Tullow Oil plc
Half-yearly Report 2008

Contents

1 2008 Half-yearly Results summary and outlook
2 Interim management report
– Operations review
– Finance review
– Risk factors
– 2008 Outlook
11 Responsibility statement
12 Independent review report
13 Half-yearly financial statements
16 Notes to the half-yearly financial statements

Tullow Oil plc is one of Europe's largest independent oil and gas exploration and production companies. The Group operates a versatile and balanced worldwide portfolio of quality assets with interests in over 100 licences across 22 countries in four core areas – Africa, Europe, South Asia and South America.

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Record half-yearly results

Continually building long-term business value

27 August 2008 – Tullow Oil plc ('Tullow'), the independent oil and gas exploration and production group, announces its half-yearly results for the six months ended 30 June 2008.

2008 Half-yearly results summary

The first half of 2008 has been outstanding for Tullow. The Group has delivered record financial results, an excellent exploration performance and material progress towards first oil from both the Jubilee field in Ghana and the EPS in Uganda.

- Effective production management combined with very strong oil and gas pricing and profitable portfolio management generated record first half revenue, cash flow and profits;
- Exploration and appraisal success in Ghana and Uganda will materially increase the Group's resource base and has de-risked the significant upside potential of these major projects;
- First gas was achieved from the Wissey field on 22 August and the field is now producing at approximately 70 mmscfd; and
- Sale agreements have been reached for the disposal of the Group's interests in the M'Boundi field in Congo (Brazzaville) and the Hewett-Bacton assets in the UK for a total cash consideration of £428 million, with a profit on disposal in the order of £370 million expected in fiscal 2008.

	1H 2008	**1H 2007**	***Change***
Production (boepd, working interest basis)	**70,550**	69,700	+1%
Realised oil price per bbl (US$)	**80.11**	56.09	+43%
Realised gas price (pence per therm)	**51.71**	36.86	+40%
Sales revenue (£m)	**378.0**	284.9	+33%
Operating profit (£m)	**201.3**	111.0	+81%
Profit before tax (£m)	**187.3**	66.6	+181%
Basic earnings per share (pence)	**17.23**	5.12	+237%
Interim dividend per share (pence)	**2.00**	2.00	Unchanged
Operating cash flow before working capital (£m)	**295.3**	201.8	+46%

2008 Outlook

- In Ghana, Phase 1 of the Jubilee development will commercialise approximately 300 to 350 mmbo of reserves and is on track for first oil in the second half of 2010. MODEC has been selected to supply and operate the Floating Production Storage and Offloading (FPSO) vessel. Selection of the main subsea contractors is planned for September and project sanction is anticipated in late 2008;
- Four deepwater rigs contracted for an integrated Ghana exploration, appraisal and development drilling campaign, which will re-commence in the third quarter;
- In Uganda, the discovery of Kasamene and the appraisal of Kingfisher have identified substantial upside potential. Exploration and appraisal drilling in both of these regions is ongoing; and
- 2008 average working interest production is now expected to be between 68,000 and 70,000 boepd.

Commenting today, Aidan Heavey, Chief Executive, said:

"Tullow continues to make superb progress and I am delighted to report today's record results. Our Exploration, Production and Development teams delivered another excellent performance during the first half of the year, while successful portfolio management has strengthened our financial position. The next six months promise to be very exciting as our high impact exploration and appraisal campaigns in Ghana and Uganda gather momentum and we continue to build the long-term value of our business."

Interim management report

Operations review

During the first half of 2008, strong progress has been made throughout the Group with record oil production, important and successful exploration and appraisal wells drilled in Ghana and Uganda and effective portfolio management to secure financial and operational flexibility. While recent production from our UK Gas business has been slightly behind expectations, a number of development activities have the potential to increase production levels. Overall production for 2008 is now expected to be within the range 68-70,000 boepd.

Operatorship of the Jubilee field in Ghana and the ongoing process of commercialisation of the Lake Albert Rift Basin will create a step change in Tullow's business over the coming years and the continued successful stewardship of these major projects are central to the longer-term growth and development of the Group.

AFRICA: Preparing for the next phase of growth

2008 Half-yearly results highlights

Total production	Total reserves and resources	Sales revenue	1H 2008 investment
41,580 boepd	456.8 mmboe	£261.2 million	£140.1 million

- 1H 2008 production averaged 41,580 boepd, 6% above 1H 2007 levels;
- Mahogany-2 appraisal well upgrades Jubilee field resource potential to over 1 billion barrels;
- Jubilee project on track for first oil in the second half of 2010 with key contractors selected;
- Kasamene and Ngege open up new Victoria Nile delta play with significant potential in Uganda;
- Kingfisher-2 well in Uganda confirms material discovery with further upside potential; and
- Early Production System in Uganda on track for sanction in the fourth quarter of 2008.

Ghana

Following the discovery of the Jubilee field offshore Ghana in 2007, Tullow has had further exploration and appraisal success in the first half of 2008.

Jubilee field appraisal programme

Appraisal of the Jubilee field continued with the successful Mahogany-2 well. This well demonstrated that the field is a continuous stratigraphic accumulation stretching more than 11 km across both the Deepwater Tano and West Cape Three Points licences with reserves potential in excess of 1 billion barrels. Drill Stem Tests carried out on this well, although constrained by facilities, have demonstrated the capacity of these reservoirs to produce at commercial flow rates.

Rig capacity

The Blackford Dolphin and Eirik Raude drilling rigs will arrive in September and November 2008 respectively, followed by the Aban Abraham and the Atwood Hunter in early 2009. These rigs will undertake an integrated programme of appraisal and development drilling on the Jubilee field and high-impact exploration and appraisal drilling within the greater West Cape Three Points and Deepwater Tano licences.

Jubilee field development

The development plans for Jubilee are progressing rapidly, facilitated by the active participation and support of joint venture partners and the Government of Ghana. A fast-track first phase development of the core field area is expected to be sanctioned in late 2008 and Tullow, as Unit Operator of the field, recently issued a number of Letters of Intent following a rigorous tender evaluation process. These include arrangements with MODEC Inc. agreed in July 2008 for the supply and operation of a FPSO vessel. A Letter of Intent for the supply and installation of the main subsea systems is expected to be issued imminently. Both are major components of the overall project and are key to achieving the objective of first production in 2010. The facilities for this first phase of development will be capable of processing more than 120,000 bopd and 160 mmscfd of produced gas, and injecting more than 230,000 bwpd via the initial 17 production and injection wells.

