

Tullow Oil plc – 2010 Half-yearly Results

25 August 2010



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Introduction – Aidan Heavey



Exploration-led strategy delivering results in 2010

- Jubilee Phase 1 on track and progressing other Ghana developments
- Significant progress made commercialising Ugandan resources
- Exceptional exploration success continues with Owo
- Continuing to build and strengthen exploration portfolio
- Business re-balanced as we enter next stage of growth

Finance – Ian Springett



2010 Half-yearly results summary

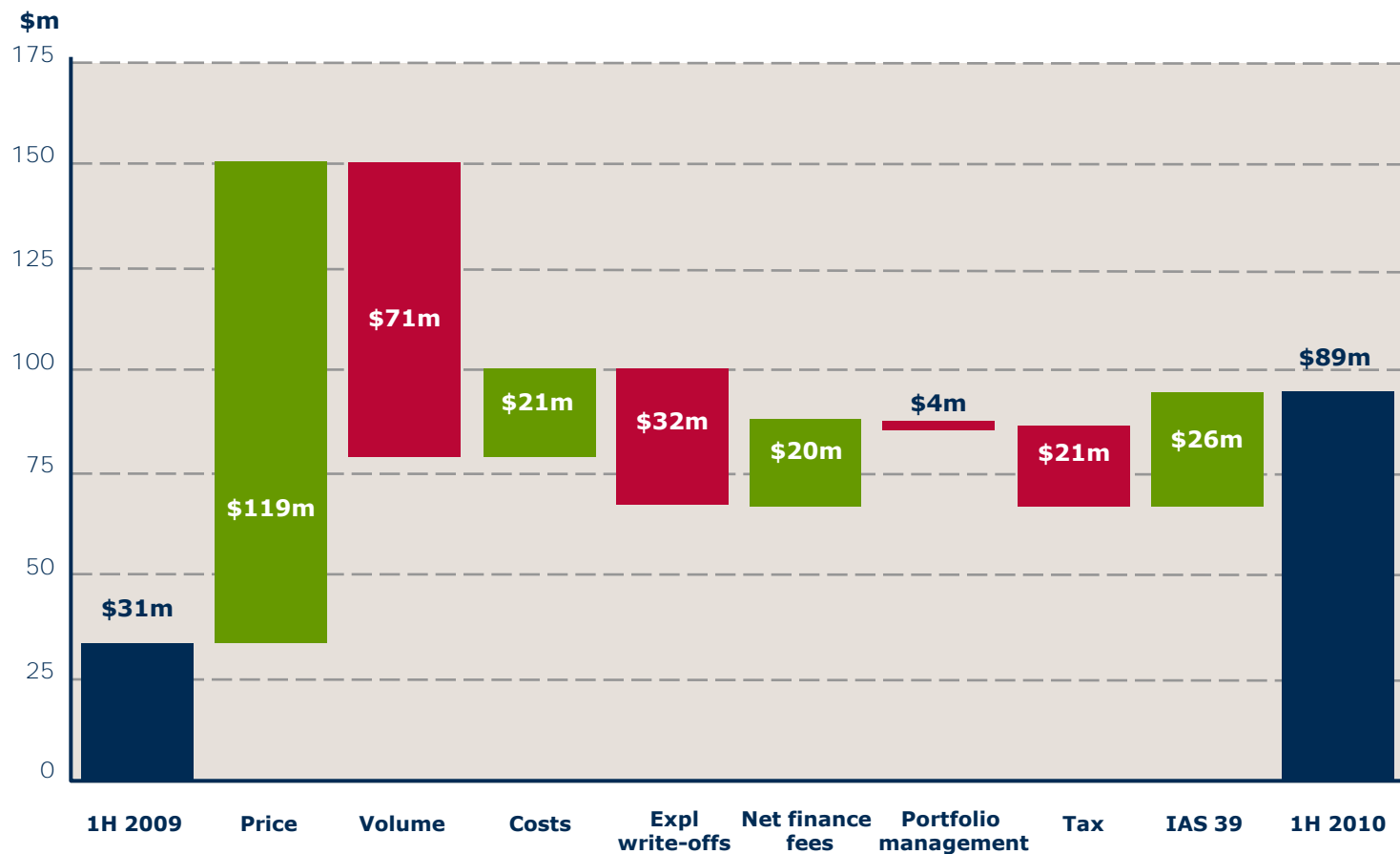
	1H 2010	1H 2009	Change
Sales revenue	\$486m	\$439m	+ 11%
Operating profit	\$124m	\$92m	+ 35%
Net profit	\$89m	\$31m	+ 184%
Basic earnings per share	9.35c	4.00c	+ 134%
Dividend per share	2.0p	2.0p	0%
Capital investment	\$651m	\$578m	+ 13%
Cash generated from operations ¹	\$367m	\$303m	+ 21%
Net debt ²	\$203m	\$710m	- 71%

¹ Before working capital movements

² Including all cash balances

2010 Half-yearly results in line with expectations
Significant capital investment to further develop the business

Net income 1H 2009 v 1H 2010



1H 2010 net income impacted primarily by higher prices and lower volumes Jubilee set to transform 2011 results

