚API oil.

The Ngege-1 well, to evaluate the Victoria Nile delta play in the north of Block 2, was drilled in June to a depth of 640 metres. The well was located three kilometres from the crest of the Ngege structure and encountered over five metres of net oil pay and nine metres of net gas pay. Seismic interpretation indicates significant further potential within the Ngege structure. This discovery has confirmed the presence of a working hydrocarbon system in a new play fairway, thereby upgrading several other prospects in both Block 2 and Block 1.

The third exploration well in the Butiaba Campaign, Karuka-1, commenced drilling on 28 June. The well, which is testing an escarpment fan prospect 20 km north of Taitai-1 reached a total depth of 853 metres on 6 July. The well has encountered oil in basal sands and logging operations are ongoing. The next well in the Butiaba schedule is expected to be Kasamene-1, 20 km west of Ngege-1 in the Victoria Nile delta play area.

In the Butiaba area all planned onshore 2D seismic data has now been acquired and the current programme, which is focusing on the nearshore and shallow water area of Block 2, is approximately 70% complete. This programme has already validated many of the current prospects and assisted in the identification of numerous additional leads, some of which exhibit amplitude effects characteristic of hydrocarbons.

Near-shore Campaign – Blocks 2 & 3A (Tullow 100% and 50%)
Following the suspension of the Ngassa-1 well in February, the Nabors 221 rig moved to Block 3A to drill the Kingfisher-2 well. This well is designed to appraise reservoir zones discovered by the Kingfisher-1 well and to explore a deeper potential objective. As announced on 30 June, the well has been drilled to a depth of 2,992 metres and excellent oil shows have already been encountered and interpreted as being potentially equivalent to a number of zones intersected by the Kingfisher-1 well. The rig is now drilling ahead to the basal sands target which is expected to be encountered during August at a depth of approximately 4,000 metres.

Following the Kingfisher programme, the rig is likely to move back to Block 2 to drill the Ngassa prospect. A new onshore location has been identified which reduces the operational complexity following significant difficulties with earlier drilling. The environmental impact study for this new location has been initiated and drilling is expected to commence towards the end of the year.

Offshore Drilling
Preparations for offshore drilling during 2009 are continuing and Tullow is currently in the process of awarding a Front End Engineering and Design (FEED) contract. This work and the subsequent construction and mobilisation phases are expected to deliver a drilling campaign covering Blocks 2 and 3A in 2009.

Offshore prospect evaluation has to date focused on the interpretation of the 3D seismic dataset over the greater Kingfisher/Pelican complex, with encouraging results. The interpretation of the Pelican prospect area is particularly encouraging as seismic amplitude anomalies at numerous stratigraphic levels have been identified which are potentially indicative of hydrocarbons. A number of new offshore prospects have also been identified and are expected to form part of the offshore drilling campaign.

Early Production System
The sanction of an Early Production System, utilising the discoveries in the Kaiso-Tonya region, is at an advanced stage, with government approvals expected in the third quarter 2008. The target for first oil from this development remains 2009.

The project has been designed to produce around 4,000 bopd of heavy fuel oil and petroleum products. A proportion of the heavy fuel oil will be utilised in a local power generation plant with the balance and the petroleum products being exported by truck into the local market. The FEED contract has been awarded to Wood Group with the expectation that the full contract award will be made following project sanction and full Government approval. The construction of the local power generation and transmission lines will be delivered by Jacobsen Elektro with whom Tullow recently signed a Memorandum of Understanding.

The results of the appraisal drilling and 3D seismic survey, acquired in 2007 are being incorporated into the reservoir model to finalise the location of the development wells.

Congo (DRC)

Tullow also has interests in two prospective blocks on the Congo (DRC) side of the Lake Albert Rift Basin, adjacent to the Group's Ugandan acreage. While the validity of the award of these licences is currently being disputed, Tullow has confidence in the integrity of the original award process and its title to the licence and will continue to pursue all legal and governmental avenues to finalise the award.

Congo (Brazzaville)

Gross production from the M'Boundi field *(Tullow 11%)* in the first half of 2008 averaged 41,000 bopd from 59 production wells. The focus on drilling water injection wells and upgrading the water injection facilities continues to have a positive impact on overall reservoir and production performance.

In January 2008, Tullow announced the sale of its interest in the field to the Korea National Oil Company (KNOC) for a total cash consideration of $435 million. The deal is subject to government approval and is expected to complete later in 2008.

