

Interim Management Statement

12 May 2010 – Tullow Oil plc (Tullow) issues the following Interim Management Statement, for the period 1 January to 12 May 2010, in accordance with reporting requirements of the EU Transparency Directive. This statement is issued in advance of the Group's Annual General Meeting which is being held at Haberdashers' Hall in London, at 12 noon today. The Group will announce its half year Trading Statement and Operational Update on 6 July 2010.

Tullow has continued to perform very strongly in 2010. Significant progress has been made on the Ugandan pre-emption and farmdown, the Jubilee Phase 1 development project remains on track for first oil in the fourth quarter and the Tweneboa-2 appraisal well has established Tweneboa as a major oil and gas-condensate field. Tullow has also strengthened its balance sheet by completing a £925 million equity placing.

OPERATIONAL UPDATE

Uganda

Significant progress has been made towards aligning equity interests across the Lake Albert Rift Basin in Uganda. On 17 January 2010, Tullow exercised its right of pre-emption on the Heritage Oil Plc asset sale to acquire a 50% interest in Blocks 1 and 3A for a consideration of up to US\$1.5 billion. On 2 February 2010, a formal request for Government of Uganda consent for the assets to be transferred to Tullow was submitted and they have indicated their intention to approve this transaction in the next few weeks.

In parallel, Tullow has also been working closely with the Government of Uganda to farm down a proportion of its interests in the Basin. Two partners have been selected, CNOOC and Total, and each partner will acquire a one third interest in each of the three blocks. This will result in a unified partnership with considerable technical, operational and financial capability. In addition, it will enable Uganda to become a significant oil producing nation with the potential to produce at rates significantly in excess of 200,000 bopd. The new partnership arrangements will be finalised and approved shortly after the pre-emption.

In Block 2, the Kasamene-2 and Kasamene-3 appraisal wells were drilled in January and March respectively. The wells successfully delineated the upside potential of this field and provided essential reservoir data for the future development project. Extended well testing on the Kasamene field is expected to commence in the second half of 2010 and the crude oil produced will be trucked to local industry. The ultimate objective of this appraisal programme is to support the development of the field with first commercial oil production targeted for the fourth quarter of 2011.

In April, the Kasamene-3A well made a further oil discovery, adjacent to the Kasamene field, in the Wahrindi North fault block. The rig has now moved to drill the Nzizi-3 appraisal well as part of the Nzizi gas development project, and the well is expected to complete later this month. First commercial gas production is targeted for the fourth quarter of 2011.

To facilitate an accelerated Exploration and Appraisal programme, a second rig is due to commence drilling in Block 1 in June 2010. The programme will include appraisal of the Ngiri (Warthog) discovery and a comprehensive exploration campaign, east of the Jobi-Rii field, including the material Mpyo (Crocodile), Bbegeri (Leopard) and Jobi-East prospects, before year end. Additional rig capacity is currently being procured for later in the year.

Ghana

Considerable progress continues to be made on the Phase 1 Jubilee development project in Ghana and first oil remains on schedule for the fourth quarter of 2010. The Jubilee FPSO is entering the final phase of commissioning in Singapore and was named the 'Kwame Nkrumah' after Ghana's first President at an

official ceremony on 1 May. The FPSO will set sail for Ghana later this month. On arrival, the vessel will be connected to subsea equipment which was installed on the seabed during the last four months.

The drilling phase of the project finished in February 2010 and completion equipment is now being installed in the wells. The field is expected to commence production in late 2010 with ongoing well completion work expected to continue for a further three to six months. During this period, facilities will be commissioned and production will be steadily ramped up to an expected plateau rate of 120,000 barrels of oil per day.

In January, the Tweneboa-2 appraisal well in the Deep Water Tano licence proved Tweneboa to be a major oil and gas-condensate field. The potential of this expansive 200 sq km turbidite fan system will be evaluated with an exploration and appraisal drilling campaign which is scheduled to commence in June. Drilling will start on the high-impact Owo-1 exploration well, which will test the upside potential of the greater Tweneboa resource range in the West of the structure. This will be followed by a well on the Onyina prospect which lies between the Jubilee and Tweneboa fields. The rig will then return to the Tweneboa field to drill further exploratory appraisal wells. In parallel, conceptual field development planning is in progress with the aim of completing an assessment of field commerciality in mid-2011.

