



Tullow Oil plc - 2018 Full Year Results

FACT BOOK

Wednesday 13 February 2019

BUSINESS DELIVERY TEAMS



Key: E Exploration D Development P Production

WEST AFRICA (inc. UK) ¹

Côte d'Ivoire ² **DP** Ghana **EDP**
 Equatorial Guinea **DP** UK ³
 Gabon **EDP**

EAST AFRICA

Kenya **ED** Uganda **D**

NEW VENTURES

Comoros **E** Pakistan **E**
 Côte d'Ivoire ² **E** Peru **E**
 Guyana **E** Suriname **E**
 Jamaica **E** Uruguay **E**
 Mauritania **E** Zambia **E**
 Namibia **E**

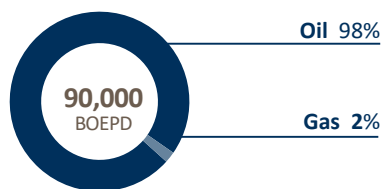
Note 1: Operations in the UK are managed by the West Africa Business Delivery Team (BDT), despite falling outside this geographic region.

Note 2: In Côte d'Ivoire Production activities are managed by the West Africa BDT and Exploration activities are managed by the New Ventures BDT.

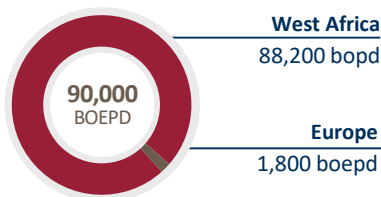
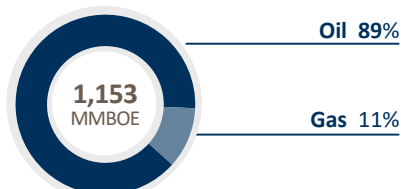
Note 3: Production in the UK ceased in September 2018. Decommissioning works are ongoing.

PRODUCTION & RESERVES AND RESOURCES

Group working interest production¹



Group reserves and resources



¹ Total includes Jubilee Business Interruption insurance equivalent of 8,600 bopd for 2018

SUMMARY OF 2018 YEAR END RESULTS

	2018	2017
Sales revenue (\$m)	1,859	1,723
Gross profit (\$m)	1,082	815
Operating profit (\$m)	528	22
Profit/(loss) before tax (\$m)	261	(286)
Profit/(loss) after tax (\$m)	85	(175)
Basic profit/(loss) per share (cents)	6.1	(13.7)
Free cash flow	411	543
Net debt (\$m) ¹	3,060	3,471
Gearing (times) ²	1.9	2.6
West Africa working interest production (bopd) ³	79,600	81,700
Europe working interest production (boepd)	1,800	5,600
Sales volume (boepd)	74,200	82,200
Underlying cash operating costs per boe (\$/bbl) ⁴	10.0	11.1
Realised post hedge oil price per bbl (\$)	68.5	58.3
Exploration costs written off (\$m)	295	143
Impairment of property, plant and equipment (\$m)	18	539
Corporate Bonds (\$m)	1,750	1,600
Committed Bank Facilities (\$m)	2,464	3,100
Facility headroom plus free cash (\$m)	1,043	1,067

1. Net debt is cash and cash equivalents less total external borrowings.
2. Gearing is net debt divided by adjusted EBITDAX.
3. Total excludes Jubilee Business Interruption insurance equivalent of 8,600 bopd.
4. Cash operating costs are cost of sales excluding depletion, depreciation, amortisation, impairment loss and under/over lift movements.

WORKING INTEREST PRODUCTION ¹

Oil production	2018 Actual (bopd)	FY 2019 Forecast (bopd)
Ghana		
<i>Jubilee</i>	27,700	34,000
<i>TEN</i>	30,400	39,000
Total Ghana	58,100	73,000
Equatorial Guinea		
<i>Ceiba</i>	2,400	2,000
<i>Okume</i>	3,900	4,000
Total Equatorial Guinea	6,300	6,000
Gabon		
<i>Tchatamba</i>	4,100	4,500
<i>Limande</i>	1,500	1,500
<i>Etame Complex</i>	1,000	1,200
<i>Other Gabon</i>	5,500	7,300
Total Gabon	12,100	14,500
Côte d'Ivoire (Espoir)	3,100	2,500
OIL PRODUCTION SUB-TOTAL	79,600	96,000
Jubilee business interruption equivalent	8,600	1,000
WEST AFRICA SUB-TOTAL (inc. Jubilee insurance bbls equivalent)	88,200	97,000
Gas production	(boepd)	(boepd)
UK ²	1,700	n/a
TEN GAS	100	1,000
GAS SUB-TOTAL	1,800	1,000
GROUP OIL AND GAS TOTAL	81,400	97,000
GROUP OIL AND GAS TOTAL (inc. Jubilee insurance bbls equivalent)	90,000	98,000

¹ Includes condensate

² During 2018, Tullow ceased production in the UK. Therefore, no production has been presented for 2019.