Sources and uses of funds

Cash inflow \$2,170m

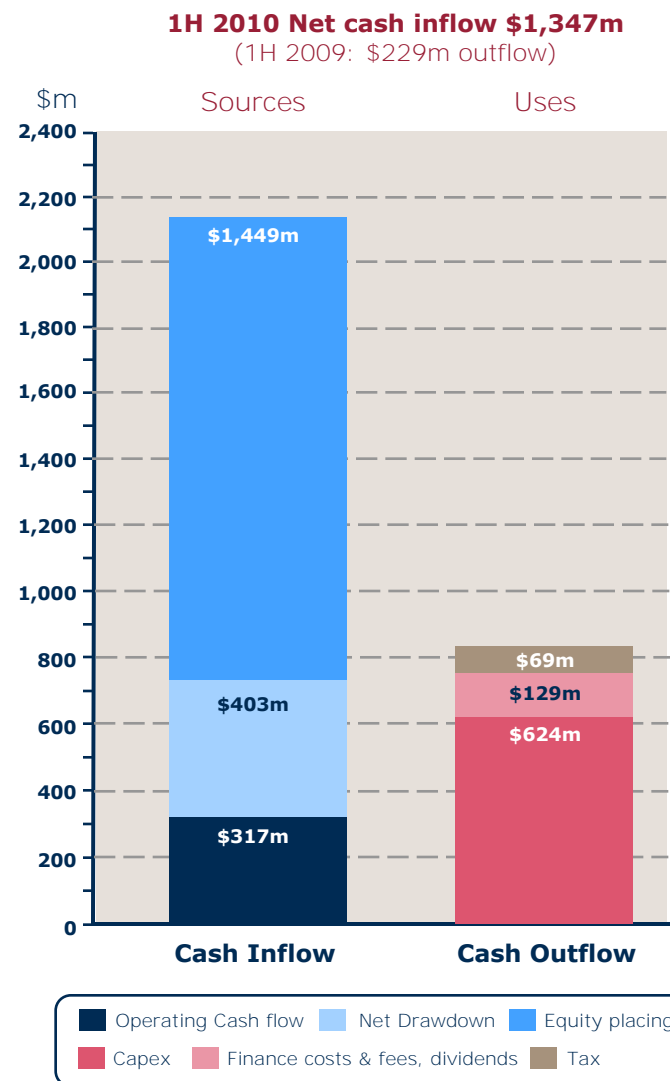
- Operating cash flow - \$317m* (1H 2009: \$170m*)
- Equity placing - \$1,449m (1H 2009: \$565)
- Net loan drawdown \$403m (1H 2009: \$122m repayment)

Cash outflow \$823m

- Cash Capex \$624m (1H 2009: \$607m)
- Finance costs & fees, dividends \$129m (1H 2009: \$140m)
- Cash tax paid \$69m (2008: \$159m)

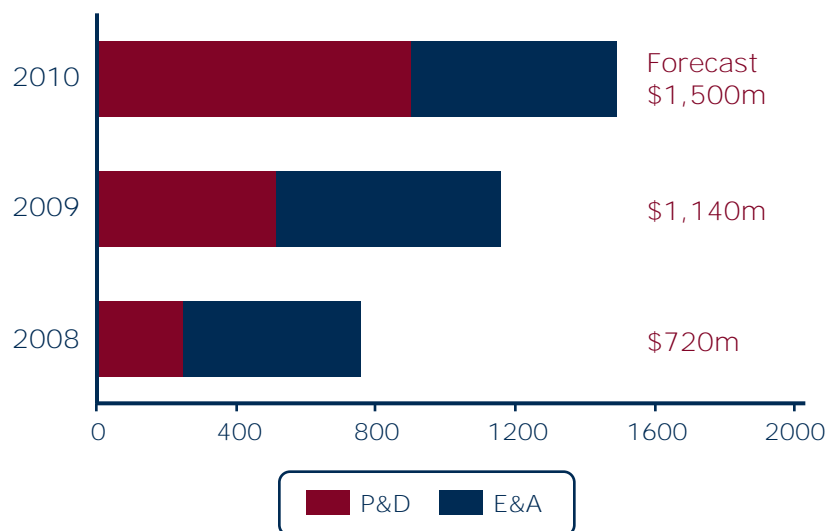
Net cash inflow \$1,347m

- Increase in cash balances



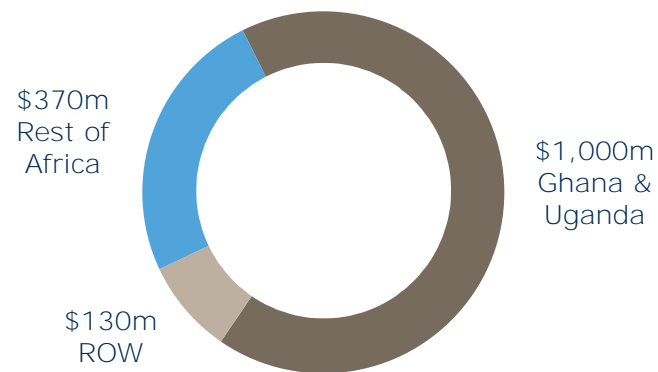
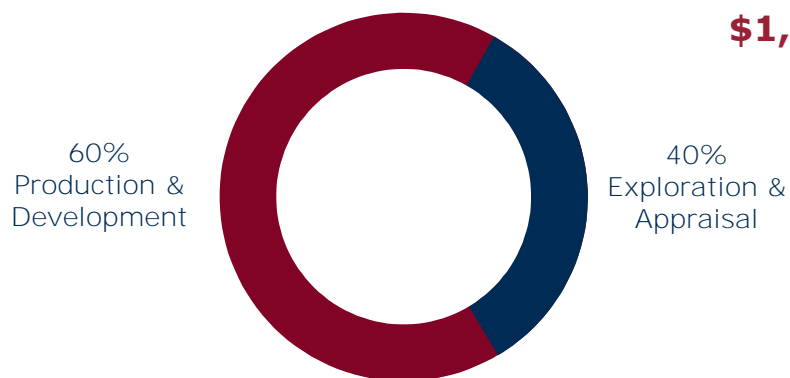
* After working capital

Significant 2010 capital expenditure



- \$1,500m forecast for 2010
 - Ghana: Jubilee phase 1 development & Tweneboa appraisal
 - Uganda: exploration and basin development
 - High-impact exploration: Africa & South America
- 2010 capital split
 - 60: 40 between P&D and E&A
 - >65% Ghana & Uganda; >90% Africa

