

### Transparency Disclosure

The Reports on Payments to Governments Regulations (UK Regulations) came into force on 1 December 2014 and require UK companies in the extractive sector to publicly disclose payments made to governments in the countries where they undertake extractive operations. The regulations implement Chapter 10 of EU Accounting Directive (2013/34/ EU).

The UK Regulations came into effect on 1 January 2015, but Tullow were early adopters of the EU Directive and have published our tax payments to governments in full, in its Annual Report and Accounts since 2013. The 2015 disclosure remains in line with the EU Directive and UK Regulations and we have provided additional voluntary disclosure on VAT, stamp duty, withholding tax, PAYE and other taxes.

The payments disclosed are based on where the obligation for the payment arose: Payments raised at a project level have been disclosed at a project level and payments raised at a corporate level have been disclosed on that basis. However, where a payment or a series of related payments do not exceed £86,000, they are disclosed at a corporate level, in accordance with the UK Regulations. The voluntary disclosure has been prepared on a corporate level.

All of the payments disclosed in accordance with the Directive have been made to National Governments, either directly or through a Ministry or Department of the National Government with the exception of Ghana payments in respect of production entitlements and licence fees which are paid to the Ghana National Oil Company. Our total economic contribution to all stakeholders can be found on page 66. Detailed disclosure on our 2015 tax payments can be found on pages 172 to 175.

**Production entitlements in barrels** – includes non-cash royalties and state non-participating interest paid in barrels of oil or gas out of Tullow's working interest share of production in a licence. The figures disclosed are produced on an entitlement basis rather than a liftings basis. It does not include the Government's or NOC's working interest share of production in a licence. Production entitlements have been multiplied by the Group's 2015 average realised oil price \$67.0/bbl.

**Income taxes** – This represents cash tax calculated on the basis of profits including income or capital gains. Income taxes are usually reflected in corporate income tax returns. The cash payment of income taxes occurs in the year in which the tax has arisen or up to one year later. Income taxes also include any cash tax rebates received from the government or revenue authority during the year. Income taxes do not include fines and penalties.

**Royalties** – This represents cash royalties paid to governments during the year for the extraction of oil or gas. The terms of the royalties are described within our PSCs and can vary from project to project within one country. Royalties paid in kind have been recognised within the production entitlements category. The cash payment of royalties occurs in the year in which the tax has arisen.

**Bonus payments** – This represents any bonus paid to governments during the year, usually as a result of achieving certain milestones, such as a signature bonus, POD bonus or a production bonus.

**Licence fees** – This represents licence fees, rental fees, entry fees and other consideration for licences and/or concessions paid for access to an area during the year (with the exception of signature bonuses which are captured within bonus payments).

**Infrastructure improvement payments** – This represents payments made in respect of infrastructure improvements for projects that are not directly related to oil and gas activities during the year. This can be a contractually obligated payment in a PSC or a discretionary payment for building/improving local infrastructure such as roads, bridges, ports, schools and hospitals.

**VAT** – This represents net cash VAT received from/paid to governments during the year. The amount disclosed is equal to the VAT return submitted by Tullow to governments with the cash payment made in the year the charge is borne. It should be noted the operator of a joint venture typically makes VAT payments in respect of the joint venture as a whole and as such where Tullow has a non-operated presence in a country limited VAT will be paid.

**Stamp Duty** – This includes taxes that are placed on legal documents usually in the transfers of assets or capital. Usually these taxes are reflected in stamp duty returns made to governments and are paid shortly after capital or assets are transferred.

**Withholding tax (WHT)** – This represents tax charged on services, interest, dividends or other distributions of profits. The amount disclosed is equal to the WHT return submitted by Tullow to governments with the cash payment made in the year the charge is borne. It should be noted the operator of a joint venture typically makes WHT payments in respect of the joint venture as a whole and as such where Tullow has a non-operated presence in a country limited WHT will be paid.