The field contains significant gas reserves and utilisation of this gas is an integral part of the long-term field development and regional energy planning. As part of Phase 1, it is anticipated that the gas will initially be split between re-injection, to enhance overall oil recovery, and export to shore for use in local power generation.

The overall objective of Phase 1 of the development is to commercialise a reserve of approximately 300 to 350 mmbo within the core field area. While contractual arrangements and a detailed scope of the development remain subject to finalisation, it is anticipated that the overall capital expenditure for this phase of the project will be of the order of US$3.1 billion, excluding the cost of leasing the FPSO. Further phases of the development are planned based on the positive outcome of drilling to date.

Tullow is building significant capability within Ghana to manage both the development and production phases of the Jubilee field. This includes expansion of both management and operational teams and significant infrastructure upgrades at the Port of Takoradi.

Exploration activity

The Odum-1 well was drilled in February 2008 in the West Cape Three Points Block and resulted in a new oil discovery in the Campanian geological play. Both the Campanian play and the Turonian play, established by the Jubilee discovery, are excellent targets across Tullow's acreage in Ghana and Côte d'Ivoire. Appraisal of this discovery and neighbouring prospects will begin in September 2008 with the acquisition of 3D seismic.

Tullow's deepwater acreage in the West Africa Transform Margin contains a number of potentially material exploration opportunities whose prospectivity has been enhanced by recent results. Tweneboa, a large fan system in the Deepwater Tano block, will be drilled in early 2009 and will be followed by the Teak prospect in the West Cape Three Points block.

In the Shallow Water Tano block, the Ebony prospect is expected to be drilled in the third quarter of 2008.

Uganda and Congo (DRC)

Tullow's exploration campaigns in Uganda over the last three years have resulted in the discovery of a major petroleum province in the Lake Albert Rift Basin. To date Tullow has drilled 14 wells and discovered substantial resources in three core onshore areas. Exploration is continuing in these areas and there are plans to expand operations offshore in 2009. In parallel, Tullow is working closely with the Ugandan government to develop part of the discovered reserves through an Early Production System (EPS) targeting first oil in 2009.

Blocks 1 and 2

During the first half of 2008, exploration activity in Block 2 has focused on the Butiaba region, in the north of the block, where a major drilling campaign commenced in April. Oil has been encountered in all four of the wells drilled to date and the Ngege-1 and Kasamene-1 discoveries have opened up a new play fairway within the basin. The Kasamene-1 well encountered over 31 metres of net oil pay in high quality sandstones, with further potential up-dip. A number of analogous structures in Blocks 1 and 2 have been substantially de-risked by this important result and the latest well in the campaign, on the Kigogole-1 prospect, commenced on 25 August. On completion the rig will move to Block 1 to drill three further wells on trend with the Kasamene discovery before returning to Block 2.

The results of the 2007 Kaiso-Tonya appraisal drilling campaign and the new 3D seismic data have now been incorporated into an integrated 3D reservoir model. The Field Development Plan for the EPS, which will include a 4,000 bopd production facility with associated topping unit and power generation facilities, is now complete and the FEED contract has been awarded to Wood Group. Sanction of the project, which is pending finalisation of commercial terms and environmental approval, is expected by year end with first oil targeted for fourth quarter 2009.

Near-shore drilling activity re-commenced in early 2008 with the drilling of the high impact Ngassa-1 well using the Nabors 221 rig. The primary objective of the well was not reached due to borehole instability and the well was suspended after discovering gas in the shallower horizons. Ngassa-2 is expected to be drilled with the same rig from an alternative onshore location later this year or in early 2009 after Kingfisher-3.

Block 3A

The second well in the Nabors 221 rig programme was Kingfisher-2 in Block 3A. This deviated near-shore appraisal well was drilled to a total depth of 3,906 metres to help delineate the accumulation discovered by Kingfisher-1 in early 2007 and to test potentially significant deeper prospectivity. The appraisal of the Kingfisher Lower Pliocene and Upper Miocene age oil reservoirs was successful and three zones are currently being production tested. Further evaluation of this discovery has suggested the potential for material increases to current resource estimates and planning has commenced for the Kingfisher-3 appraisal well, which will assess this potential from an optimal onshore location.

In the targeted deeper section the well penetrated the anticipated basal sands comprising approximately 30 metres of reservoir overlain by a good shale top-seal. No hydrocarbons were present in the basal sands at this location which is likely to be due to a lack of charge. Based on preliminary analysis of this result the lowermost reservoirs at the Kingfisher deep location are interpreted to underlie the source rocks; Ngassa and other offshore prospects are unlikely to be similarly impacted due to the unique geological setting of Kingfisher within the basin.

Congo (DRC)

The validity of Tullow's two licences on the Congo (DRC) side of the Lake Albert Rift Basin are currently being disputed. Tullow is confident of its title and will continue to pursue all legal and governmental options to finalise the award.

Congo (Brazzaville)

Gross production from the M'Boundi field averaged 41,000 bopd in the first half of 2008 and following good reservoir management has stabilised at that rate. In January 2008, Tullow announced the sale of its 11% interest in the field to the Korea National Oil Company for a total cash consideration of US$435 million (£218 million). The deal is expected to complete later in 2008.

Equatorial Guinea

During the first half of 2008, both the Ceiba and Okume Complex fields performed above expectations with combined gross field production averaging 108,000 bopd. Strong reservoir and well performance, particularly from the Elon and Oveng fields in the Okume Complex, were combined with good facilities uptime. Production is expected to average over 100,000 bopd for 2008.

Côte d'Ivoire

Production performance from the East and West Espoir fields has been in line with expectations year to date. Gross field production, to the end of July, averaged 30,400 boepd and is expected to average approximately 29,000 boepd for 2008. Production rates are currently restricted by facilities constraints, however an FPSO upgrade project will address this issue and will increase capacity to 70,000 bfpd and 80 mmscfd. The upgrade project is on track for completion in the second half of 2009 and will assist in sustaining oil production from the field.

Mauritania

Gross production from the Chinguetti field averaged approximately 10,000 bopd during the first half of 2008, lower than our original expectation. During the period, three wells underwent remedial intervention work and C19, the first of two infill wells, was drilled. This well is about to come on stream and the rig will now drill the C20 well which is expected to be completed in October.