2010 Current forecast capex \$1,500 million



Creating stakeholder value

Consistent and repeatable strategy

- Sustainable long term growth
- Balance exploration, major projects & funding
- Safety, environment, stakeholders & people

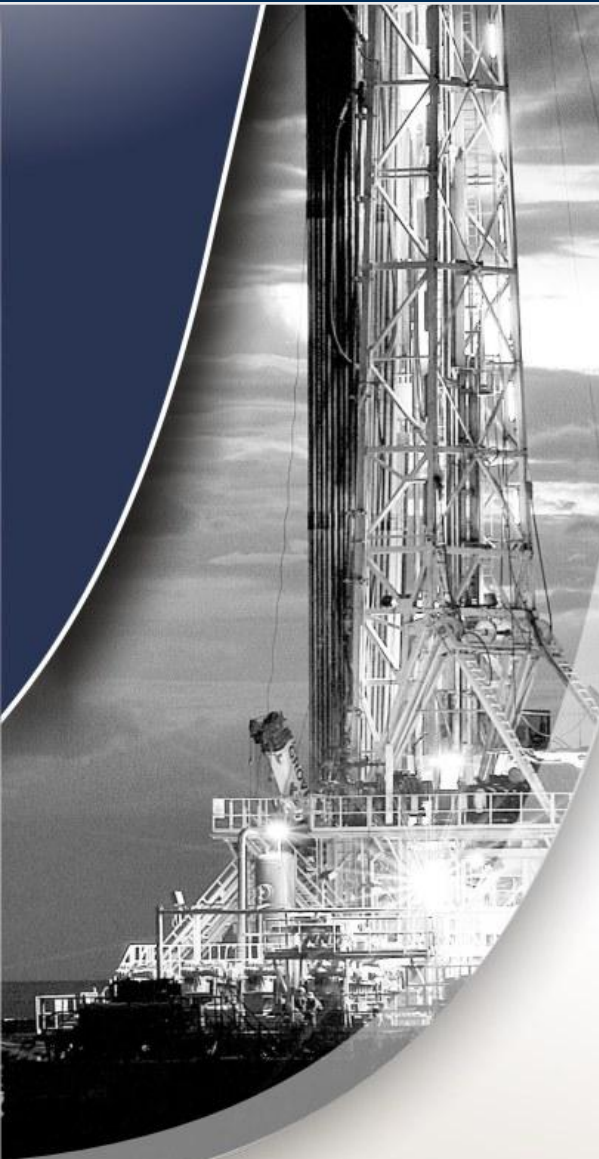
- Ghana: Jubilee discovery & fast track development
- Uganda: commercialisation, pre-emption & farmdown
- Growing, high impact exploration portfolio

Underpinned by financial strategy

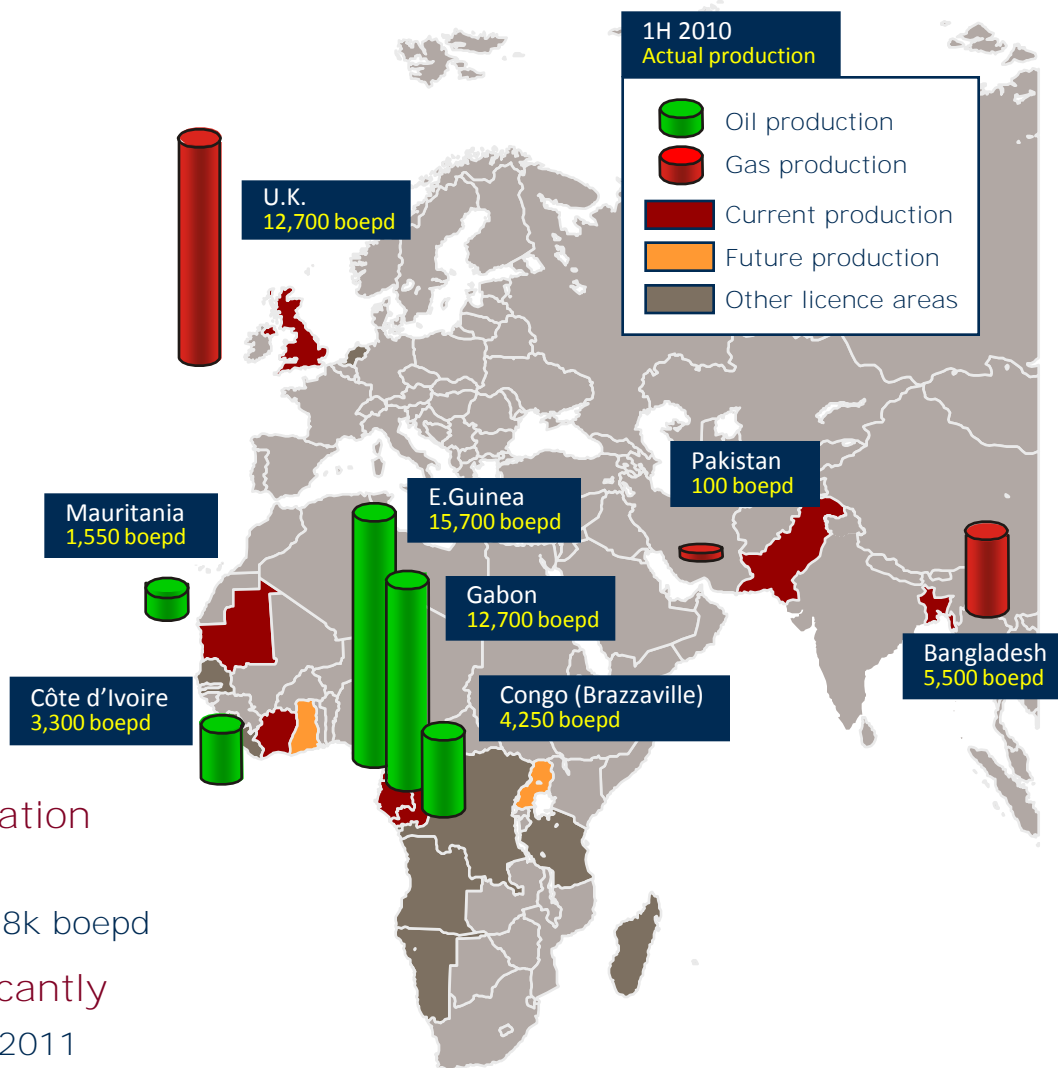
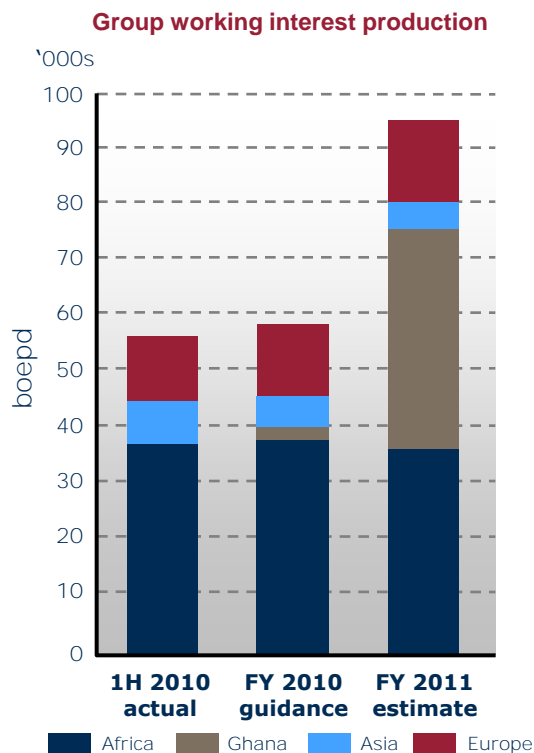
- Strong, well funded balance sheet to enable growth
 - Debt and equity funding
 - Portfolio management
- Significant future operational cash flow

