

# Annual General Meeting

Aidan Heavey – Chief Executive, 12 May 2009



## 2008 Business highlights

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- 77% exploration and appraisal success rate in 2008
- Commercial threshold for development exceeded in Uganda
- World-class Jubilee development on track for first oil in 2H 2010
- Reserves and Resources up 50% to 825 mmboe
- 2008 Dividend of 6p/share
- 9<sup>th</sup> best performer in the FTSE100 in 2008

## Strong performance to date in 2009

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- Currently ranked 34th in the FTSE100
- Market Capitalisation of over £7 billion
- 100% exploration success to date in 2009
- Major light hydrocarbon discovery with Tweneboa-1 well
- 300 million barrel Giraffe-Buffero field confirmed with Giraffe-1 well
- US\$2 billion bank facility secured
- Successful £402 million equity placing completed

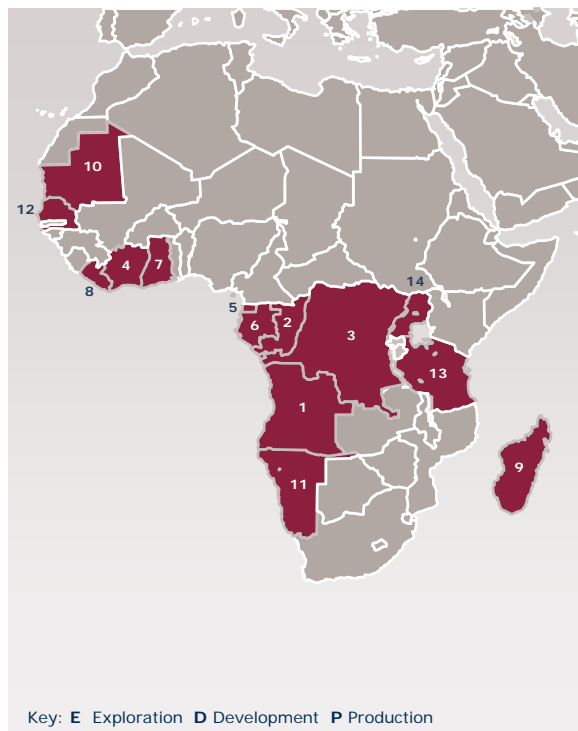
People and funding in place for the next phase of growth



## Business Overview

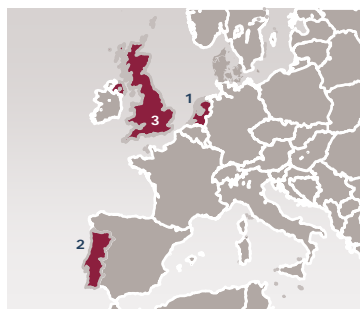
# The Tullow footprint

## Africa



- |                                 |                          |
|---------------------------------|--------------------------|
| 1 Angola <b>E</b>               | 10 Mauritania <b>EDP</b> |
| 2 Congo (Brazzaville) <b>DP</b> | 11 Namibia <b>D</b>      |
| 3 Congo (DRC) <b>E</b>          | 12 Senegal <b>E</b>      |
| 4 Côte d'Ivoire <b>EDP</b>      | 13 Tanzania <b>E</b>     |
| 5 Equatorial Guinea <b>DP</b>   | 14 Uganda <b>ED</b>      |
| 6 Gabon <b>EDP</b>              |                          |
| 7 Ghana <b>ED</b>               |                          |
| 8 Liberia <b>E</b>              |                          |
| 9 Madagascar <b>E</b>           |                          |

## Rest of the World



### Europe

- 1 Netherlands **E**
- 2 Portugal **E**
- 3 United Kingdom **EDP**



### South Asia

- 1 Bangladesh **EDP**
- 2 Pakistan **EDP**



### South America

- 1 French Guiana **E**
- 2 Guyana **E**
- 3 Suriname **E**

## Group highlights

### Africa

- ~38,000 boepd
- 14 countries
- 47 licences
- 17 producing fields

### Europe

- ~17,000 boepd
- 3 countries
- 26 licences
- 18 producing fields

### South Asia

- ~5,000 boepd
- 2 countries
- 9 licences
- 3 producing fields

### South America

- 3 countries
- 4 licences

## 2008 Full year results summary

	2008	2007	Change
Sales revenue	£692m	£639m	+ 8%
Operating profit	£300m	£189m	+ 59%
Net profit	£226m	£53m	+ 330%
Basic earnings per share	30.9p	7.1p	+ 335%
Dividend per share	6.0p	6.0p	0%
Capital investment	£480m	£368m	+ 31%
Cash generated from operations <sup>1</sup>	£519m	£474m	+ 9%
Net debt <sup>2</sup>	£400m	£480m	- 16%

<sup>1</sup> Before working capital movements

<sup>2</sup> Including all cash balances

Record sales revenue, net profit and cash generated from operations

## Financial strategy

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### Prepared for downturn in 2008/2009

- Ensured control of Capex and Opex
- Active portfolio management - £285m proceeds
- Set a prudent 2009 capital budget of £600m