An appraisal well in the western part of the Banda discovery was drilled in April. The results of this well provided encouraging new information about the distribution and quality of reservoir sands in this oil and gas accumulation. Possibilities currently under review include a further appraisal well in the eastern part of the field and conceptual development options which include compressed natural gas.

Recent exploration activity in Mauritania has largely focused on developing a comprehensive understanding of the best geological plays whilst continuing to expose Tullow to high impact prospects. Tullow's technical evaluation work is currently highlighting the exploration potential of the under-explored Cretaceous section which contains a range of plays with an overall resource potential of up to 1 billion barrels. The Khop-1 exploration well was drilled in Block 6 in February and whilst only minor shows were encountered, the well drilled an extensive Cretaceous section, the interpretation of which will prove invaluable as the Group develops its geological understanding of the area. A significant exploration campaign is expected to commence in late 2009.

Gabon

Net production from Tullow's Gabon assets averaged 13,100 bopd in the first half of 2008 and is currently stable at approximately 13,000 bopd. The outlook for the remainder of the year is positive with solid production from the key contributors, Niungo and Tchatamba, and ongoing development drilling on the Ebouri, Tsiengui, Obangue and Onal fields where over 35 further wells are scheduled in 2008.

On the exploration front, active portfolio management during the first half of 2008 resulted in a four-year extension to the onshore Nziembou exploration licence, the agreed disposal of the Group's 18.75% interest in the offshore Gryphon Block and relinquishment of its interest in the Akoum licence. Exploration drilling is planned in the latter part of this year in the Etame Block in which Tullow has a 7.5% back-in right.

Namibia

Following delays in concluding commercial arrangements on a major gas to power development for the Kudu gas field, alternative options are also being considered. One such option involves the possibility of developing the field as a marine Compressed Natural Gas project to supply gas into the regional industrial and transport markets as a replacement for diesel, HFO and LPG. Further studies will be undertaken to assess the commercial attractiveness of such a project in the context of forecast regional energy demand and current technology.

EUROPE: Development growth and prudent portfolio management

2008 Half-yearly results highlights

Total production	Total reserves and resources	Sales revenue	1H 2008 investment
23,580 boepd	60.3 mmboe	£111.5 million	£27.3 million

- 1H 2008 production averaged 137 mmscfd, and revenue increased to £111.5 million driven by record gas prices;
- Effective portfolio management is expected to deliver £245 million of asset disposal proceeds from the mature Hewett-Bacton interests and non-core CMS exploration and development interests;
- Strong UK gas pricing has refocused capital investment towards selected development assets;
- First gas achieved from the Wissey development on 22 August 2008; and
- Attractive exploration acreage position secured offshore Netherlands.

Thames-Hewett Area

Production from the Thames-Hewett Area averaged 51 mmscfd in the first half of 2008, 27% lower than in the first half of 2007, due to a combination of natural field decline, most notably from the Orwell and Thurne fields, and poor weather impacting on production efficiency.

In the Thames Area, first gas was achieved from the Tullow-operated Wissey development on 22 August 2008 and the field is now producing at a rate of approximately 70 mmscfd. A development well is planned on the Bure field and a rig has been secured to pursue this opportunity in the first quarter of 2009.

In the first half of 2008 Tullow continued to pursue opportunities to extend the economic life of the mature Hewett facilities. The project to fully de-man the Hewett Complex was completed yielding significant cost savings and an appraisal-development well, targeting a deep Rotliegendes reservoir in the Hewett main field, is scheduled to spud in September 2008.

As part of these initiatives Tullow completed a major technical and commercial study, on behalf of the joint venture, to investigate the viability of using Hewett as a gas storage hub. Subsequent to this, Tullow has signed a Sale and Purchase Agreement with Eni for the sale of its entire 51.68% interest in the Hewett-Bacton Complex, including the substantial abandonment liability, for a consideration of £210 million. The sale is expected to complete by year end.

The Doris exploration well was drilled in early 2008. Whilst gas was found, pressure data indicated that the reservoir was depleted and the well was abandoned.

CMS Area
Production from the CMS Area averaged 86 mmscfd in the first half of 2008. This was 6% lower than for the same period in 2007, reflecting the impact of lower capital allocation to our Southern North Sea gas business. However, recent material rises in gas prices have increased the attractiveness of new projects and Tullow is well placed to continue to invest in the long-term development of the area.

The Schooner and Ketch fields continue to produce strongly and a further development well in the Ketch field is planned for the second quarter of 2009. Infill wells have also been approved for the Murdoch and Boulton fields and the Operator is pursuing a rig programme to drill these in early 2009.

While most fields have performed in line with expectations, the performance of the Kelvin field has shown a more rapid decline than predicted. Further data gathering will be carried out on this field in the September maintenance shutdown with the objective of developing a remedial action plan.

UK exploration activity is centred on the core CMS Area and Tullow continues to seek viable opportunities in the Carboniferous play. Other projects under review include the appraisal potential of the 2006 K4 discovery and development options for the 2007 Harrison discovery.

During the period, Tullow has also completed the sale of non-core CMS exploration and development assets to Venture Production Plc for a consideration of £35 million.

Netherlands
Tullow now has a strong exploration position in the offshore Carboniferous province following the award of five further blocks in the Carboniferous fairway to complement the two blocks awarded in 2007. The Group now plans to apply the extensive knowledge gained from successful exploration campaigns in the CMS Area over the last six years and is currently reprocessing over 1,000 sq km of 3D seismic data and conducting a detailed analysis of all wells in our Netherlands acreage. These projects will help refine the current prospect inventory ahead of potential drilling and seismic campaigns in 2009 and 2010.

Portugal
The principal project in 2008 is the acquisition of 3,500 km of 2D seismic data across Tullow's offshore acreage. The programme commenced in August, and should complete by mid-September. The survey is focusing on a central fairway, where several stratigraphic trap leads have been identified, as well as providing infill coverage.

SOUTH ASIA: Continued production growth and high impact exploration potential

2008 Half-yearly results highlights

Total production	Total reserves and resources	Sales revenue	1H 2008 investment
5,390 boepd	19.4 mmboe	£5.4 million	£4.0 million

- Production averaged 5,390 boepd, 57% above 2007 levels;
- Multi-well exploration campaign in India commenced in June 2008; and
- Bangora development work nearing completion to increase production capacity to 120 mmscfd.