In April, the Atwood Hunter rig drilled the Dahoma-1 well, in the southeast Jubilee area, some 11 km down-dip from known oil. Water bearing reservoirs were encountered below a possible oil-water contact. Indications of oil migration in the reservoirs suggest potential for oil trapped up-dip. The rig is now drilling Mahogany-5 to test up-dip oil accumulations east of Mahogany-3.

Rest of Africa

Production performance from the African portfolio is in line with expectations.

In April, Tullow completed the first of two planned wells in the Ruvuma Basin in southern Tanzania. The Likonde-1 well, located in the Lindi block, encountered thick sands with hydrocarbon shows which are encouraging for the future potential of the basin.

In Gabon, drilling in the Onal licence area has yielded the Maroc Nord OMOG-N-1 discovery where Tullow has a 7.5% interest. Further wells are planned to appraise this discovery and additional prospects are being drilled in the region where Tullow has back-in rights. In addition, the Noix de Coco-1 well in the Azobe exploration licence commenced drilling in April and is expected to reach total depth later this month.

In the Equatorial Atlantic area, plans for four high-impact wells in Liberia, Sierra Leone and Mauritania during the second half of the year are well advanced.

Europe

Gas production in the UK is ahead of expectations. A well performance optimisation campaign on the Schooner and Ketch fields yielded excellent results and the Thames fields have performed strongly. An infill well on the Ketch field is expected to commence in May with drilling operations forecast to take approximately three months and first production expected by year end.

On 25 March, Tullow exited from its exploration interests in Portugal.

South Asia

In Bangladesh, production remains steady at 120 mmscfd, the maximum processing capacity of the facilities. In March 2010 a hydrocarbon dewpoint control system was commissioned which has resulted in a considerable increase in condensate recovery from the gas stream and delivery of gas to the main pipeline. In Pakistan, drilling operations on the Shekhan-1 well are ongoing with a result expected later this month.

South America

Activity has focused on the transform margin from Guyana through Suriname to French Guiana where the Group is seeking to replicate its success in Ghana. Acquisition of a 2,500 sq km 3D seismic survey in French Guiana was completed in March and initial interpretations are very encouraging. Plans are progressing for drilling operations to commence in both French Guiana and Guyana around year-end.

FINANCIAL UPDATE

Tullow's financial performance for the period was in line with expectations. In January the Group completed a share placing to raise gross proceeds of £925 million, increasing the share capital by approximately 9.99%. In addition, on 7 May 2010, Tullow increased the commitments of its Reserve Based Lending facility by US\$500 million to US\$2.5 billion and now has total debt facilities of US\$2.75 billion. These funds, combined with the improved underlying cash generation from higher oil pricing and the proceeds expected from the Uganda farmdown, mean that the Group now has a balance sheet appropriate for medium-term ambitions and to fund further growth. The Group maintains production guidance at 55,000 - 57,000 boepd and capital expenditure for 2010 is expected to be in the region of US\$1.6 billion. Net Debt at 30 April 2010 was US\$61 million.

As reported in the Group's 2009 Full Year Results, with effect from 1 January 2010, Tullow will present its financial statements in US dollars. Restated Financial Statements for 2008 and 2009 will be provided with our Trading Statement on 6 July 2010 in advance of our 2010 Half Year Results.

OUTLOOK

Tullow is looking forward to first oil from the Jubilee field by year-end. This will be a landmark event for Tullow, its partners and the Government and people of Ghana. The Group is awaiting approvals from the Government of Uganda to enable Tullow and its partners to proceed with an accelerated basin-wide development plan to significantly enhance the value of the Lake Albert Rift Basin. Alongside these two major projects, a high-impact drilling campaign is planned for the second half of 2010. Following the success at Tweneboa-2, a material exploration campaign is due to commence in June with up to four wells in the Tullow operated Deep Water Tano licence. Significant wells are also planned in Liberia, Sierra Leone, French Guyana and Guyana to test the extension of the Jubilee play in the Equatorial Atlantic region. Given the extent of this activity, Tullow's Board believes the outlook for 2010 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 85 exploration and production licences across 22 countries and focuses on four core areas: Africa, Europe, South Asia and South America.

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

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 area. The company also has interests offshore the Netherlands.

In South Asia, Tullow has exploration and production in Pakistan and Bangladesh. In South America, Tullow has exploration interests in Guyana, French Guiana and Suriname.

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