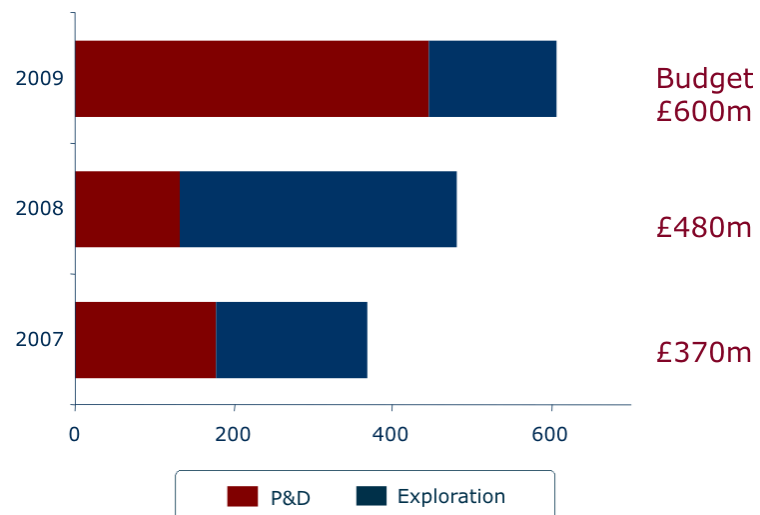
### Strengthened balance sheet

- Successful equity placing raised £402m
- Secured US\$2 billion bank facility
- Funding in place for major projects and high-impact exploration

Active cost and portfolio management, strengthened balance sheet, debt and equity funding secured

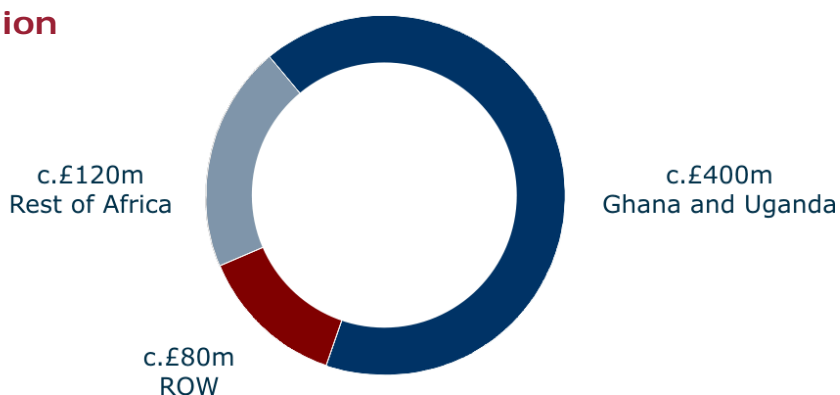
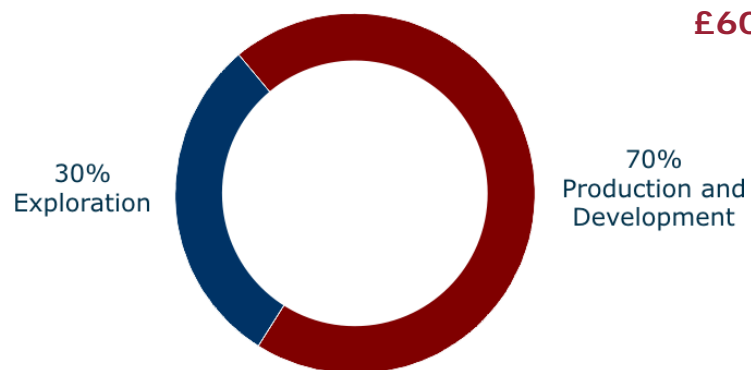


## Focused 2009 capital budget



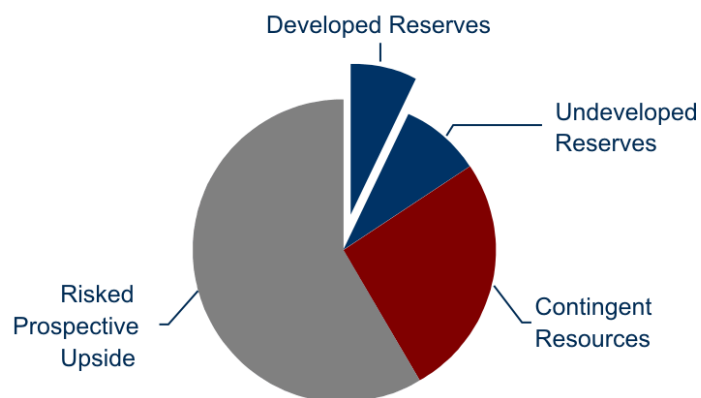
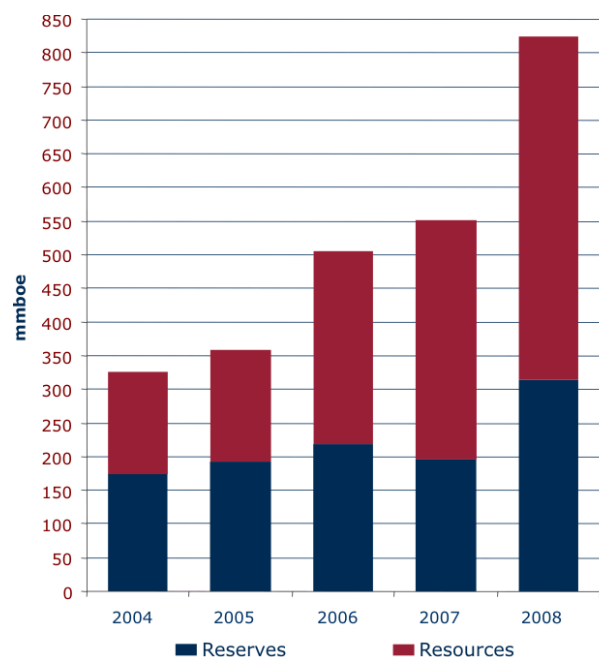
- £480m invested in 2008
- £600m currently budgeted for 2009
- Considering additional capital expenditure opportunities