India
A multi-well drilling programme commenced on block CB-ON/1 in June 2008 following completion of an extensive seismic programme the previous year. The first well, C1, was drilled in a basin margin location in the east of the block to a target depth (TD) of 1,916 metres. Logging determined that the target sands were water bearing and the well was plugged and abandoned. The second well in the drilling programme is on the G1 prospect which is targeting a separate geological play in the northern part of the block. This well commenced drilling on 13 August and is expected to take 30 days to reach TD.

Bangladesh

Production from the Bangora field has been steady at 70 mmscfd during 2008 to date. The second phase of development to increase production capacity to 120 mmscfd and to tie-back the Bangora-3 well is expected to be completed in September 2008. Average production is then expected to increase to over 100 mmscfd.

Tullow participated in the recent Bangladesh offshore bid round and currently awaits notification from Petrobangla on its application for Block SS-08-05.

Pakistan

Production in Pakistan is from the Chachar and Sara/Suri fields and in the first half of 2008 was 11 mmscfd net to Tullow. Plans are under way to drill the Kohat East well in the fourth quarter of 2008.

SOUTH AMERICA: Prolific but underexplored oil and gas province

2008 Half-yearly results highlights

In South America Tullow has interests in, or applications under consideration, in respect of five licences across French Guiana, Suriname, and Trinidad & Tobago. Negotiations are also in progress in relation to a number of potentially attractive new venture opportunities in the region.

French Guiana

In French Guiana Tullow has a 97.5% interest in the Guyane Maritime licence which contains the high impact but high risk Matamata prospect and other potential stratigraphic traps similar to the Jubilee field in Ghana. Tullow are currently in the process of seeking an additional partner and securing a rig to allow the exciting prospects within the block to be drilled.

Suriname

In Suriname, a second phase of exploration on near-infrastructure plays is scheduled to commence in the third quarter with five wells in the Uitkijk block followed by five wells on the adjacent Coronie permit.

Trinidad & Tobago

In Trinidad & Tobago, Tullow were the successful bidder in two key blocks in 2007. The Production Sharing Contract for Block 2ab was initialled on 15 May 2008 and the final contract is expected to be signed in the third quarter. Negotiations to conclude agreements in respect of the Guayaguayare licence are ongoing.

Finance review

Tullow has recorded record half-yearly results driven by strong operational performance, increased oil and gas pricing and profitable portfolio management. Production grew 1% to over 70,550 boepd and average price realisations increased by over 40%. As a result basic earnings per share increased 237% to 17.2 pence.

Our financial strategy is to maintain flexibility to support the Group's significant appraisal and development programmes in Ghana and Uganda and effectively allocate capital across the remainder of our business. This financial flexibility has been materially enhanced by portfolio management transactions which will provide proceeds of approximately US$1 billion (£501 million) to the Group during 2008. This flexibility, allied to a debt refinancing planned for the second half, leaves Tullow in an exceptionally strong financial position as it enters a major phase of investment for future growth.

Key financial metrics	1H 2008	1H 2007	Change
Production (boepd, working interest basis)	**70,550**	69,700	+1%
Sales volume (boepd)	**60,000**	61,500	-2%
Realised oil price per bbl (US$)	**80.11**	56.09	+43%
Realised gas price (pence per therm)	**51.71**	36.86	+40%
Cash operating costs per boe (£)[1]	**5.61**	5.05	+11%
Operating cash flow before working capital per boe (£)	**23.00**	16.01	+44%
Net debt[2] (£ million)	**417.3**	514.3	-19%
Interest cover[3]	**15.2**	8.9	Up 6.3 times
Gearing (%)[4]	**71**	66	+5%

1. Cash operating costs are cost of sales excluding depletion, depreciation and amortisation and under/over lift movements
2. Net debt is cash and cash equivalents less financial liabilities net of unamortised arrangement fees
3. Interest cover is earnings before interest and depreciation charges divided by net finance costs
4. Gearing is net debt divided by net assets

Operating performance

Working interest production averaged 70,550 boepd, 1% ahead of the corresponding period in 2007 and sales volumes averaged 60,000 boepd, representing a decrease of 2%, driven by changes in the proportion of sales arising from production sharing regimes.

Commodity prices during the first half of 2008 continued to be exceptionally strong. Realised oil price was US$80.1/bbl (1H2007: US$56.1/bbl), an increase of 43% and realised gas price was 51.7p/therm (1H2007: 36.9p/therm), an increase of 40%. Tullow's oil production continued to be sold at a discount of 3% to Brent during the period (1H2007: 3% discount).

The higher commodity prices, partly offset by the marginally lower sales volumes, meant that revenue increased by 33% to £378.0 million (1H2007: £284.9 million).

2008 Half-yearly revenue by Core Area	Oil	Gas	Total	% of Total
	£ million	£ million	£ million	
Africa	261.2	–	261.2	69%
Europe	–	111.4	111.4	30%
South Asia	–	5.4	5.4	1%
Total	261.2	116.8	378.0	
% contribution to the Group	69%	31%		

Operating profit before exploration activities amounted to £224.9 million (1H2007: £124.2 million), an increase of 81%, principally due to the higher commodity prices realised during the period.

Underlying cash operating costs, which exclude depletion and amortisation and movements on under/overlift, amounted to £72.1 million (£5.61/boe) (1H2007: £5.05/boe). These costs were 11% above 2007 levels, principally due to upward cost pressures in oil and gas services and an increase to Gabon royalty payments which are directly linked to oil prices.

Depreciation, depletion and amortisation charges for the period amounted to £96.2 million (£7.49/boe) (1H2007: £6.27/boe). The depreciation rate for the first half of 2008 is in line with the 2007 full year rate (2007: £7.61/boe) which reflected a 2007 writedown in reserves attributable to the Chinguetti asset.

Administrative expenses of £15.5 million (1H2007: £14.5 million) include an amount of £3.2 million (1H2007: £2.5 million) associated with share-based payments under IFRS 2.

Exploration write-off

Exploration costs written-off were £23.6 million (1H2007: £13.2 million), in accordance with the Group's 'successful efforts' accounting policy, which requires all costs associated with unsuccessful exploration to be written-off to the Income Statement. This write-off is principally associated with drilling in the UK and Mauritania, new ventures activity and licence relinquishments.

Derivative instruments

Tullow continues to undertake hedging activities as part of the ongoing management of its business risk and to protect the availability of cash flow for reinvestment in capital programmes which are driving business growth. In aggregate hedged volumes represented less than 3% of the Group's overall commercial reserves and contingent resources as at 30 June 2008.