- \$2.75bn debt facilities
- \$2.1bn equity placings
- Uganda transactions
- Jubilee Phase 1 first oil Nov/Dec 2010

Production & Development – Paul McDade



1H 2010 Group production – 55,800 boepd



2010 production ahead of expectation

- 1H 2010 production 55,800 boepd
- Increased FY 2010 guidance to 57-58k boepd

2011+ production to grow significantly

- Jubilee Nov/Dec 2010; Uganda end 2011
- 2011 production estimate ~ 95k boepd

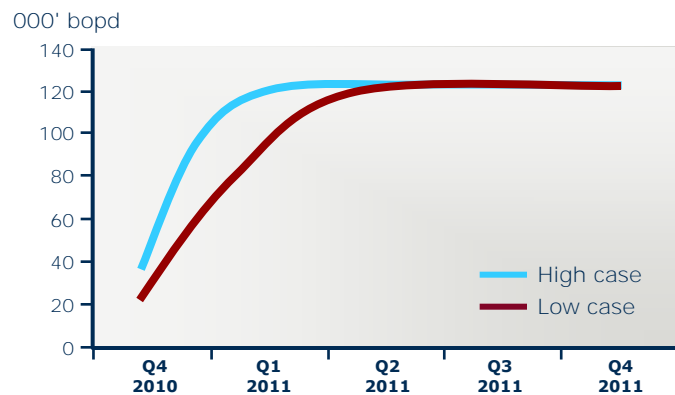
Jubilee Phase 1 – First oil remains on schedule

Continue to deliver on all fronts

- FPSO arrived in Ghana in June 2010
- On schedule for first oil Nov/Dec 2010
 - FPSO risers being installed
 - Subsea installation c.85% complete
 - Well completions underway
- Forecast now estimated at c.\$3.35bn; within 10% of original budget

Production ramp up

- 120,000 bopd within 3-6 months of first oil
- First cargo expected in Jan 2011



	Phase 1 Reserves (mmbo)
Low	250
Mid	370
High	590

Discovery to first oil in ~ 40 months

Jubilee Phase 1 – Final activities underway

DRILLING

- 100% of drilling completed
- **Drilling performance “best-in-class” for West Africa**
- 3rd well completion in progress
- Interference tests confirm good reservoir continuity
- Well programme to conclude in October 2011



FPSO

- Arrived on location in Ghana during June 2010
- Mooring system installation complete
- Riser completion underway, completing November 2010
- Final commissioning activity checks being carried out



SUBSEA

- Subsea installation commenced January 2010
- Subsea progress c.85% complete
- All subsea trees installed, jumper installation ongoing
- Outstanding performance by subsea contractors



Jubilee Phase 1 – Significant progress within Ghana

REGULATORY

- Installation & commissioning EIA approved – December 2009
- Independent verification of FPSO Safety Case completed
- Permit to operate facilities expected by October 2010
- Emergency response, oil spill plans undergoing EPA review



INFRASTRUCTURE

- All staff moved to new Tullow Ghana office in Accra
- New aviation (heli/fixed wing) infrastructure fully operational
- Accra and Takoradi infrastructure in place
- Marine vessels mobilising for FPSO production and oil offloading



RESOURCES

- Ghana organisation in place
- Project installation/commissioning team fully operational
- Ghanaian nationalisation now at c.90%
- Long term strategic training plans underway



Beyond Jubilee Phase 1 – Future Ghana potential

Phase 1a

- Infill programme potential of 5-8 wells
- Designed to maintain FPSO plateau
- Detailed work being carried out
- Sanction in 2010-11

Phase 1b

- Requires expansion of subsea infrastructure
- Use existing FPSO or develop with SE Jubilee
- Sanction likely in 2011-12