### 2009 Current budget Capex £600 million





## Reserves and Resources increased to 825 mmboe



### Working interest production

- 2008 averaged 66,600 boepd

### Reserves and Resources

- Commercial reserves - 314 mmboe
- Contingent resources - 511 mmboe
- Three year reserves replacement – 226%

### Significant upgrades in Ghana & Uganda

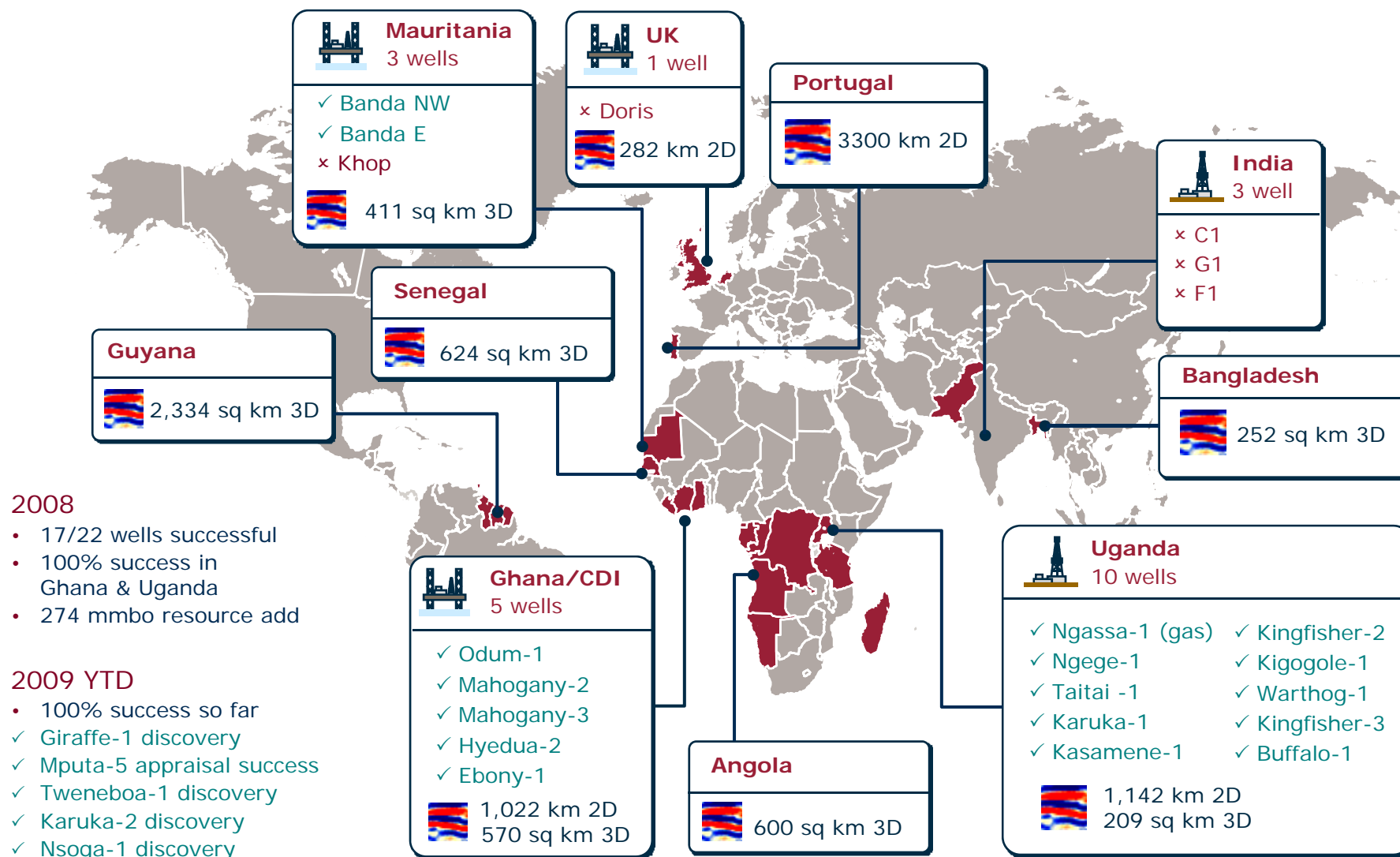
- Ghana reserves - 170 mmboe
- Uganda resources - 263 mmboe

### Total resource potential ~2billion boe

- Developed reserves - 7% of total
- Reserve and resource life - 38 years
- Risked prospective upside >1 billion boe

