Tullow Oil plc

January Trading Statement and Operational Update

Sustainable free cash flow supports continued deleveraging
Successful resolution to Ghana tax arbitration
Cost efficient Ghana drilling to resume in May 2025

30 January 2025 - Tullow Oil plc (Tullow) issues the following statement in advance of the Group's 2024 Full Year Results. The information contained herein has not been audited and may be subject to further review and amendment.

Rahul Dhir, Chief Executive Officer, Tullow, commented today:
"Over the last four years, through our commitment to operational excellence and prudent implementation of efficiencies we have continued to generate free cash flow and have significantly reduced our net debt from c.$2.81 billion to c.$1.45 billion. Our improved balance sheet, alongside the extension of our revolving credit facility, positions us well as we look to manage our debt maturities and optimise the Group's capital structure in 2025. Following the successful resolution of the Ghana Branch Profits Remittance Tax arbitration and a return to drilling at Jubilee, combined with production optimisation activities to reduce decline rates and further cost reductions, 2025 is set to be an exciting year for Tullow as we lay the foundations for capital returns and pan-African growth."

2024 Performance – Continued strong progress against business objectives

Operational

- Full year working interest production averaged c.61.2 kboepd in 2024, including c.6.6 kboepd of gas.
- Production from Jubilee was 33.9 kbopd net (gross 87.0 kbopd), and TEN was 10.2 kbopd net (gross 18.5 kbopd).
- Production from the non-operated portfolio in Gabon and Côte d'Ivoire was 10.6 kbopd net.
- Five new Jubilee wells (three producers and two water injectors) were brought onstream in 2024, bringing that drill programme to an end, approximately six months ahead of schedule and with no recordable safety incidents.
- Overall FPSO uptime at Jubilee and TEN averaged 97% in 2024.
- Decommissioning activities in Mauritania were accelerated and completed in 2024, ahead of schedule and below budget.

Financial

- Revenue of c.$1.5 billion (including c.$74 million hedge costs) at an average realised oil price (pre-hedging) of $80.2/bbl.
- Capital and decommissioning expenditure of c.$230 million and c.$60 million respectively, in line with guidance.
- Underlying operating cash flow[1] of c.$652 million and free cash flow of c.$156 million.
- Net debt reduced to c.$1.45 billion and gearing of c.1.3 times.
- Successful extension of the $250 million revolving credit facility to the end of June 2025.
- Successful resolution of the Ghana Branch Profits Remittance Tax arbitration, which removes $320 million contingent liability, and endorses the sanctity of our Petroleum Agreements.

Reserves and resources

- Independently audited 2P reserves at year end 2024 of 164.5 mmboe (212 mmboe at year end 2023), valued at c.$2.5 billion (NPV10).
- Reserves reduction includes 22.4 mmboe of Group production in 2024 and a revision on Jubilee, where the estimated quantum of oil-in-place remains unchanged.
- Upwards revision of TEN reserves, supported by substantial progress towards a material reduction in fixed costs, including in relation to the FPSO.
- In 2025, part of the Group's material 2C resources are expected to mature into 2P reserves with the support of the ongoing 4D seismic survey in Ghana and resulting identification of robust infill targets.
- The magnitude of the Group's estimated 2C resources (c.700 mmboe) reflects the material opportunity Tullow has ahead, to mature resources into reserves and sustain long-term production.

[1] Cash flow from operating activities including lease payments, before capital investment, decommissioning expenditure and debt service.

2025 Outlook – Cost efficiency and production optimisation driving continued cash generation

Operational

- Group working interest production expected to average between 50 to 55 kboepd, including c.6 kboepd of gas and inclusive of a two-week maintenance shutdown planned on the Jubilee field in the first half of the year, with a c.4% impact on Jubilee annual production.
- Water injection capacity on Jubilee was increased to 300 kbwpd late in 2024. Combined with an improvement in water injection system reliability, Tullow expects decline rates at Jubilee in 2025 to be lower than in the second half of 2024.
- A 4D seismic survey is underway across the Jubilee and TEN fields to identify future well locations, optimise the 2025-26 drill programme and develop a better picture of pressure and fluid movement in the reservoirs.
- Ghana drilling programme to commence in May 2025 with the Noble Venturer rig with two Jubilee wells (one producer and one injector) expected to come onstream in the third quarter of 2025. The rig will then undergo planned maintenance and restart drilling at the beginning of 2026, which will help drive an increase in production.
- Continued progress to maximise value from TEN, including focus on reducing the cost base to improve economics, and maturing further infill potential with the aid of 4D seismic data.
- In Gabon, the Falcon NE infrastructure led exploration (ILX) prospect on the DE8 licence will be drilled during the first half of the year.

Governance

- As announced on 5 December 2024, Rahul Dhir will step down as Chief Executive Officer and resign from the Board during 2025. The process to find his successor is underway.

Financial

- The Group is considering disposals of certain non-core assets in order to accelerate deleveraging to its target of net debt of below $1 billion and gearing of less than one times. Disposals will only be considered where the level of proceeds would be accretive to both equity and leverage.
- 2025 capital expenditure of c.$250 million with c.60% allocated to Jubilee, c.30% to non-operated assets and c.10% to TEN, Kenya, and exploration and appraisal.
- Decommissioning spend of c.$15 million for UK; c.$15 million provisioning for Ghana and Gabon.
- Further cost base optimisation underway, with expected c.$10 million saving reducing annual cash net G&A to c.$40 million.
- Cash taxes expected to be c.$200 million at $80/bbl with payments weighted c.60% to the first half of the year.
- Hedge portfolio protects c.60% of forecast sales volumes at weighted average price of $59/bbl through the year, with c.60% of sales volumes exposed to oil price upside and c.40% capped at a weighted average price of $89/bbl.
- Forecast free cash flow of c.$200 million at $80/bbl, including c.$50 million of overdue gas receipts in Ghana from 2024.
- Management plans to repay the 2025 Notes at maturity with a combination of cash in hand and drawings from the Glencore facility, and to refinance and simplify the Group's capital structure during the remainder of 2025.
- The Group intends to set out a framework for capital returns and growth through inorganic opportunities following completion of the refinancing and appointment of a new CEO.

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This announcement contains inside information for the purposes of Article 7 of Regulation 2014/596/EU which is part of domestic UK law pursuant to the Market Abuse (Amendment) (EU Exit) Regulations (SI 2019/310) ("UK MAR"). Upon the publication of this announcement, this inside information (as defined in UK MAR) is now considered to be in the public domain. This announcement is being made on behalf of Tullow by Adam Holland, Company Secretary.

Notes to editors

Tullow is an independent energy company that is building a better future through responsible oil and gas development in Africa. The Company's operations are focused on its West-African producing assets in Ghana, Gabon and Côte d'Ivoire, alongside a material discovered resource base in Kenya. Tullow is committed to becoming Net Zero on its Scope 1 and 2 emissions by 2030 and has a Shared Prosperity strategy that delivers lasting socio-economic benefits for its host nations. The Group is quoted on the London and Ghanaian stock exchanges (symbol: TLW). For further information, please refer to: www.tullowoil.com.

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