At 30 June 2008, the Group's derivative instruments had a negative mark to market value of £434.6 million (1H2007: £56.6 million). The substantial increase in the mark to market position reflects the unprecedented rate of increase in commodity prices during the first half of 2008.

While all of the Group's commodity derivative instruments currently qualify for hedge accounting, a credit of £7.2 million (1H2007: charge of £21.2 million) has been recognised in the income statement for the first half of 2008. The IAS 39 credit comprises £9.6 million relating to the movement in the non-intrinsic (or time value) component of both oil and gas hedges, partially offset by a charge of £2.4 million relating to the ineffectiveness of both oil and gas hedges. The favourable movement in the time value element is largely due to movements in the oil and gas forward curves since the beginning of the year. Brent forward oil prices and natural gas prices in the UK have risen considerably and with prices now trading significantly above the strike prices of the hedges less time value is associated with the mark to market value.

The Group's hedge position as at 21 August 2008 can be summarised as follows:

Hedge position	**2H 2008**	**2009**	**2010**	**2011**
Oil				
Volume – bopd	18,000	11,500	5,000	–
Current Price Hedge - US$/bbl	70.85	66.28	112.65	–
Gas Hedges				
Volume – mmscfd	65.2	44.9	16.6	3.1
Current Price Hedge - p/therm	55.4	55.9	60.7	71.0

Gearing, financing costs and interest cover

The net interest charge for the period was £21.2 million (1H2007: £23.2 million) and reflects the reduction in net debt levels during the first half of 2008 due to record levels of operating cash flow and completion of portfolio management transactions. At 30 June 2008, Tullow had net debt of £417.3 million (1H2007: £514.3 million), while unutilised debt capacity was in excess of £200 million. The Group's gearing is 72% (1H2007: 66%) and interest cover has increased to 15.2 times (1H2007: 8.9 times). Group gearing is expected to be materially reduced in the second half of the year upon completion of the portfolio management transactions.

Taxation

The tax charge of £61.2 million (1H2007: £30.0 million) relates to the Group's North Sea, Gabon, Equatorial Guinea and Mauritanian activities and represents 33% of the Group's profit before tax (1H2007: 45%). After adjusting for exploration costs and profit on disposal of oil and gas assets, the Group's underlying effective tax rate is 34% (1H2007: 36%).

Dividend

Due to the outstanding successes achieved in Ghana and Uganda and the ongoing requirement for significant capital investment in the planned work programmes, the Board feels that it is appropriate to maintain the interim dividend at the 2007 level. Consequently the Board has declared an interim dividend of 2.0 pence per share (1H2007: 2.0 pence per share). The dividend will be paid on 6 November 2008 to shareholders on the register on 3 October 2008.

Operating cash flow and capital expenditure

Increased commodity prices led to record operating cash flows before working capital movements of £295.3 million (1H2007: £201.8 million). This cash flow facilitated investment of £187 million in exploration and development activities, payment of an increased final dividend, servicing of the debt facilities and a reduction of over £60 million in net debt.

Tullow currently anticipates a total 2008 capital expenditure of approximately £480 million. Investment will be split 45% on production and development and the remainder on exploration and appraisal. Tullow’s activities in Africa will comprise 75% of the anticipated capital outlay, with the principal expenditures being in Ghana and Uganda.

Portfolio management and long-term funding

During the first half of 2008 Tullow announced the planned disposal of a number of non-core assets for a combined consideration of approximately US$1 billion (£501 million). The effect of this disposal programme will be to significantly reduce Tullow’s net debt and provide optimal financial flexibility for future investment.

In Africa, Tullow announced the sale of its 11% interest in the M’Boundi field to the Korea National Oil Company (KNOC) for a total cash consideration of US$435 million. The sale is subject to government approval and is expected to complete in late 2008. On 2 July 2008 Tullow completed the sale of its 40% interest in the Ngosso licence, offshore Cameroon, to MOL. Although the proceeds of the sale were not received until July, the risks and rewards of ownership transferred to the buyer in June 2008, and consequently the profit on disposal is recognised in the first half of 2008.

In Europe, the sale of non-core CMS assets to Venture Production for a consideration of £35 million completed on 23 June 2008. Also in June, Tullow announced the proposed sale of its 51.68% interest in the Hewett-Bacton Complex to Eni for a cash consideration of £210 million. This transaction, which is expected to complete in late 2008, will also involve the assumption by Eni of approximately £45 million of abandonment liabilities.

A profit on disposal of £28.9 million was recognised in the first half of 2008 on the sale of the CMS assets and the Ngosso licence.

As Tullow enters a period of significant investment in new development projects, the Group will look to refinance its existing debt facilities in the second half of 2008. The refinancing combined with the successful completion of portfolio management efforts announced year to date is expected to allow the Group to ensure that sufficient funds are allocated to our growth assets, continue to conduct an active exploration programme, and maintain an appropriate level of gearing over the long term.

Risk factors

Tullow is exposed to a variety of risks and uncertainties which may have an impact on the Group. Effective risk management is a critical part of our strategy, business objectives and day-to-day activities. The principal risks and uncertainties facing the Group at the year end, their potential impact and the mitigation strategies developed were detailed in the Annual Report and Accounts 2007 (available on our website www.tullowoil.com). All the risks and uncertainties which were identified at the year end have not changed and still remain appropriate for the second half of 2008. Key risks relating to the following were identified:

- Strategic risks – ineffective mix of oil and gas assets, insufficient portfolio balance, organic and acquisition-led growth, inefficient capital allocation, ineffective management processes and loss of key staff/succession planning;
- Financial risks – excessive or inappropriate debt, inadequate or excessive hedging, underperforming assets, industry cost inflation, mis-priced corporate acquisitions, uninsured events;
- Operational risk – EHS incident, security incident, key development failure, failure to secure equipment, services and resources, corruption or reputation risk, corporate and social responsibility, sustained exploration failure, hostile acquisition; and
- External risks – political and fiscal change, lack of control of key assets, corporate governance failings, shareholder sentiment and oil and gas price volatility.

2008 Outlook

Tullow's business has performed strongly in the first half and the outlook for the remainder of the year is extremely positive.

In Ghana, the anticipated sanction of Phase 1 of the Jubilee development represents a critical project milestone and will initiate a detailed programme of appraisal and development drilling aimed at achieving first oil in 2010. In addition, the potentially significant Tweneboa and Teak exploration prospects will be drilled over the next nine months; success in either could further transform Tullow's business.