**Record Reserves Replacement - 582%**

# 77% global exploration & appraisal success rate in 2008



## Africa – Powerhouse of Growth



## High quality pan-African portfolio of E&P assets

### Strong portfolio

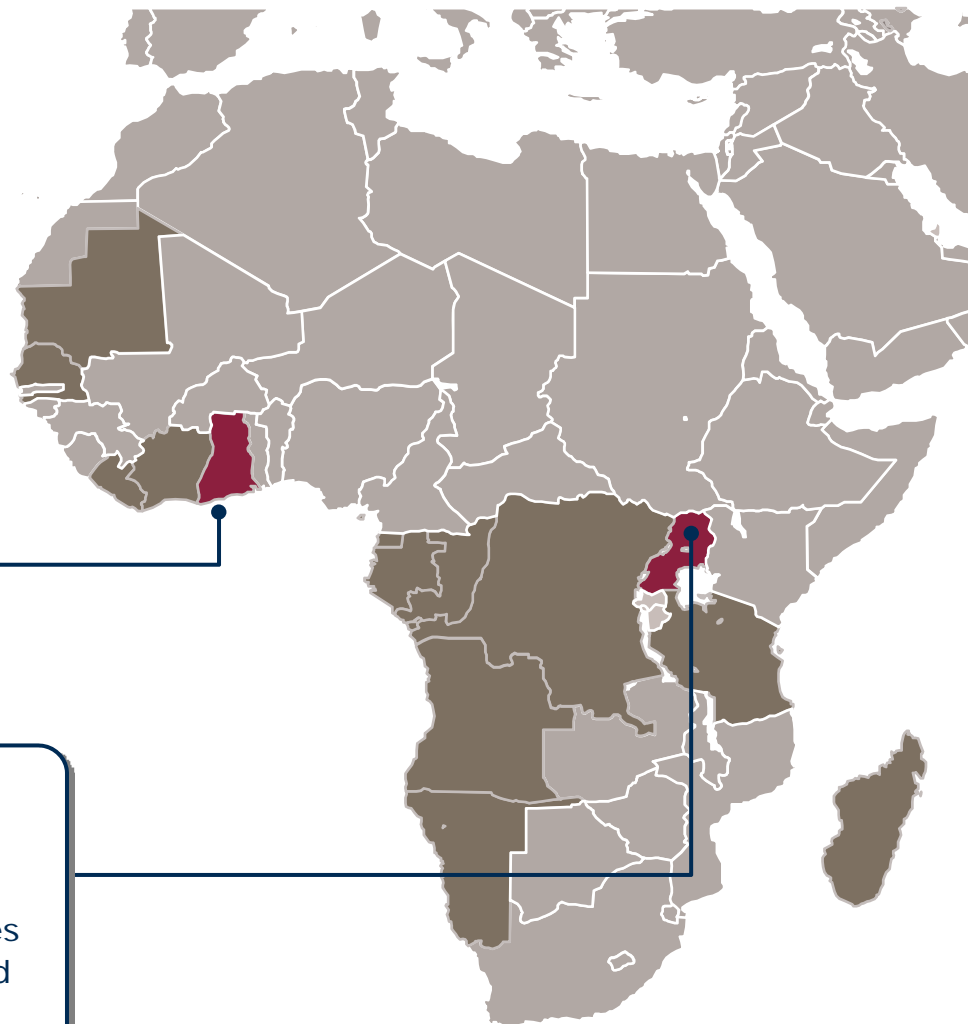
- 38,000 boepd
- 14 countries
- 47 licences
- 17 producing fields

#### Ghana

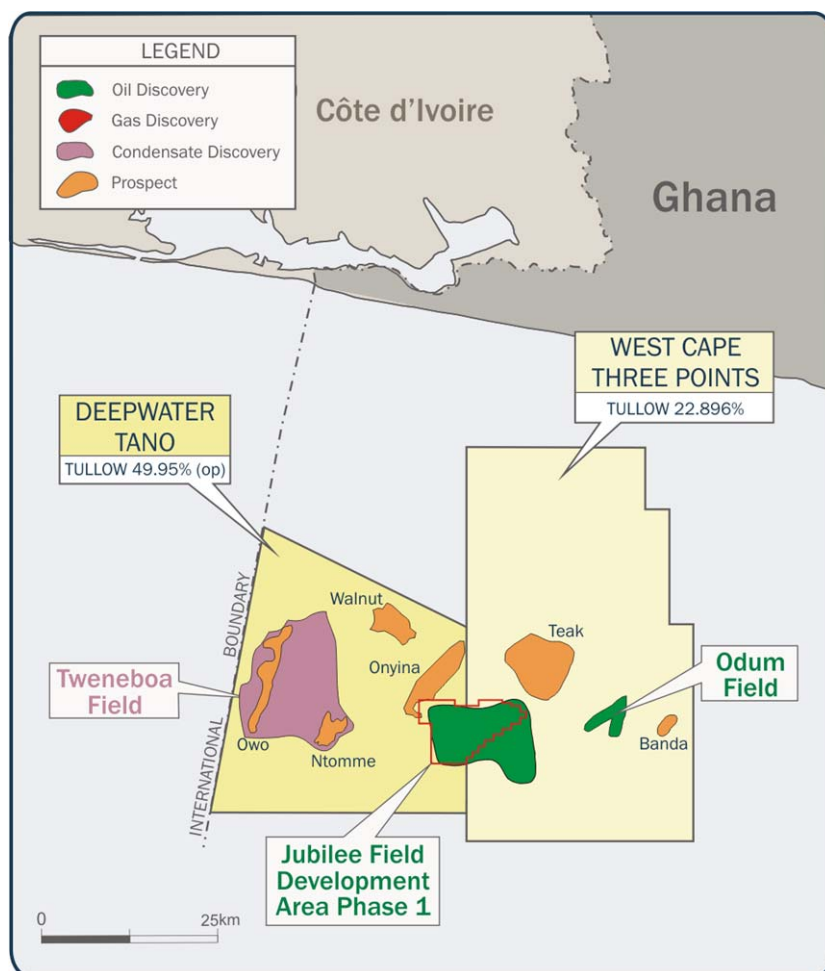
- World-class discoveries
  - Jubilee
  - Tweneboa
- First oil 2H 2010
- Major follow-on potential

#### Uganda

- 100% success rate
- >1 billion barrel potential
- 600 mmbbl discovered resources
- Commercial threshold exceeded
- High-impact drilling ongoing