Southeast Jubilee

- Resource range 100 to 500 mmbo
- Area appraised (M3, M4, MD-2 & M5)
- Commerciality notice to GoG in September 2010
- Independent and satellite options being considered
- Neighbouring prospects be drilled 2010-2012

Tweneboa and Owo

- Extensive development studies underway

Jubilee Unit Area Reserves and Resources (mmbo)

	Phase 1 17 wells	Phase 1a 5-8 wells	Phase 1b 10-20 wells
Low	250	60	160
Mid	370	100	205
High	590	215	260



Significant progress commercialising Ugandan resources

- E&A activity delivering material resources (9 successful wells YTD)
- Tullow: CNOOC: Total ($\frac{1}{3}$: $\frac{1}{3}$: $\frac{1}{3}$) partnership agreed with GoU
- Heritage Oil assets in Blocks 1&3A acquired
- Finalisation of acquisition and farm-down awaiting Heritage Oil CGT dispute resolution
- Nzizi/Kasamene developments and basin-wide development plan well advanced

Block 1/2/3A partnership will now target

Accelerated exploration and appraisal programme	Ongoing
Commitment to offshore drilling infrastructure	2H 2010
Deliver JV basin-wide development plan	1H 2011
First commercial gas production – Nzizi Field	Q4 2011
First commercial oil production – Kasamene Field	Q4 2011
First locally refined oil products	2014
Greater than 200,000 bopd and export pipeline	2014/2015

Uganda – Block 2 Development (Phase 1)

Extended Well Tests

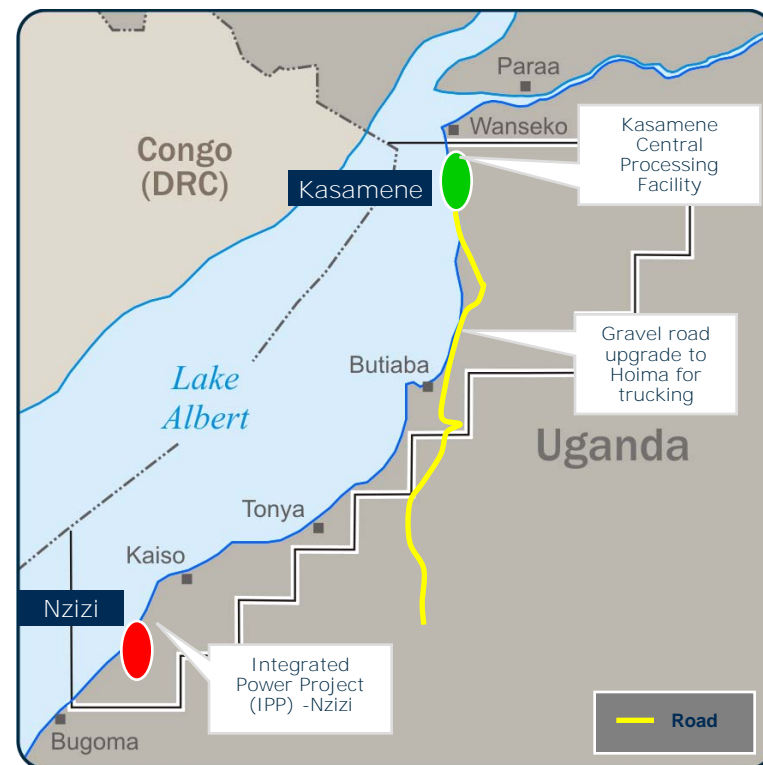
- On track for delivery by end 2010
- EWT equipment is in country, construction in 2H 2010
- Crude sales agreements to local industry progressing
- EWT data will guide Kasamene and future developments

Nzizi Gas Field development (IPP)

- 50 MW Power Plant planned for Hoima Region
- Nzizi-3 well confirmed expected gas volumes
- FEED studies nearing completion
- First gas and power remains on-track for late 2011

Kasamene Field Development

- Successful Kasamene-2 & 3 appraisal wells
- Results support development concept and volumes
- FEED studies optimised to minimise environmental footprint
- First oil end 2011
- Development focused on local and regional needs



Delivering the next phase of production growth

Existing Production

- 2010 production forecast increased to 57-58,000 boepd
- Continue to maintain field performance through incremental investment