Equatorial Guinea

Performance from the Ceiba field *(Tullow 14.25%)* has continued to exceed expectations during the first half of 2008 with gross production averaging over 40,000 bopd. An infill drilling campaign is now complete and the installation of flowline gas lift is underway to assist production as water production from the wells increases.

Gross production from the Okume Complex *(Tullow 14.25%)* for the first half of 2008 averaged over 66,000 bopd as the field increased to a facility constrained plateau rate of 75,000 bopd. The first phase of development of the Elon field in the Okume Complex has now been completed. Drilling continues on the Okume field, bringing the total well count for the complex to 25.

Average gross production from these fields in 2008 is expected to average over 100,000 bopd.

Côte d'Ivoire

The success of the recent Espoir development programme has resulted in field production being constrained by the capacity of the FPSO. An upgrade of the FPSO processing facilities is under way and is on schedule for completion in 2009.

Gross production from the Espoir fields *(Tullow 21.30%)* averaged over 30,000 boepd during the first half of 2008 and is expected to remain at approximately this level for the remainder of the year although this may be impacted by the ongoing facility upgrade.

Exploration efforts continue to pursue both the Upper Cretaceous turbidite sandstone play, analogous to the Jubilee discovery in Ghana, and tilted Albian fault blocks similar to the Espoir field, along the West Africa Transform Margin. Tullow holds equity in three exploration blocks in Côte d'Ivoire where significant prospectivity remains to be tested as part of the 2009 drilling programme.

Blocks CI-107 and CI-108 were relinquished in May 2008.

Mauritania

Gross production from the Chinguetti field *(Tullow 19.01%)* is approximately 10,500 bopd, in line with expectations. In May, a programme of three well interventions was conducted to improve gas lift and reduce water production. The full impact of this programme on field production will be determined as the field is brought back on line after the recent annual shutdown on the FPSO. The rig then spudded the first of two infill wells, aimed at accessing additional reserves and production. The first well, C19 has been successfully drilled and encountered oil in the reservoir section; completion of the well is underway with first production expected in early-September.

In April, an appraisal well was drilled on the Banda discovery *(Tullow 21.6%)*, which successfully encountered gas pay. The analysis of this well resulted in the well being sidetracked to a more optimum location where 30 metres of net gas and 11 metres of net oil were intersected. The pressure testing and sampling indicated that the well is in communication with the original discovery well some two kilometres away. Results from both wells are now being evaluated to determine the gas volumes in place and the extent of the underlying oil rim. Further development options and appraisal options for the field are currently being considered.

In Block 6, the Khop-1 exploration well was spudded in February and whilst only minor oil shows were encountered, the well provided important stratigraphic data on the prospective Cretaceous intervals, which will prove invaluable as we progress our exploration of the area. Evaluation of exploration opportunities across the entire area indicates the potential for significant resources within the under-explored Cretaceous section, where a series of prospects with total gross upside resources of up to one billion barrels have been recognised along previously unexplored play fairways.

Gabon

Production from Gabon averaged 13,100 bopd net to Tullow in the first half of 2008 and is currently approximately 13,750 bopd. The two main assets, Tchatamba *(Tullow 25%)* and Niungo *(Tullow 40%)* have continued to perform strongly.

Production performance continues to improve on the Echira field *(Tullow 40%)* where appraisal drilling with potential to add significant reserve upside is planned for late 2008. Over the remainder of 2008, production will be maintained at approximately 13,750 bopd through the addition of first oil from Ebouri *(Tullow 7.5%),* commencement of production from Onal (*Tullow 7.5% back-in*) and a further 35 development wells to be drilled on Tsiengui, Obangue, Oba and Onal fields

Namibia

The development of the Kudu main field area remains a key area of focus for Tullow. The Group is also committed to proving and commercialising the potentially significant reserves upside within the greater Kudu Licence area. The Kudu-8 well, drilled in 2007, although sub-commercial proved that the Kudu reservoir sequence is contained within a large stratigraphic trap, indicating that gas is likely to be present in any porous connected sands in the area. Current exploratory appraisal efforts are therefore now focused on locating extensions of the highly productive Kudu main field reservoir.

Whilst development concepts for Kudu continue to be primarily based on supplying gas to an 800 MW load power station in Namibia with excess electricity being exported to the South African, the delays in commercial closure have also resulted in alternative options being actively considered. The changing global and regional energy environment has resulted in a combination of local power options combined with direct gas export having the potential to be commercially viable. The fast maturing marine CNG technology is being actively pursued as it potentially offers the means for managing both the local and export markets. Technical and commercial studies are currently being conducted to confirm the viability of this development option.