## World-class discoveries offshore Ghana



### Major fields discovered

- Jubilee – up to 1.8 billion bbls
- Tweneboa – up to 1.4 billion boe

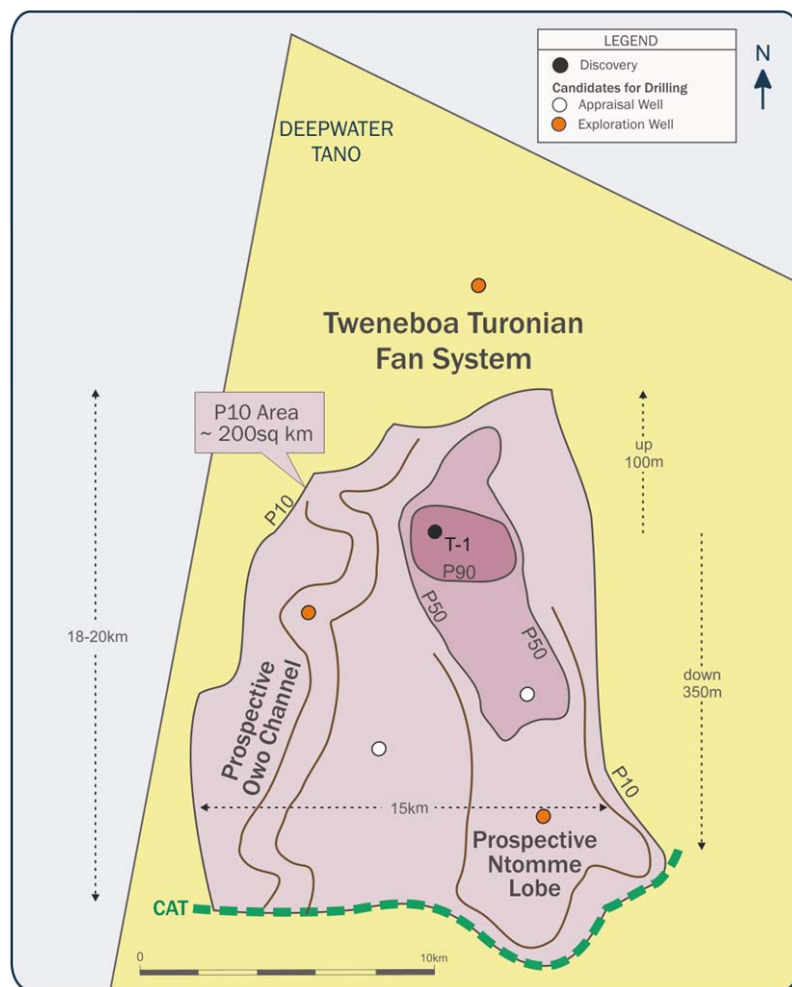
### On track for Jubilee first oil in 2H 2010

- FPSO conversion progressing well
- Subsea equipment fabrication ongoing
- Five development wells drilled

### Pursuing major upside in 2009

- Two further Jubilee appraisal wells
- Jubilee Phase 2 being evaluated
- Tweneboa-2 appraisal in September
- Teak exploration well in November