In Uganda, the Butiaba Campaign will continue with particular focus on expanding the potential of the Victoria Nile delta play. Elsewhere, appraisal of the Kingfisher discovery and the drilling of Ngassa each provide an opportunity for the discovery of material new oil reserves, while the expected sanction of the EPS will be a major step towards Uganda's first oil production.

The Group's production business is performing well and, combined with the current strength in global oil and gas pricing, provides important financial support for the Group's ongoing investment activities. Overall, Tullow's asset portfolio has the ability to contribute to materially increased reserves, production and business value over the coming years.

Responsibility statement

We confirm that to the best of our knowledge:

a) the condensed set of financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting';
b) the Half-year financial report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and
c) the Half-year financial report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

By order of the Board,

Aidan Heavey	Tom Hickey
Chief Executive Officer	**Chief Financial Officer**
26 August 2008	26 August 2008

Disclaimer

This statement contains certain forward-looking statements that are subject to the usual risk factors and uncertainties associated with the oil and gas exploration and production business. Whilst the Group believes the expectations reflected herein to be reasonable in light of the information available to them at this time, the actual outcome may be materially different owing to factors beyond the Group's control or within the Group's control where, for example, the Group decides on a change of plan or strategy. Accordingly no reliance may be placed on the figures contained in such forward-looking statements.

Independent review report to Tullow Oil plc

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2008 which comprises the condensed consolidated income statement, the condensed consolidated balance sheet, the condensed consolidated statement of recognised income and expense, the condensed consolidated cash flow statement and related notes 1 to 10. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with International Standard on Review Engagements 2410 issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the company those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2008 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
26 August 2008
London, United Kingdom

Condensed Consolidated Income Statement

Six months ended 30 June 2008

	Note	6 months ended 30.06.08 Unaudited £'000	6 months ended 30.06.07 Unaudited £'000	Year ended 31.12.07 Audited £'000
Group revenue	5	**378,042**	284,939	639,203
Cost of sales		**(166,554)**	(145,608)	(353,695)
Gross profit		**211,488**	139,331	285,508
Administrative expenses		**(15,538)**	(14,540)	(31,628)
Disposal of subsidiaries		**–**	(597)	(597)
Profit on disposal of oil and gas assets		**28,916**	–	–
Exploration costs written off		**(23,571)**	(13,241)	(64,235)
Operating Profit		**201,295**	110,953	189,048
Gain/(loss) on hedging instruments		**7,174**	(21,158)	(29,267)
Finance revenue		**2,232**	1,758	3,095
Finance costs		**(23,405)**	(24,967)	(48,673)
Profit from Continuing Activities before Tax		**187,296**	66,586	114,203
Income tax expense	7	**(61,282)**	(30,027)	(61,609)
Profit for the Period from Continuing Activities		**126,014**	36,559	52,594
Attributable to:				
Equity holders of the parent		**124,017**	36,559	50,887
Minority interest		**1,997**	–	1,707
		126,014	36,559	52,594
Earnings per Ordinary Share		**Stg p**	Stg p	Stg p
– Basic	2	**17.23**	5.12	7.10
– Diluted	2	**16.98**	5.03	6.96

Condensed Consolidated Statement of Recognised Income and Expense

Six months ended 30 June 2008

	6 months ended 30.06.08 Unaudited £'000	6 months ended 30.06.07 Unaudited £'000	Year ended 31.12.07 Audited £'000
Profit for the period	**126,014**	36,559	52,594
Currency translation adjustments	**(6,776)**	(5,604)	(5,321)
Hedge movement	**(223,111)**	(6,551)	(79,780)
	(229,887)	(12,155)	(85,101)
Total recognised income and expense for the period	**(103,873)**	24,404	(32,507)
Attributable to:			
Equity holders of the parent	**(105,870)**	24,404	(34,214)
Minority interest	**1,997**	–	1,707
	(103,873)	24,404	(32,507)

Condensed Consolidated Balance Sheet

As at 30 June 2008

	30.06.08 Unaudited £'000	30.06.07 Unaudited £'000	31.12.07 Audited £'000
ASSETS			
Non-current assets			
Intangible exploration and evaluation assets	**1,028,599**	854,497	956,580
Property, plant and equipment	**785,482**	969,719	832,111
Investments	**447**	447	447
	1,814,528	1,824,663	1,789,138
Current assets			
Inventories	**25,961**	15,940	24,897
Trade receivables	**98,864**	82,730	87,746
Other current assets	**76,235**	25,466	33,351
Cash and cash equivalents	**131,289**	57,181	82,224
Assets held for sale	**112,277**	–	73,846
	444,626	181,317	302,064
Total assets	**2,259,154**	2,005,980	2,091,202
LIABILITIES			
Current liabilities			
Trade and other payables	**(203,844)**	(159,892)	(177,397)
Other financial liabilities	**(211,864)**	(11,257)	(9,793)
Current tax liabilities	**(65,731)**	(18,558)	(31,457)
Derivative financial instruments	**(277,407)**	(12,840)	(89,509)
Liabilities directly associated with assets classified as held for sale	**(48,612)**	–	(4,756)
	(807,458)	(202,547)	(312,912)
Non-current liabilities			
Trade and other payables	**(15,290)**	(7,541)	(15,586)
Other financial liabilities	**(340,093)**	(549,416)	(540,272)
Deferred tax liabilities	**(254,008)**	(320,768)	(307,615)
Provisions	**(100,077)**	(120,595)	(133,612)
Derivative financial instruments	**(157,242)**	(43,797)	(68,535)
	(866,710)	(1,042,117)	(1,065,620)
Total liabilities	**(1,674,168)**	(1,244,664)	(1,378,532)
Net assets	**584,986**	761,316	712,670
EQUITY			
Called up share capital	**72,477**	71,877	71,961
Share premium	**132,850**	127,621	128,465
Other reserves	**(15,387)**	283,035	210,089
Retained earnings	**377,573**	278,783	286,668
Equity attributable to equity holders of the parent	**567,513**	761,316	697,183
Minority interest	**17,473**	–	15,487
Total equity	**584,986**	761,316	712,670

