TULLOW OIL PLC

2014
INTERIM MANAGEMENT STATEMENT

30 April 2014

News Release

Interim Management Statement

30 April 2014 – Tullow Oil plc (Tullow) issues the following Interim Management Statement, for the period 1 January to 30 April 2014, 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 the Haberdashers' Hall in London, at 12pm today. Please note that a Capital Markets Day is being held in London on Wednesday 25 June 2014 and that the Group will announce its half year Trading Statement and Operational Update on 2 July 2014, followed by the Half Year Results on 30 July 2014.

Highlights

Exploration and Appraisal

- Drilling success continues in Northern Kenya with a further two successful discoveries from three wells in the period; the campaign in the first basin has now delivered seven successful discoveries from eight wells drilled to date
- Frégate and Tapendar well results conclude initial two-well exploration campaign offshore Mauritania; analysis of the results and integration with seismic data will be carried before the next well locations and timings are confirmed
- Successful Vincent discovery, offshore Netherlands, enhances value of Dutch gas portfolio
- Well results from high-impact exploration campaigns in Kenya, Ethiopia and Norway due in May

Production and Development

- Full year 2014 Group production guidance remains at 79,000-85,000 boepd
- Jubilee field remains on track to deliver 2014 gross average production of around 100,000 bopd
- TEN development in Ghana progressing well; on track to deliver first oil in mid-2016
- Development and pipeline studies progressing as planned in Kenya
- MoU signed with Government and partners in Uganda agreeing a commercialisation plan for the Lake Albert development

Financial and Portfolio Management

- US$650 million senior notes offering with a 6.25% coupon successfully completed
- Refinanced US$500 million corporate revolving credit facility and increased to US$750 million
- In a separate release today, Tullow announced that it has entered into a farm down agreement for the Schooner and Ketch gas fields; total consideration is equivalent to US$75.6 million, plus a royalty on future Schooner developments; completion expected before year end
- TEN farm-down and further Southern North Sea asset sales ongoing; Pakistan sale expected to complete in the coming months

Aidan Heavey, Chief Executive Officer, Tullow Oil plc, commented today:

"We have made good progress across the business since the beginning of the year. Following the issue of our second senior note and the re-financing and expansion of our corporate revolving credit facility, the Group is well funded with a strong balance sheet and cash flow to support exploration, development and production activities. Exploration success in Kenya has continued with the Amosing and Ewoi discoveries in January and development planning for oil production in Kenya and in Uganda is well under way. The TEN Project in Ghana remains on budget and on schedule for first oil in mid-2016 and the TEN farm-down process is ongoing. Progress with the sale of Tullow's Southern North Sea gas assets has been made with a farm-down of the Schooner and Ketch fields agreed and conclusion of our Pakistan asset sale is expected in the coming months. With high-impact well results expected in the coming months from new and existing basins in Kenya, Ethiopia, Gabon and Norway, there is much to look forward for the remainder of the year and beyond."

Operational update

WEST & NORTH AFRICA

Ghana

The first quarter of 2014 has seen good performance from the Jubilee field resulting in average gross production for the quarter of 102,000 bopd, in line with expectations. Oil production remains constrained due to restrictions on gas disposal with the Ghana National Gas Company's onshore gas processing facility not expected to be fully operational until the second half of 2014. However, through a combination of gas disposal solutions, the field remains on track to average 100,000 bopd gross production in 2014.

The TEN development project, Tullow's second operated deepwater development in Ghana, is making significant progress and remains on budget and on track for first oil in mid 2016.

Mauritania

In February, the first well in Tullow's offshore Mauritanian exploration campaign, Frégate-1 in the C-7 licence successfully established a new oil play in the deepwater Late Cretaceous turbidites. On 25 April, Tullow announced that the Tapendar-1 exploration well, in Block C-10, did not encounter hydrocarbons and has been plugged and abandoned. Tullow will now evaluate the well data gathered before deciding on the locations and timing of the next wells to be drilled in the programme. The Banda project has made good progress towards finalisation of the Gas Sales Agreement and the completion of due diligence on the downstream aspects of the project, both key elements required before sanction.

Rest of the region

Production performance elsewhere in West & North Africa is in line with expectations. Tullow declared Force Majeure on its exploration licence in Guinea on 11 March 2014 which has resulted in a delay to the drilling of the Fatala well which was scheduled to commence in April 2014. Tullow is currently working with partners and the Government of Guinea in order to resolve the situation and resume exploration activities as soon as possible.

SOUTH & EAST AFRICA

Kenya & Ethiopia

In January, Tullow had further drilling success onshore Kenya with its sixth and seventh consecutive discoveries in Northern Kenya at Amosing-1 and Ewoi-1. This resulted in an upgrade of Tullow's estimated gross discovered resources for the basin to over 600 mmbo.

The Sakson PR-5 rig is continuing drilling operations on the Twiga South-2 up-dip appraisal well which is expected to be completed in May. This rig will then move to drill a down-dip appraisal of the Amosing discovery.

In March, Tullow announced that the Emong-1 exploration well in Block 13T, located on the other side of the fault from the material oil accumulation discovered by the Ngamia-1 well, encountered poorly developed oil bearing sands. This well, which was trying to establish an additional play, has no impact on the potential of the Ngamia oil accumulation or any other prospectivity in the block. The well was plugged and abandoned and the Weatherford 804 rig is now drilling the Ekunyuk-1 well, located in Block 10BB, south of the Ewoi and Etuko discoveries on the eastern flank play. Results are expected in May.