## Tweneboa-1 discovers another field in the Jubilee play

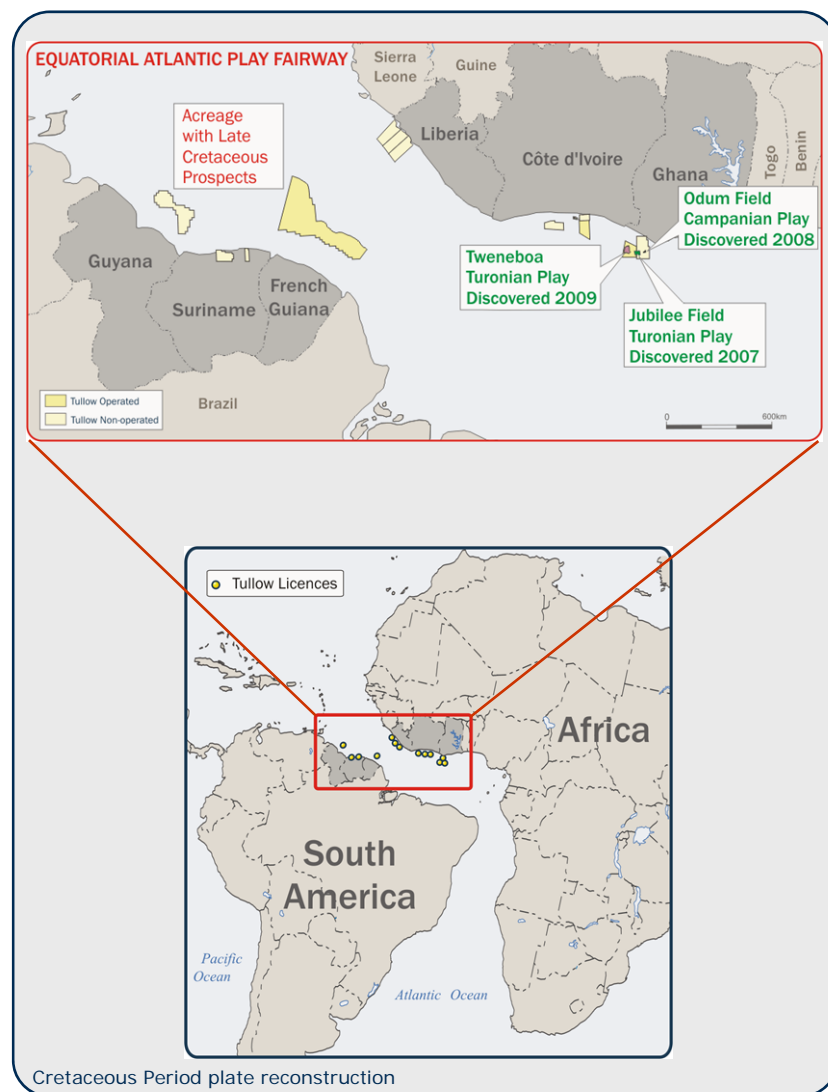


CAT = Common Amplitude Termination

### Significant breakthrough

- Major light hydrocarbon discovery
- Another field in the Turonian Jubilee play
- Giant stratigraphic trap up to 200 sq km
- Gross resource potential
  - 50 - 250 - 1,400 mmboe
  - 30%-40% liquids at this location
- Appraisal will target thicker reservoirs

# Upside potential throughout Equatorial Atlantic region



## Jubilee play follow-on strategy

- Capitalising on knowledge
- Aim to repeat performance
- Building strong acreage position
- Leveraging expertise built

## Positions strengthened in Africa

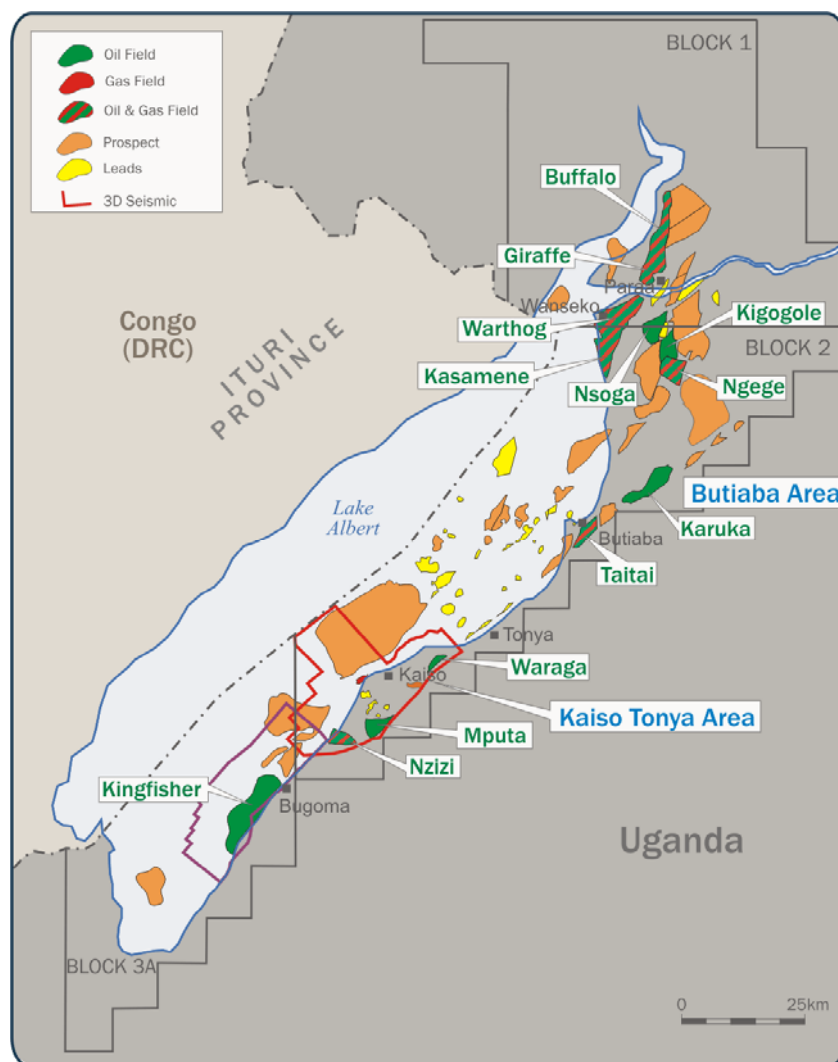
- Established in Ghana and Cote d'Ivoire
- New entrant in three licences in Liberia

## Atlantic twin basins in South America

- French Guiana
- Suriname
- Guyana



## Uganda - commercial threshold volumes discovered



### 100% success rate in Uganda

- 22 wells drilled so far – all found oil & gas
- 600+ mmbo discovered resources
- Potential significantly beyond 1bn barrels

### Butiaba area

- Exploration breakthrough with Kasamene
- Prolific Victoria Nile Delta play proven
- Thick high-quality reservoirs found
- Giraffe-Buffero – 300 mmbo discovery
- Awaka prospect currently drilling

### Nearshore exploration and appraisal

- Kingfisher confirmed as 200 mmbo field
- High well flow rates > 14,000 bopd
- 600 mmboe Ngassa prospect drilling

Integrated project team set up to plan for development

Rest of the World – Opportunities to balance portfolio



## Rest of World – Opportunities to balance the portfolio



### Europe

- ~17,000 boepd
- 3 countries
- 26 licences
- 18 producing fields

- Non-core assets sold - £245m
- Organic growth opportunities in the Netherlands and Portugal
- 2009 investment deferred in preference to African projects



### South Asia

- ~5,000 boepd
- 2 countries
- 9 licences
- 3 producing fields

- Bangora production capacity expanded in Bangladesh
- Exited India acreage
- Chachar field in Pakistan sold for US\$7.5 million
- Kohat exploration drilling scheduled to start in August