Cameroon

Tullow completed the sale of its 40% interest in the Ngosso concession to MOL on 2 July 2008.

EUROPE CORE AREA

Tullow's producing interests in Europe lie in the Southern Gas Basin of the UK North Sea. In addition Tullow also has offshore exploration interests in the Netherlands and Portugal.

Working interest production[1]	1H 2008 Average (boepd)	Current Production (boepd)
CMS Area	15,220	13,000
Thames-Hewett Area	8,360	8,200
UK Total	23,580	21,200

[1] Includes condensate

UK

During the first half of 2008 Tullow has benefited from a significant rise in UK gas pricing. The gas price outlook for the remainder of 2008 and beyond is also very strong and against this backdrop incremental investment opportunities in the UK are now being actively progressed. The Group has also agreed the sale of non-core assets that will raise £245 million, these include non-core exploration/development assets in the CMS area and an operated interest in the Hewett-Bacton producing assets and terminal.

Tullow's net UK production averaged 23,580 boepd in the first half of 2008, 13% lower than the same period in 2007. This reduction was primarily a result of natural decline in mature fields exacerbated by poor weather in the first quarter which hampered intervention visits. However, the current reservoir performance of the fields in both the Thames-Hewett Area and the CMS assets are generally in line with expectations. Average production from the UK in 2008 is expected to be in the range 22,000 to 24,000 boepd.

In the Thames-Hewett area, the development of the Tullow-operated Wissey discovery *(Tullow 62.5%)* in Block 53/4d is ongoing. The well has been drilled and completed and the facilities tie-in is underway with first gas forecast for August at an initial rate of 75 mmscfd. The Thames co-venturers have also approved the drilling of a development well in the Bure field to accelerate production and are currently sourcing a rig for early 2009.

The Hewett Complex has now been fully de-manned yielding considerable cost savings. The appraisal-development well targeting a deep Rotliegendes reservoir in the Hewett main field is scheduled for August 2008. However, as part of Tullow's ongoing portfolio rationalisation, the Group announced the proposed sale of its entire 51.68% interest in the Hewett-Bacton development to Eni for a consideration of £210 million. The sale is expected to be completed by the end of the year.

In the CMS Area the operated Schooner *(Tullow 90.35%)* and Ketch *(Tullow 100%)* fields continue to produce strongly and following a review of infill opportunities further drilling is now planned for 2009. The Ketch-10 well is expected to be spudded in early 2009 and we are evaluating a second well to be drilled as part of the same programme with the overall objective of accessing currently undepleted compartments within the greater Ketch field area. In addition the non-operated fields are also performing strongly and further drilling is planned, including the Murdoch MD11 infill well and two infill wells on the highly productive Boulton B reservoir. The operator expects to spud the first of these wells in the fourth quarter of 2008. With our partners we have also made good progress on the development plan for the Harrison project and sanction is expected by the end of the year.

In April 2008 Tullow sold peripheral exploration and development interests in its CMS assets to Venture Production for a consideration of £35 million. This transaction completed on 24 June 2008 and a profit of £15 million will be recognized in the first half results.

Netherlands

Tullow has rapidly grown its acreage position in the Netherlands and now holds nine operated blocks and one non-operated block now held. The majority of this acreage falls in Quadrant E, adjacent to the Group's UK CMS acreage where the Carboniferous play has been successfully exploited over the last few years. The same Carboniferous play extends into Quadrant E and has been identified as being highly prospective and under-explored. Current work is focused on seismic data reprocessing and geological study work ahead of potential drilling campaigns in 2009 and 2010.

SOUTH ASIA CORE AREA

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

Working interest production[1]	1H 2008 Average (boepd)	Current Production (boepd)
Pakistan	1,890	2,000
Bangladesh	3,500	3,500
South Asia Total	5,390	5,500

India

Drilling operations on Block CB-ON/1 *(Tullow 50%)* have commenced. A firm programme of four wells has been approved, along with two contingent wells. The wells will target a range of different play types within the rift basin.

The C1 well in the east of the block commenced on 27 June and is expected to take 30 days to reach total depth. Reservoirs targeted include prospective Middle Eocene and Early Eocene sands between approximately 650 metres and 750 metres and Early Palaeocene sands below 1,100 metres. The well is currently at 642 metres preparing for logging prior to running casing above the first target sequence.