Condensed Consolidated Cash Flow Statement

Six months ended 30 June 2008

	Note	**6 months ended 30.06.08 Unaudited £'000**	6 months ended 30.06.07 Unaudited £'000	Year ended 31.12.07 Audited £'000
Cash flows from operating activities				
Cash generated from operations	6	**295,224**	175,065	446,660
Income taxes paid		**(34,042)**	(21,909)	(30,030)
Net cash from operating activities		**261,182**	153,156	416,630
Cash flows from investing activities				
Acquisition of subsidiaries		**–**	(334,855)	(334,954)
Disposal of subsidiaries		**–**	(597)	(597)
Disposal of oil and gas assets		**35,033**	–	–
Purchase of intangible exploration & evaluation assets		**(109,161)**	(44,655)	(165,726)
Purchase of property, plant and equipment		**(77,844)**	(130,252)	(198,355)
Finance revenue		**1,625**	1,662	3,206
Net cash used in investing activities		**(150,347)**	(508,697)	(696,426)
Cash flows from financing activities				
Net proceeds from issue of share capital		**1,983**	1,734	2,661
Proceeds from issue of subsidiary share capital to minority interest		**–**	–	1,244
Debt arrangement fees		**(2,528)**	(6,442)	(8,431)
Repayment of bank loans		**(125,965)**	(16,941)	(29,474)
Drawdown of bank loan		**128,573**	380,475	379,979
Finance costs		**(20,908)**	(23,479)	(40,782)
Dividends paid		**(28,690)**	(25,051)	(39,406)
Purchase of treasury shares		**(3,227)**	(3,723)	(3,722)
Net cash (used in)/generated by financing activities		**(50,762)**	306,573	262,069
Net increase/(decrease) in cash and cash equivalents		**60,073**	(48,968)	(17,727)
Cash and cash equivalents at beginning of period		**82,224**	99,478	99,478
Translation difference		**4,170**	6,671	473
Cash and cash equivalents at end of period[1]		**146,467**	57,181	82,224

1. Cash and cash equivalents at the end of the period include an amount of £15,178,000 classified as an 'asset held for sale' on the balance sheet.

Notes to the Half-yearly Financial Statements

Six months ended 30 June 2008

1. Basis of Accounting and Presentation of Financial Information

The annual financial statements of Tullow Oil plc are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report have been prepared in accordance with International Accounting Standard 34 'Interim Financial reporting', as adopted by the European Union. The accounting policies and methods of computation used in the half-yearly financial statements are consistent with those used in the Group 2007 annual report.

The financial information for the year ended 31 December 2007 does not constitute statutory accounts as defined in section 240 of the Companies Act 1985. This information was derived from the statutory accounts for the year ended 31 December 2007, a copy of which has been delivered to the Registrar of Companies. The auditors' report on those accounts was not qualified and did not contain statements under section 237(2) or (3) of the Companies Act 1985.

2. Earnings per Share

The calculation of basic earnings per share is based on the profit for the period after taxation of £124,017,414 (1H2007: £36,558,991) and a weighted average number of shares in issue of 719,726,170 (1H2007: 714,714,367).

The calculation of diluted earnings per share is based on the profit for the period after taxation as for basic earnings per share. The number of shares outstanding, however, is adjusted to show the potential dilution if employee share options are converted into ordinary shares. The weighted average number of ordinary shares is increased by 10,507,830 (1H2007: 11,727,029) in respect of employee share options, resulting in a diluted weighted average number of shares of 730,234,000 (1H2007: 726,441,396).

3. Dividends

The Company's shareholders approved a final dividend for the year ended 31 December 2007 of 4.0p per share at the Annual General Meeting on 14 May 2008. This amount was paid on 21 May 2008 to shareholders on the register of members of the Company on 18 April 2008.

The Board has declared an interim 2008 dividend of 2.0p per share in the half year to 30 June 2008 to be paid on 6 November 2008 to shareholders on the register on 3 October 2008 (1H2007: 2.0p per share).

4. Approval of Accounts

These half-yearly financial statements (Unaudited) were approved by the Board of Directors on 26 August 2008.

5. Segmental Reporting

In the opinion of the Directors the operations of the Group comprise one class of business, oil and gas exploration, development and production and the sale of hydrocarbons and related activities. The Group also operates within four geographical markets, Europe, Africa, Asia and South America.

The following tables present revenue, profit and certain asset and liability information regarding the Group's business segments for the six months ended 30 June 2008 and 2007.

	Europe £'000	Africa £'000	South Asia £'000	South America £'000	Unallocated £'000	Total £'000
2008						
Sales revenue by origin	111,469	261,197	5,376	–	–	**378,042**
Segment result	23,796	164,750	(622)	(7)	–	**187,917**
Disposal of oil and gas assets						**28,916**
Unallocated corporate expenses						**(15,538)**
Operating profit						**201,295**
Gain on hedging instruments						**7,174**
Finance revenue						**2,232**
Finance costs						**(23,405)**
Profit before tax						**187,296**
Income tax expense						**(61,282)**
Profit after tax						**126,014**
Total assets	520,077	1,547,107	66,634	104,418	20,918	**2,259,154**
Total liabilities	(260,302)	(816,979)	(10,623)	(41,571)	(544,693)	**(1,674,168)**
Other segment information						
Capital expenditure:						
Property, plant and equipment	15,344	38,553	798	–	2,634	**57,329**
Intangible fixed assets	11,942	101,588	3,213	748	–	**117,491**
Depletion, depreciation and amortisation	(47,134)	(44,841)	(2,391)	–	(1,802)	**(96,168)**

	Europe £'000	Africa £'000	South Asia £'000	South America £'000	Unallocated £'000	Total £'000
2007						
Sales revenue by origin	119,350	162,246	3,343	–	–	**284,939**
Segment result	41,456	85,478	1,650	(2,494)	–	**126,090**
Disposal of subsidiaries						**(597)**
Unallocated corporate expenses						**(14,540)**
Operating profit						**110,953**
Loss on hedging instruments						**(21,158)**
Finance revenue						**1,758**
Finance costs						**(24,967)**
Profit before tax						**66,586**
Income tax expense						**(30,027)**
Profit after tax						**36,559**
Total assets	540,955	1,269,757	64,936	95,728	34,604	**2,005,980**
Total liabilities	(236,565)	(411,304)	(19,045)	(33,369)	(544,381)	**(1,244,664)**
Other segment information						
Capital expenditure:						
Property, plant and equipment	76,218	49,383	5,530	–	–	**131,131**
Intangible fixed assets	15,033	33,326	1,958	2,529	–	**52,846**
Depletion, depreciation and amortisation	(36,612)	(41,149)	(1,090)	–	(894)	**(79,745)**

Unallocated expenditure and net liabilities include amounts of a corporate nature and not specifically attributable to a geographic area, including tax balances and the Group debt.