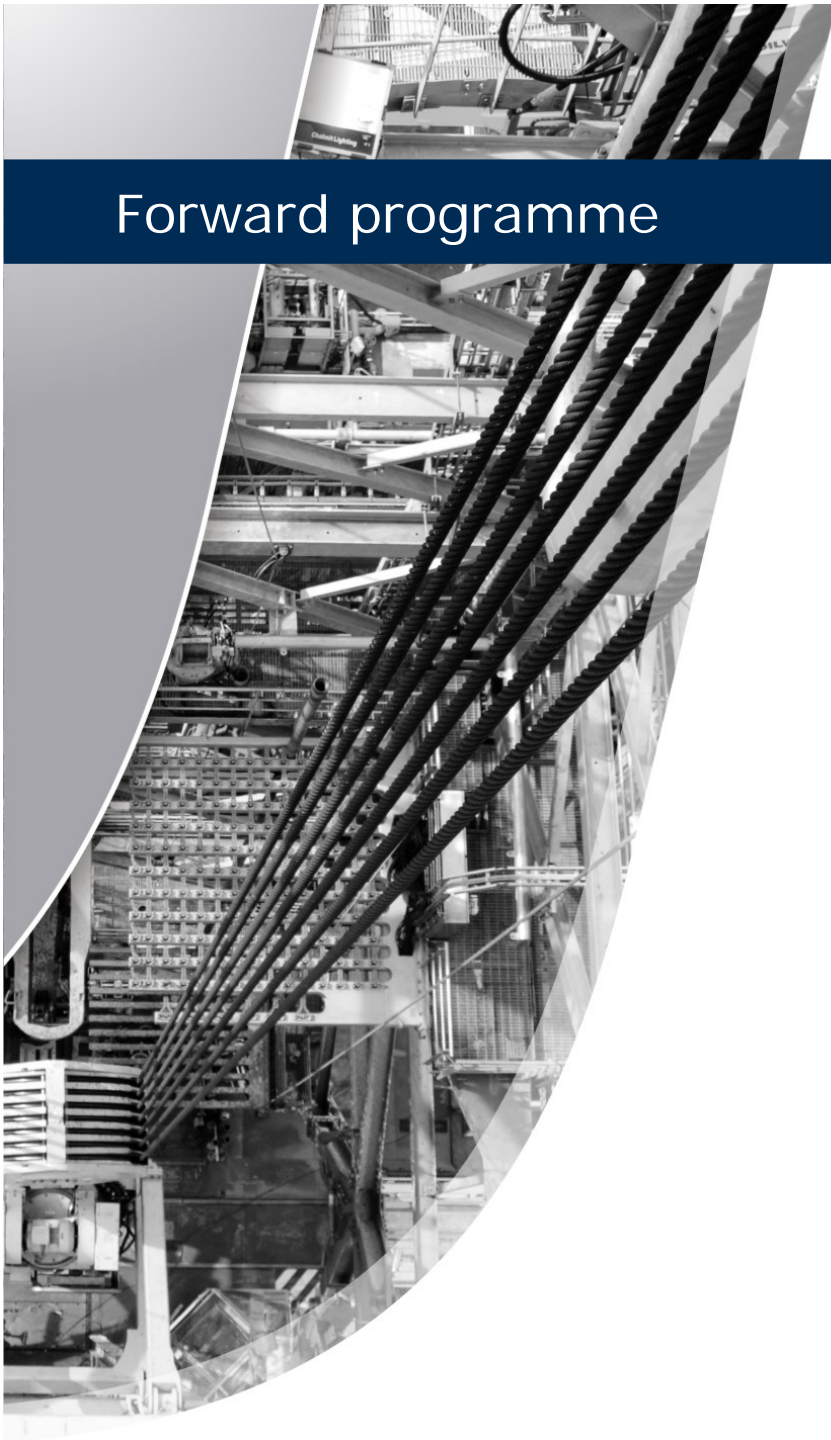


### South America

- 3 countries
- 4 licences

- Targeting Jubilee-type plays
- Acquiring and processing seismic on Guyana acreage
- Preparing to farm-down part of 97.5% interest in French Guiana

# Forward programme



## 2009 Exploration programme

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
UGANDA	Giraffe	Mputa-5	Vundu	Nsoga	Awaka	Butiaba Wells						
				Ngassa-2				Ngassa-3				
GHANA		Tweneboa				Mah E/A			Mah E/A		Teak	
									Tweneboa-2 & DST			
REST OF WORLD					Suriname			Tanzania & Pakistan				

Country	Block	Prospect	Interest	Gross upside	Spud Date
Ghana	Deep Water Tano	Tweneboa	49.95% (op)	1,400 mmboe	Q1-Q4 2009
Ghana	WCTP	Mahogany Appraisal	22.90%	600 mmbo	Q2-Q3 2009
Ghana	WCTP	Teak complex	22.90%	350 mmboe	Q4 2009
Uganda	Block 2	Butiaba Campaign '09	100% (op)	1,000 mmbo	Q1-Q4 2009
Uganda	Block 2	Ngassa	100% (op)	600 mmbo	Q1 2009
Tanzania	Lindi & Mtwara	Mikindani	50% (op)	125 mmbo	Q3 2009
Suriname	Coronie	5 Well Campaign	40%	250 mmbo	Q2 2009
Pakistan	Kohat	Kohat East	40%	50 mmboe	Q3 2009

Committed to Corporate and Social Responsibility





## Delivering growth responsibly

Tullow is committed to effective CSR

- CSR is an integral part of Tullow's business
- Our commitments are focused on
  - Health
  - Children
  - Education
  - Community