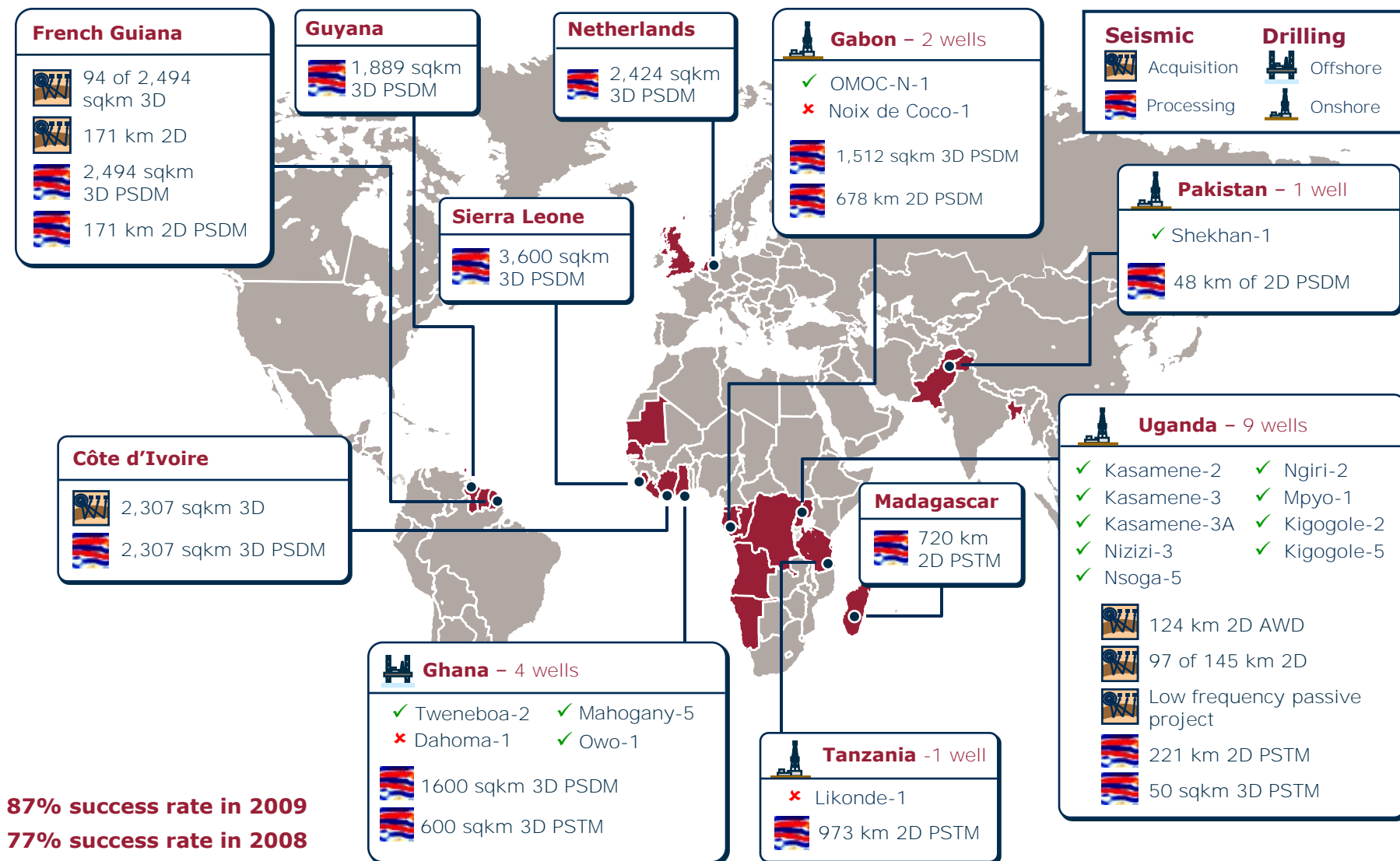
Ongoing Major Developments

- Jubilee first oil in Nov/Dec 2010
- Define and sanction Jubilee Phase 1a & 1b and Owo/Tweneboa
- Commence early stages of Ugandan development; Nzizi & Kasamene
- Progress Uganda development plan with new partnership

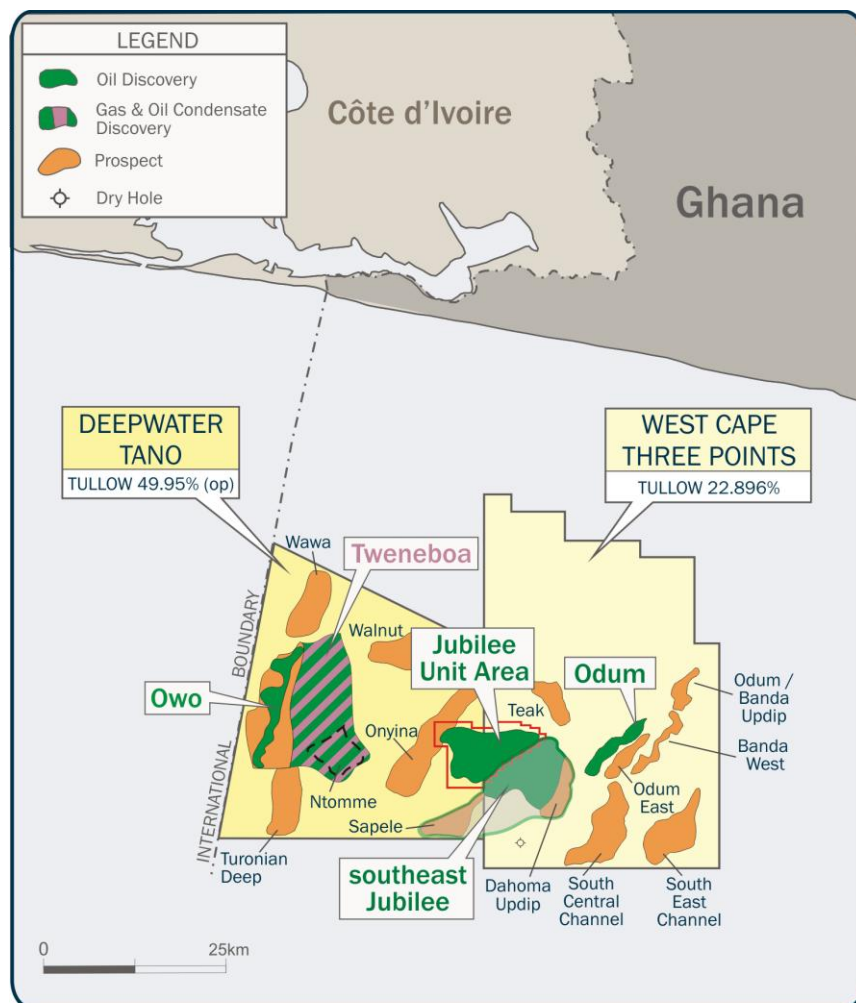
Exploration & Appraisal – Angus McCoss



82% global exploration success rate in 1H 2010



Ghana programme delivering excellent results



Four fields discovered since 2007

- Jubilee – world-class oil field under development
- Odum – potential satellite development
- Tweneboa – significant oil and gas-condensate field
- Owo – major new light oil field discovered