Also in March, Tullow announced well tests on the Etuko and Ekales discoveries which flowed at 550 and 1,000 bopd respectively. The PR Marrioitt rig is now drilling the Ngamia-2 well to appraise the Ngamia discovery with results expected in May. The SMP-5 testing rig will now flow test the Agete-1 discovery well.

The partners continue to work on development studies for the basin along with the pre-FEED for the export pipeline. The current ambition of the Government of Kenya and the joint venture partnership is to reach project sanction for development, including an export pipeline, in 2015/2016. In Ethiopia, the focus of drilling operations has moved to the Chew Bahir Basin where the Shimela-1 exploration well commenced drilling in March with the well expected to reach Total Depth in May. This well will be followed by Gardim-1.

Uganda

A Memorandum of Understanding (MoU) agreeing a commercialisation plan between the Government of Uganda and the upstream partners was signed on 5 February 2014. The MoU concept involves an integrated upstream development, an export pipeline and a refinery of up to 60,000 bopd to be developed in a modular manner starting with 30,000 bopd. Selection of a lead investor by the Government of Uganda to develop the refinery is expected to be completed by the end of the third quarter 2014. The partnership is progressing with the finalisation of the Field Development Plans and the submission of remaining Production Licence Applications across the basin.

Rest of the region

In Namibia, acquisition of a 3,000 sq km 3D seismic programme has been completed following last year's farm in to PEL 0037 with an additional 1,000 km of 2D seismic data gathering nearing completion. There has been continued progress on the Kudu gas project with bids being evaluated for both the Floating Production System and the subsea facilities. Gas Sales Agreement negotiations are well advanced and the Namibian national oil company is progressing the farm-out of a significant share of its upstream equity.

In Madagascar, a farm-out of Tullow's 100% owned Blocks 3109 and 3111 has been concluded with OMV taking a 35% stake across the onshore licences. This is conditional on OMNIS, the state licensing authority, obtaining the required Presidential decree on behalf of the partnership. Planning is under way to execute a seismic programme in Block 3109 this year and to drill a well in Block 3111 in early 2015.

EUROPE, SOUTH AMERICA & ASIA

Europe

Production in Europe has been broadly in line with expectations. In February, production rates were impacted by salt deposition in the well bore at the SA11 well on the Schooner field in the UK CMS area. Following treatment in March by way of regular water washes, stable production from the well has resumed.

In a separate release today, Tullow announced that it has entered into an agreement to farm down 53.1% of its Schooner unit interest and 60% of its Ketch asset in the UK Southern North Sea gas basin to Faroe Petroleum. Total consideration is equivalent to US$75.6 million plus a royalty on future Schooner developments, subject to the terms of the sale and purchase agreement. Tullow will retain a 40% interest across the fields whilst passing operatorship to Faroe Petroleum. The purchase has an effective date of 1 January 2014 and is expected to complete by the end of the year. Production from the fields will be recorded by Tullow at current equities until completion of the deal.

The Tullow-operated Vincent exploration well in the Netherlands was successfully drilled and encountered a gas column of 72 metres and 25 metres net pay. The well was tested during January at a maximum rate of 67mmcf/d. The post drill results are being reviewed and incorporated into the regional geological model in order to firm up the remaining prospectivity in the area.

In Norway, Tullow has an intensive ongoing oil exploration programme across its large offshore acreage position. The Hanssen exploration well commenced drilling in April, targeting a prospect directly west of the Wisting Central discovery made in 2013 which opened up a new light oil play in the Hoop-Maud Basin in the Barents Sea. The Hanssen well and others planned during the year have the potential to de-risk significant volumes in this shallow play. The Langlitinden well in the Barents Sea was completed during the first quarter 2014, encountering movable hydrocarbons, however due to poor reservoir qualities the well has been plugged and abandoned. The Tullow operated Gotama exploration well in PL 550 commenced drilling on the 28 April 2014 with a result expected in May. The Butch East exploration well is currently drilling with a result expected in May.

South America

In Suriname, a Production Sharing Contract was signed with Staatsolie in January for Block 54 with Tullow taking operatorship and a 50% equity stake; a 4,000 sq km 3D seismic programme is planned for 2015. In Block 47, final interpretation of the 3D seismic data continues ahead of a final decision to move forward with the first well in the first half of 2015. In Block 31, processing and interpretation of the recently acquired 3D seismic data continues in order to mature a portfolio of drillable prospects. The first well is scheduled to commence drilling in the second half of 2015.

Financial update

Year to date revenue and cost of sales are in line with expectations. Forecast capital expenditure for 2014 is in the region of US$2.2 billion. On 8 April 2014, Tullow completed an offering of $650 million of 6.25% senior notes due in 2022 having originally offered $500 million. The net proceeds have been used to repay existing indebtedness under the Company's credit facilities but not cancel commitments under such facilities. The Group's US$500 million corporate revolving credit facility was also refinanced and increased to US$750 million. As of 29 April 2014, net debt was approximately US$2.4 billion and unutilised debt capacity was approximately US$2.7 billion.

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Notes to Editors

Tullow is a leading independent oil & gas, exploration and production group, quoted on the London, Irish and Ghanaian stock exchanges (symbol: TLW) and is a constituent of the FTSE 100 Index. The Group has interests in over 140 exploration and production licences across 24 countries which are managed as three regional business units: West & North Africa, South & East Africa and Europe, South America and Asia.

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

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