The next well will target prospect G1 in the north of the block.

Bangladesh

Gross production from the Bangora field *(Tullow 30%)* remains steady at 70 mmscfd. The second phase of development is well under way and is scheduled to be completed in the third quarter this year: this involves the upgrade in capacity of the plant and the tie-back of the Bangora-3 well. When completed, the plant capacity will increase to 120 mmscfd and field production is expected to increase to in excess of 100 mmscfd. In addition, Tullow has applied for a shallow water block in the Bangladesh third licensing round and is awaiting notification from Petrobangla.

Pakistan

Gas production from the Chachar field *(Tullow 75%)* continues at a rate of 14 mmscfd, whilst production from Sara/Suri continues at a low level.

Tenders have been issued for a rig to drill an exploration well on the Kohat Block *(Tullow 40%)* in Q4 2008. Geological fieldwork has been completed on the Kalchas Block *(Tullow 30%)* and plans are being finalised to commence seismic operations.

SOUTH AMERICA CORE AREA

In South America, Tullow has exploration interests in Suriname and French Guiana and continues to negotiate Production Sharing Contracts for two key blocks offered in Trinidad's 6th exploration licensing round.

Trinidad

The Production Sharing Contract for Block 2ab *(Tullow 32.5%)* was initialled on 15 May and it is anticipated that the agreement will be signed in Q3 2008. The work programme for the licence includes the acquisition of 864 square kilometres of 3D seismic and the drilling of four wells over the next three years. Negotiations are continuing on the Guayaguayare Block *(Tullow 65-80%)*.

Suriname

The second phase of exploration drilling on Uitkijk *(Tullow 40%)*, involving five exploration wells, is scheduled to commence in Q3 2008. This will be followed by a 5 well exploration well programme on the Coronie Block *(Tullow 40%)* later in 2008.

French Guiana

Block 2 in French Guiana *(Tullow 97.5%)* contains the high impact but high risk Matamata prospect, a very large dome shaped structure in the north western part of the block. Gaz de France recently elected not to participate any further in the licence and Tullow is now focused on bringing in a partner to dilute its interest whilst securing a rig to allow drilling to commence on the block.

Summary of Planned Second Half 2008 Exploration and Appraisal Activity

Country	Block	Prospect	Interest	Spud Date
Uganda	Blocks 1&2	Butiaba campaign	50%/100%	In progress
Uganda	Block 3A	Kingfisher-2	50%	In progress
India	CB-ON/1	4-well campaign	50%	In progress
Ghana	Deepwater Tano	Hyedua-2	49.95% (op)	Q3 2008
Ghana	Shallow Tano	Ebony	31.5% (op)	Q3 2008
Ghana	WCTP	Mahogany-3	22.9%	Q4 2008
Ghana	WCTP	Mahogany-4	22.9%	Q4 2008
Uganda	Block 2	Ngassa-2	100% (op)	Q4 2008
Suriname	Uitkijk & Coronie	10 Shallow wells	40%	Q4 2008
Pakistan	Kohat	Kohat East	40% (op)	Q4 2008
Mauritania	PSC A	Banda E	24.3%	Q4 2008

Ends

CONFERENCE CALLS

Conference calls hosted by Aidan Heavey (Chief Executive), Paul McDade (Chief Operating Officer), Angus McCoss (Exploration Director) and Tom Hickey (Chief Financial Officer) will be held today at 09:30 (BST) and at 15:00 (BST).

To access the calls 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 three hours after the conference call until 16 July. The telephone numbers and access codes are:

European Conference Call		**Replay Facility**	
UK Participants	020 7806 1956	UK Participants	020 7806 1970
Irish Participants	01 655 8886	Irish Participants	01 659 8321
		Access Code	9312438#

U.S. Conference Call		**Replay Facility**	
Domestic Toll Free	+1 800 762 8795	Domestic Toll Free	+1 800 406 7325
Toll	+1 480 629 9041	Toll	+1 303 590 3030
		Access Code	3898555#

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Disclaimer

This announcement contains certain operational and financial information in relation to the first half of 2008 that is subject to final review and has not been audited. Furthermore it contains certain forward-looking statements that are subject to the usual risk factors and uncertainties associated with the oil & gas exploration and production business. Whilst the Group believes the expectations reflected herein to be reasonable, the actual outcome may be materially different owing to factors either within or beyond the Group's control, and accordingly no reliance may be placed on the figures contained in such forward looking statements.

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