Active programme in 2010 to date

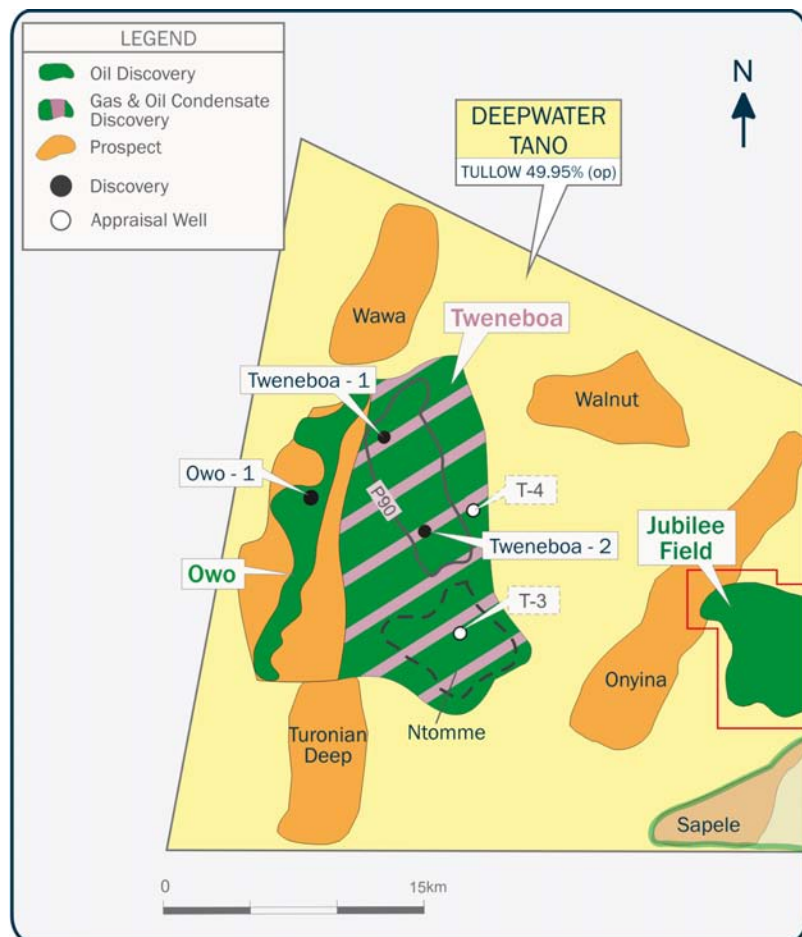
- Tweneboa-2 successful, 2 appraisal wells planned
- Dahoma-1 intersects good quality sands below possible oil-water contact. Up-dip appraisal planned
- Mahogany-5 successfully appraises southeast Jubilee
- Owo-1 discovers major new light oil field, sidetrack ongoing and further appraisal wells planned

High impact programme to follow

- September - Onyina-1, high potential prospect
- November - Owo & Tweneboa, 3 appraisal wells
- December - Teak-1 – prospect up-dip of Jubilee

Ghana gross resource potential
>4.5 billion barrels

Two major discoveries from high-equity campaign



Tweneboa and Owo transform Deepwater Tano

- Greater Tweneboa Area comprises two major fields
- Accelerated appraisal required to mature resources
- Volumes being assessed post Owo-1 sidetrack

Tweneboa

- Major oil and gas-condensate field
- Tweneboa appraisal wells to commence in Q4 2010

Owo

- Highly pressured light oil field
- Reservoir and oil quality similar to Jubilee
- Sidetrack ongoing to intersect deeper channel system
- Further appraisal to commence in Q4 2010

Onyina

- Onyina-1 to spud in September 2010
- Major Campanian channel (3D seismic AvO)
- Good charge access – between Jubilee & Tweneboa

South American campaign to commence in early 2011



Exploring Atlantic twin basins

- Jubilee play being pursued across Atlantic
- Material offshore acreage position in three countries

French Guiana

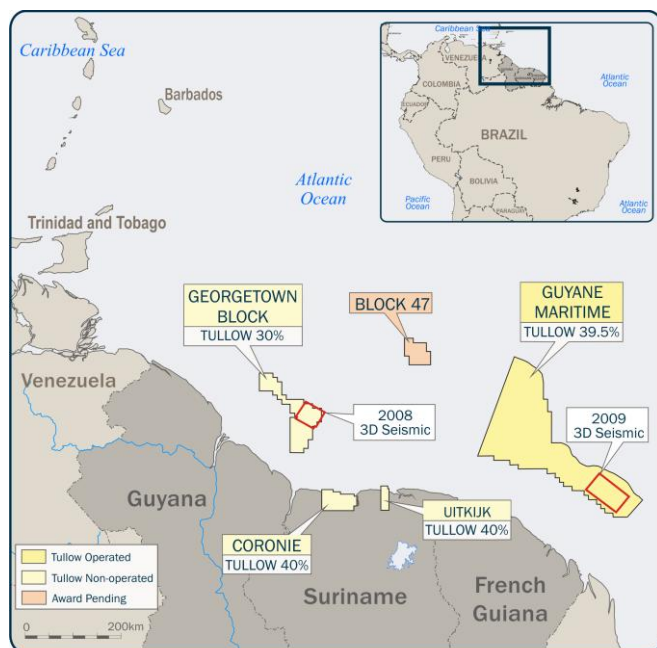
- Seismic completed in March 2010
- Very encouraging leads and prospects identified
- First well to be drilled in Q1 2011
- Zaedyus prospect has Jubilee-type attributes

Guyana

- Georgetown 3D seismic completed early 2009
- Prospects emerging at Upper Cretaceous & Tertiary levels
- First well to be drilled in Q1 2011
- Jaguar prospect also shares Jubilee-type characteristics

Suriname

- Heads of agreement signed for Block 47
- Seismic acquisition planned for 2011
- Jubilee lookalike lead identified



Uganda - 1 billion barrels of oil discovered to date

Milestone volume achieved

- 1 Bbo discovered (P50); over 1.5 Bbo yet to find (P50)
- 35 out of 36 wells successful (9 drilled in 2010)
- Accelerated basin-wide E&A commenced