6. Cash Flows from Operating Activities

	6 months ended 30.06.08 Unaudited £'000	6 months ended 30.06.07 Unaudited £'000	Year ended 31.12.07 Audited £'000
Profit before taxation	**187,296**	66,586	114,203
Adjustments for:			
Depletion, depreciation and amortisation	**96,168**	79,745	205,805
Impairment loss	**–**	–	13,834
Net foreign exchange (gains)/losses	**–**	(179)	–
Exploration costs written off	**23,571**	13,241	64,235
Disposal of subsidiaries	**–**	597	597
Disposal of oil and gas assets	**(28,916)**	–	–
Decommissioning expenditure	**–**	(5,053)	(5,065)
Share based payment charge	**3,231**	2,523	5,388
(Gain)/loss on hedging instruments	**(7,174)**	21,158	29,267
Finance revenue	**(2,232)**	(1,758)	(3,095)
Finance costs	**23,405**	24,967	48,673
Operating cash flow before working capital movements	**295,349**	201,827	473,842
Increase in trade and other receivables	**(53,524)**	(4,623)	(20,472)
Increase in inventories	**(3,053)**	(2,205)	(11,162)
Increase/(decrease) in trade payables	**56,452**	(19,934)	4,452
Cash generated from operations	**295,224**	175,065	446,660

7. Taxation

Income tax for the six month period is accrued based on the estimated annual effective rate of 33% (1H2007: 45%).

8. Disposal of oil and gas assets

On 5 November 2007 and 2 April 2008 the Group entered into sale agreements to dispose of its 40% interest in the Ngosso Permit in Cameroon and certain non-core CMS assets in the UK respectively. The disposals were completed in June 2008, although the disposal proceeds relating to the non-core CMS assets were received in July 2008. The gain on disposal of oil and gas assets amounted to £28,916,000 and total consideration received in the period amounted to £35,033,000.

9. Assets held for sale

On 31 January 2008 and 31 July 2008, the Group entered into sale agreements to dispose of Tullow Congo Ltd and Tullow Oil UK Ltd respectively. The disposals were part of the Group's active asset management programme, and provide financial flexibility for its development programmes.

These transactions are subject to final completion and both are expected to be completed within 12 months. The related net assets have been classified as assets held for sale and the related net liabilities have been classified as liabilities directly associated with assets classified as held for sale and have been presented separately in the balance sheet.

10. Called up equity share capital

In the six months ended 30 June 2008, the Group issued 5,157,816 (30 June 2007: 1,798,062) new shares in respect of employee share options.

As at 30 June 2008 the Group had in issue 724,768,338 allotted and fully paid ordinary shares of Stg10 pence each (30 June 2007: 718,697,177).

11. Commercial Reserves and Contingent Resources Summary (Not reviewed by Auditors) working interest basis

	EUROPE		AFRICA		SOUTH ASIA		TOTAL		
	Oil mmbbl	Gas bcf	Oil mmbbl	Gas bcf	Oil mmbbl	Gas bcf	Oil mmbbl	Gas bcf	Petroleum mmboe
Commercial Reserves									
1 Jan 2008	2.0	258.7	131.1	20.1	–	105.9	133.1	384.7	197.2
Revisions	–	0.2	(0.1)	–	–	–	(0.1)	0.2	(0.1)
Production	(0.1)	(24.9)	(7.5)	(0.7)	–	(5.9)	(7.6)	(31.5)	(12.9)
30 June 2008	1.9	234.0	123.5	19.4	–	100.0	125.4	353.4	184.2
Contingent Resources									
1 Jan 2008	–	129.3	160.9	1,014.5	–	16.2	160.9	1,160.0	354.2
Revisions	–	–	–	–	–	–	–	–	–
Disposals	–	(12.7)	–	–	–	–	–	(12.7)	(2.1)
30 June 2008	–	116.6	160.9	1,014.5	–	16.2	160.9	1,147.3	352.1
Total									
30 June 2008	1.9	350.6	284.4	1,033.9	–	116.2	286.3	1,500.7	536.3

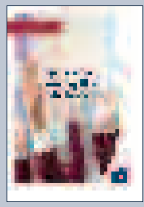
1. Proven and Probable Commercial Reserves are based on a Group reserves report produced by an independent engineer. Reserves estimates for each field are reviewed by the independent engineer based on significant new data or a material change with a review of each field undertaken at least every two years.
2. Proven and Probable Contingent Resources are based on both Tullow's estimates and the Group reserves report produced by an independent engineer.
3. Tullow has classified the Ugandan discoveries Mputa and Nzizi as Commercial Reserves.
4. Africa Contingent Resources include the hydrocarbons associated with the Jubilee field discovery wells Hyedua-1 and Mahogany-1 in Ghana and a limited area around the Kingfisher-1 well in Uganda.

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 126.6 mmboe at 30 June 2008 (31 December 2007: 128.1 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 development within the foreseeable future.

Corporate Social Responsibility Report

Published in May each year, this report contains a summary of the Group's Environmental, Health and Safety performance, details of our approach and commitment to all aspects of good corporate behaviour and how we are meeting the challenge of our responsibilities across Tullow. In 2007, we commenced a three year programme to independently assure our performance.



Fact Book

Our Fact Book is published in March and August and includes an asset overview, results summary, reserves and resources summary and capital expenditure details. It also includes information on costs and depreciation, development opportunities, current exploration programmes, current production summary and net daily entitlement summary.

Annual Report and Accounts

Our Annual Report and Accounts provides information on what we do, where we operate, includes the Chairman's statement, a detailed business review which incorporates key performance metrics and risk, corporate governance section including a review of Board performance, together with financial statements, shareholder information and senior management details.

To get more information, simply go online

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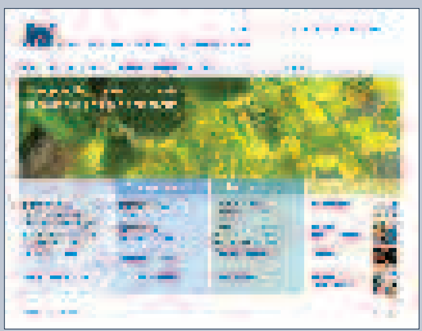

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