2008 CSR Report Published today

- Documents CSR strategy and annual performance
- Best ever Health and Safety record
- No significant environmental incidents
- 95% increase in community investment
- Enhanced position on key environmental issues

**Please feel free to take a copy  
of the report away with you today**





# Corporate Social Responsibility in action

## CSR is key to the business

- Support provided at national, district and local level
- Discretionary CSR spend has doubled year-on-year since 2005

## 2008 projects included

- Free eye examinations in Bangladesh
- Access to safe drinking water in Ghana
- Maternity care and immunisation provided at Maternity Centre in Uganda
- Raising awareness of preventable diseases such as HIV/Aids, Malaria and Tuberculosis in all areas that we operate
- Refurbished science department at secondary school in Ghana
- Conservation and environmental awareness project initiated in Côte d'Ivoire schools



## Conclusion



## People and funding in place for the next phase

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- Continued growth and delivery in 2008
- Material exploration and resources upside
- High quality team to deliver future expansion
- Well positioned to seize opportunities in current environment

# AGM Proxy Votes Cast

Pat Plunkett – Chairman





## Resolution 1

Receive and adopt the annual accounts and associated reports.

	Proxy Votes	% Votes Cast
FOR	537,745,850	99.79
AGAINST	1,122,639	0.21
VOTE WITHHELD	1,313,742	-



## Resolution 2

Declare a final dividend of 4.0p per ordinary share.

	Proxy Votes	% Votes Cast
FOR	538,564,592	99.99
AGAINST	55,136	0.01
VOTE WITHHELD	1,562,503	-



## Resolution 3

Receive and approve the Directors' Remuneration Report.

	Proxy Votes	% Votes Cast
FOR	498,009,420	98.52
AGAINST	7,484,999	1.48
VOTE WITHHELD	34,687,811	-

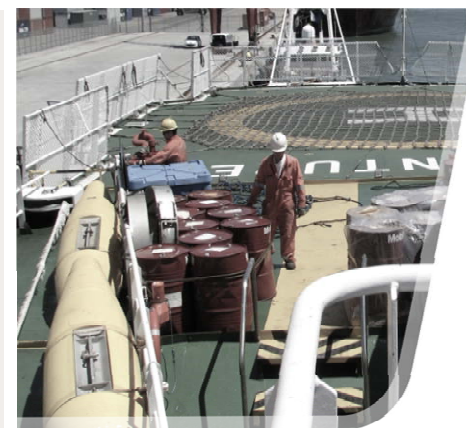




## Resolution 4

Elect Ann Grant as a Director.

	Proxy Votes	% Votes Cast
FOR	538,013,998	99.90
AGAINST	515,087	0.10
VOTE WITHHELD	1,653,146	-



## Resolution 5

Elect Ian Springett as a Director.

	Proxy Votes	% Votes Cast
FOR	536,877,707	99.62
AGAINST	2,031,159	0.38
VOTE WITHHELD	1,273,365	-



## Resolution 6

Re-elect Paul McDade as a Director.

	Proxy Votes	% Votes Cast
FOR	537,156,551	99.68
AGAINST	1,748,827	0.32
VOTE WITHHELD	1,276,853	-



## Resolution 7

Re-elect Patrick Plunkett as a Director.

	Proxy Votes	% Votes Cast
FOR	470,701,420	97.78
AGAINST	10,676,746	2.22
VOTE WITHHELD	58,804,064	-



## Resolution 8

Re-appoint Deloitte LLP as auditors and authorise the Directors to determine their remuneration.

	Proxy Votes	% Votes Cast
FOR	537,243,329	99.69
AGAINST	1,669,321	0.31
VOTE WITHHELD	1,269,581	-



## Resolution 9

Authorise an increase in the Company's authorised share capital.

	Proxy Votes	% Votes Cast
FOR	534,432,388	99.22
AGAINST	4,176,849	0.78
VOTE WITHHELD	1,573,087	-

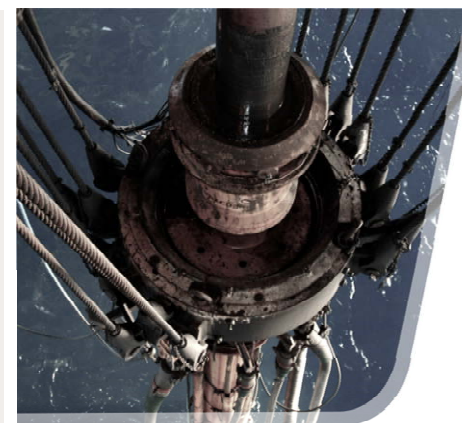




## Resolution 10

Renew Directors' authority to allot shares.

	Proxy Votes	% Votes Cast
FOR	530,360,915	98.42
AGAINST	8,535,873	1.58
VOTE WITHHELD	1,285,443	-



## Resolution 11

Dis-apply statutory pre-emption rights.

	Proxy Votes	% Votes Cast
FOR	538,442,310	99.92
AGAINST	413,217	0.08
VOTE WITHHELD	1,326,704	-



## Resolution 12

Authorise the Company to hold general meetings on no less than 14 clear days' notice.

	Proxy Votes	% Votes Cast
FOR	530,151,414	98.45
AGAINST	8,323,775	1.55
VOTE WITHHELD	1,706,952	-



## Resolution 13

Amend and adopt new articles of association of the company.

	Proxy Votes	% Votes Cast
FOR	538,409,372	99.98
AGAINST	94,279	0.02
VOTE WITHHELD	1,678,580	-



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