CAPITAL EXPENDITURE (CAPEX)

2018 CAPEX – ACTUALS (\$M)

Business Delivery Teams	Exploration & Appraisal	Development	2018 Total
West Africa (inc. Europe)	8	288	296
East Africa	-	115	115
New Ventures	62	-	62
TOTAL	70	403	473
Uganda ¹	-	50	50
TOTAL (excl. Uganda)	70	353	423

2019 CAPEX – FORECAST (\$M)

Business Delivery Teams	Exploration & Appraisal	Development	2019 Total
West Africa (inc. Europe)	-	350	350
East Africa	-	250	250
New Ventures	140	-	140
TOTAL	140	600	740
Uganda ¹	-	170	170
TOTAL (excl. Uganda)	140	430	570

¹ Uganda capex expected to be reimbursed after completion of farm down with the exception of \$10m in 2019 for non-op net expenditure

COSTS, DEPRECIATION AND TAX

OPERATING DATA

OPERATING COSTS ¹	2018 \$/boe	2019 Forecast \$/boe
Equatorial Guinea	11.6	14.5
Côte d'Ivoire	12.5	15.5
Gabon ²	25.8	23.5
Ghana ³	7.3	7.3
UK SNS ⁴	39.6	n/a

DEPRECIATION ¹		
Equatorial Guinea	11.6	11.0
Côte d'Ivoire	10.7	15.0
Gabon	11.3	7.5
Ghana	20.7	23.0

OTHER INFORMATION

TAX	2018
Weighted tax rate	41%
NUMBER OF SHARES	
Number of shares (million)	1,392

1. Data on a working interest basis.
2. Includes royalties.
3. Underlying operating costs per barrel presented is calculated including insurance equivalent production barrels.
4. During 2018, Tullow ceased production in the UK. Therefore, no operating cost forecast has been presented for 2019

LIQUIDITY AND HEDGING

LIQUIDITY POSITION

\$m	31 Dec 2018
Cash and cash equivalents	179
Debt drawings	
RBL Facilities (\$2,464m) ¹	1,490
Senior Notes (\$1,450m) ²	1,450
Convertible Bond (\$300m)	300
Total debt	3,240
Net debt	3,060
Facility headroom plus free cash	1,043

¹ Reserves Based Lending facility with 2 year remaining grace period to October 2020. Final maturity November 2024

² \$650m high yield bonds due 2022 and \$800m high yield bonds due 2025

HEDGING: BREAKDOWN OF 2019 POSITION

Hedge structure	Bopd	Bought put (floor)	Sold call	Bought call
Collars	22,244	\$56.80	\$81.68	-
Three-way collars (call spread)	29,488	\$54.06	\$73.60	\$79.81
Straight puts	4,000	\$69.24	-	-
Total / weighted average	55,732	\$56.24	-	-

2020 hedging position at 31 Dec 2018: 25,000 bopd hedged with an average floor price protected of \$59.00/bbl

2018 RESERVES AND RESOURCES SUMMARY

	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 2017	245.7	268.9	-	-	-	-	245.7	268.9	290.5
Revisions	16.6	8.1	-	-	-	-	16.6	8.1	18.0
Transfers from contingent resources	-	-	-	-	-	-	-	-	-
Disposals	-	(10.6)	-	-	-	-	-	(10.6)	(1.8)
Transfers from contingent resources	2.5	-	-	-	-	-	2.5	-	2.5
Production	(28.6)	(6.5)	-	-	-	-	(28.6)	(6.5)	(29.7)
31 December 2018	236.3	259.9	-	-	-	-	236.3	259.9	279.6
CONTINGENT RESOURCES									
1 January 2017	121.4	465.1	637.8	42.7	-	4.2	759.1	512.0	844.5
Additions	17.6	80.1	-	-	-	-	17.6	80.1	30.9
Revisions	0.9	16.7	18.9	-	-	-	19.8	16.7	22.6
Disposals and relinquishments	(0.1)	(125.9)	-	-	-	(4.2)	(0.1)	(130.2)	(21.8)
Transfers to commercial reserves	(2.5)	-	-	-	-	-	(2.5)	-	(2.5)
31 December 2018	137.1	436.0	656.7	42.7	-	-	793.8	478.7	873.6
TOTAL									
31 December 2018	373.4	695.9	656.7	42.7	-	-	1,030.1	738.6	1,153.2

Proven and Probable Reserves and Resources on a working interest basis

1. Proven and Probable Commercial Reserves are as audited and reported 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, with the exception of minor assets contributing less than 5% of the Group's reserves.
2. Proven and Probable Contingent Resources are as audited and reported by an independent engineer. Resources estimates are reviewed by the independent engineer based on significant new data received following exploration or appraisal drilling.
3. The West Africa revisions to reserves (+18 mmboe) relate mainly to audits of Espoir, Okume, Ezanga and Tchamamaba
4. The West Africa disposals to gas reserves and resources relates to disposal of the Netherlands assets and cessation production in the UK
5. The West Africa additions to contingent resources relates to Espoir, Okume, Igongo, Ezanga and Tchamamaba as a result of the recognition of potential from additional evaluations.
6. The East Africa addition to oil contingent resources relates mainly to the audit of Etom discovery in Kenya.

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 264.9 mmboe at 31 December 2018 (31 December 2017: 284.1 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 future development.

NET DAILY ENTITLEMENT AS % PRODUCTION

WEST AFRICA PRODUCTION

	Contract Type	2019 (\$65/bbl)
CÔTE D'IVOIRE		
Espoir	PSC	97
EQUATORIAL GUINEA		
Ceiba	PSC	82
Okume Complex	PSC	77
GABON		
Echira	Corp Tax	100
Etame	PSC	0
Limande	Corp Tax	100
Niungo	Corp Tax	100
Oba	Corp Tax	100
Ezanga	PSC	83
Tchatamba	Corp Tax	100
Turnix	Corp Tax	100
Middle Oba	Corp Tax	100
Igongo	Corp Tax	100
GHANA		
Jubilee & TEN	PA	95

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