

Interim Management Statement

Strong performance continues in 2008. Ghana and Uganda exploration and appraisal yielding exceptional results.

14 May 2008 - Tullow Oil plc (Tullow) is issuing the following Interim Management Statement, in accordance with reporting requirements of the EU Transparency Directive, prior to its Annual General Meeting which is being held at Stationers' Hall in London, at 12 noon today.

Tullow's business has performed strongly in 2008 to date and has benefited from increasing oil and gas prices, while overall production performance was in line with expectations. The Group has focused considerable financial and technical resources on exploration, appraisal and development projects, which in Ghana and Uganda have yielded outstanding results.

AFRICA

Ghana

Significant progress has been made in delineating the Jubilee field and in the planning of a phased development project.

In March, Tullow was appointed Unit Operator for the Jubilee field development project and is targeting first oil from the field in 2010. The Group has contracted the Eirik Raude drilling rig for a period of up to five years, principally to undertake development and exploration drilling in Ghana. This rig is expected to arrive in country during the fourth quarter 2008.

In May, the drilling of the Mahogany-2 appraisal well was completed, leading to a significant upgrade in the ultimate resource potential and anticipated recovery factor from the Jubilee field. A minimum of three further appraisal wells are planned for the remainder of 2008, with potential for further significant increases in field size.

Earlier in 2008 Tullow announced the successful drilling of the Odum exploration well in the West Cape Three Points licence; this discovery will require further appraisal in advance of any standalone development decision.

Uganda

Exploration activity in Uganda during 2008 has focused on the drilling of the Ngassa and Kingfisher wells and the commencement of a multi-well onshore drilling campaign in the Butiaba region of the Lake Albert Rift Basin. Tullow is also progressing plans for an Early Production System designed to produce first oil in 2009, and finalising arrangements for an offshore drilling programme scheduled to commence in early 2009.

Initial attempts to drill a highly deviated well to test the high-impact Ngassa prospect from a location on the lakeshore were unsuccessful and Tullow is now investigating alternative sites for drilling this well. In the interim, the rig has moved to Block 3A and is currently drilling the Kingfisher-2 well as planned.

The Butiaba area drilling programme commenced in April 2008 and the first well, Taitai-1, was announced as an oil and gas discovery on 13 May. The next well in the schedule, targeting the Lanya prospect, is expected to spud in late May.

Rest of Africa

Production performance from Africa remains strong, driven by continued excellent production levels from the Ceiba and Okume Complex fields in Equatorial Guinea. All other fields have been performing in line with expectations.

In January 2008, the Group announced that it had agreed the sale of its interest in the M'Boundi field in Congo Brazzaville to KNOG for a consideration of US\$435 million.

Exploration and appraisal drilling activity in 2008, outside Ghana and Uganda, has been limited to Mauritania where the Khop exploration well was drilled in February and the Banda NW appraisal well completed in early May. The Khop well was unsuccessful, however, it provides important information for future Cretaceous prospects in the region. The Banda NW appraisal well successfully encountered the target Miocene reservoir and further appraisal work is planned to determine commercial potential.

EUROPE

Tullow's UK gas business is performing in line with expectations and is benefiting from exceptionally strong gas pricing.

Within the CMS Area, activities have focused on portfolio management and in March the Group announced the proposed disposal of a package of assets, including undeveloped discoveries and exploration acreage, to Venture Production for a total consideration of £35 million. Recognising the mature nature of the UK Southern North Sea and Tullow's expertise in Carboniferous exploration, the Group has extended its acreage position into the Dutch sector where more material prospectivity has been identified.

In the Thames-Hewett area, the Doris exploration well spudded in March, but did not encounter commercial quantities of gas. In a separate project, Tullow is investigating the potential for utilising its existing infrastructure in this area for longer term gas storage and carbon capture applications.

SOUTH ASIA

The Group's business in Asia continues to perform in line with expectations. In Bangladesh, plans to upgrade the production capacity of the Bangora facilities remain on schedule, and Tullow has applied for an offshore block in the latest licensing round. In India, preparations for the commencement of drilling on the CB-ON/1 licence are ongoing with the first well expected to commence in June. The disposal of the Group's Pakistan business remains under active consideration.

SOUTH AMERICA

Activity within the Group's South American portfolio has been focused on the conclusion of negotiations in respect of new licences in Trinidad. In French Guiana planning has commenced for the anticipated drilling of the Matamata prospect towards the end of 2008. A number of new venture opportunities are also under consideration.

FINANCING AND PORTFOLIO MANAGEMENT

Tullow's business is growing rapidly and we are focused on maintaining financial flexibility at all times. In addition to unutilised bank lines, which continue to be in the order of \$400 million, Tullow's portfolio management efforts are expected to generate in excess of \$550 million during 2008. These funds, in addition to the extremely positive underlying cash generation of our business, mean that Tullow is well placed to continue to fund its growth. Net Debt at 31 March was £478 million (before any disposal receipts).

OUTLOOK

Tullow's business has reached a new level this year driven by the exceptional exploration and appraisal results in Ghana. With production in line with expectations, a programme of over 25 exploration wells to drill by year-end and optimism over strong oil and gas pricing continuing, the outlook for the remainder of 2008 is very positive.

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Notes to Editors

Tullow is a leading independent oil & gas, exploration and production group, quoted on the London and Irish Stock Exchanges (symbol: TLW) and is a constituent of the FTSE 100 Index. The Group has interests in over 100 exploration and production licences across 23 countries and focuses on four core areas: Europe, Africa, South Asia and South America.

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

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

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

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

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

Disclaimer

This Interim Management 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.

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