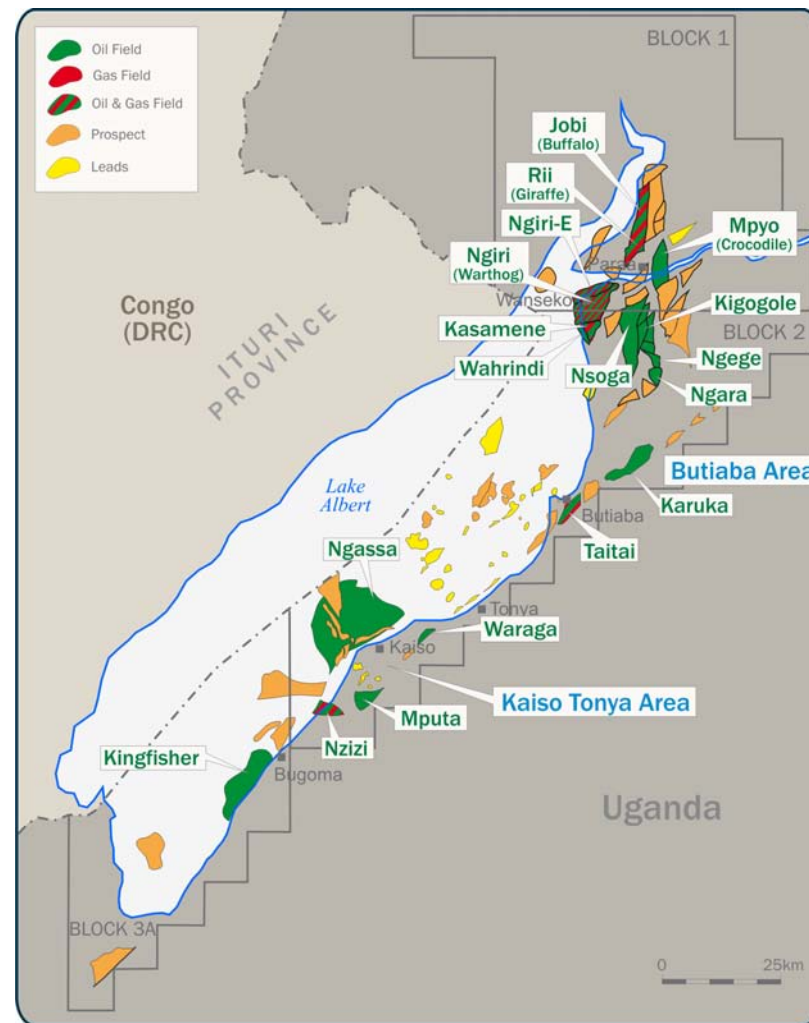
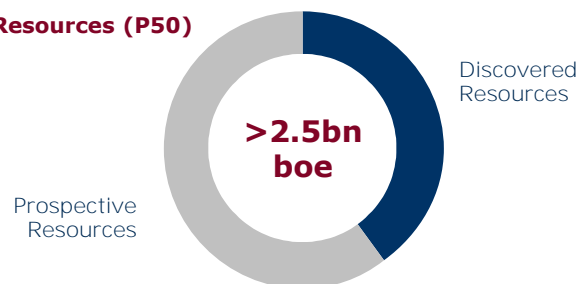
High impact exploration success continues

- Block 1 exploration re-commenced in August
- Mpyo-1 well is a material new oil discovery
- Jobi extensions to be drilled over coming months

Appraisal wells ahead of expectations

- Three Kasamene wells confirm excellent quality reservoir
- Nzizi appraisal proves viability for gas-to-power
- Ngiri-2 proves up resources over 100 million barrels
- Kigogole-Nsoga - appraisal has proved up a significant field

Ugandan Resources (P50)



6 month Exploration and Appraisal programme

Country	Block	Prospect	Interest	Gross upside*	Spud Date
Ghana	Deepwater Tano	Onyina	49.95% (op)	700 mmboe	Sept 2010
	Deepwater Tano	Tweneboa & Owo appraisal	49.95% (op)	1,400 mmboe**	Q4 2010-Q1 2011
	West Cape Three Points	Teak	22.9%	200 mmboe	Q4 2010
Uganda	Block 1 & 2	Butiaba E&A (c.12 well programme)	Various	1,000 mmbo	Q3 2010-Q1 2011
Sierra Leone	SL-06/07	Mercury	10%	450 mmboe	Sept 2010
	SL-06/07	Jupiter	10%	250 mmboe	2011
Liberia	Block 15	Cobalt	25%	650 mmboe	Q4 2010-Q1 2011
Gabon	Omoueyi	Maroc North (6 well appraisal)	7.5%	50 mmbo	Q3 2010-Q1 2011
	Arouwe	Falcon North	30%	65 mmbo	Q4 2010
Mauritania	Block 6	Sidewinder or Gharabi	22.4%	700 mmboe	Q4 2010
	Block 7	Pelican & Cormorant	16.2%	300 mmboe	Q4 2010
Netherlands	Block E13b	Muscovite	10%	15 mmboe	Oct 2010
French Guiana	Guyane Maritime	Zaedyus	39% (op)	700 mmbo	Q1 2011
Guyana	Georgetown Block	Jaguar	30%	700 mmboe	Q1 2011
Suriname	Coronie	5 Well Campaign	40%	250 mmbo	Q4 2010

* Estimated P10

** Resource guidance will be updated following Owo-1 sidetrack

Conclusions – Aidan Heavey



Exploration-led strategy delivering results in 2010

- Jubilee Phase 1 on track and progressing other Ghana developments
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- Exceptional exploration success continues with Owo
- Continuing to build and strengthen exploration portfolio
- Business re-balanced as we enter next stage of growth

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