**PAYE & national insurance** – This represents payroll and employer taxes paid (such as PAYE and national insurance) by Tullow as a direct employer. The amount disclosed is equal to the return submitted by Tullow to governments with the cash payment made in the year the charge is borne.

**Carried interests** – This comprises payments made under a carrying agreement or PSC/PSA, by Tullow for the cash settlement of costs owed by a government or national oil company for their equity interest in a licence.

**Customs duties** – This represents cash payments made in respect of customs/excise/import and export duties made during the year including items such as railway levies. These payments typically arise through the import/transportation of goods into a country with the cash payment made in the year the charge is borne.

**Training allowances** – This comprises payments made in respect of training government or national oil company staff. This can be in the form of mandatory contractual requirements or discretionary training provided by a company.

SUPPLEMENTARY INFORMATION  
TRANSPARENCY DISCLOSURE 2015 (UNAUDITED)

UK Regulations								
Licence / Company level	Production entitlements bbls (000)	Production entitlements US\$ (000)	Income taxes US\$ (000)	Royalties (cash only) US\$ (000)	Dividends US\$ (000)	Bonus payments US\$ (000)	Licence fees US\$ (000)	Infrastructure improvement payments US\$ (000)
M'Boundi	226	-	-	-	-	-	-	-
Total Congo	226	-	-	-	-	-	-	-
CI-26 Espoir	-	274	-	-	-	-	-	-
Corporate	-	-	-	-	-	-	-	-
Total Côte d'Ivoire	-	274	-	-	-	-	-	-
Ceiba	149	-	-	-	-	-	-	-
Okume Complex	346	-	-	-	-	-	-	-
Corporate	-	-	37,381	-	-	-	-	-
Total Equatorial Guinea	495	-	37,381	-	-	-	-	-
Echira	-	-	-	1,304	-	-	-	-
Etame	-	-	-	3,124	-	-	-	-
Ezanga	-	-	-	706	-	20,000	-	-
Limande	-	-	-	3,236	-	-	-	-
M'Oba	-	-	-	157	-	-	-	-
Niungo	-	-	-	3,013	-	-	-	-
Tchatamba	-	-	-	9,413	-	-	-	-
Turnix	-	-	-	1,088	-	-	-	-
Corporate – Tullow Oil Gabon SA	-	-	15,775	94	-	-	-	-
Oba	-	-	-	1,106	-	-	-	-
Corporate – Tulipe Oil SA	-	-	2,122	-	-	-	-	-
Total Gabon	-	-	17,897	23,241	-	20,000	-	-
Jubilee	664	-	-	-	-	-	-	915
TEN	-	-	-	-	-	-	-	237
Company level	-	-	-	-	-	-	60	3,190
Total Ghana	664	-	-	-	-	-	60	4,342
Company level	-	-	-	-	-	-	75	60
Total Guinea	-	-	-	-	-	-	75	60
PSC B (Chinguetti EEA)	47	-	-	-	-	-	258	-
Corporate	-	-	-	-	-	-	70	-
Total Mauritania	47	-	-	-	-	-	328	-
South Omo	-	-	-	-	-	-	441	197
Corporate	-	-	-	-	-	-	-	-
Total Ethiopia	-	-	-	-	-	-	441	197
Corporate	-	-	9	-	-	-	486	-
Total Kenya	-	-	9	-	-	-	486	-
Block 3111	-	-	-	-	-	-	300	-
Corporate	-	-	-	-	-	-	300	-
Total Madagascar	-	-	-	-	-	-	600	-
Corporate	-	-	1	-	-	-	-	-
Total Mozambique	-	-	1	-	-	-	-	-
Company level	-	-	-	-	-	-	127	-
Total Namibia	-	-	-	-	-	-	127	-

Voluntary disclosure							TOTAL	
VAT US\$(000)	Stamp duty US\$ (000)	Withholding tax US\$ (000)	PAYE & national insurance US\$ (000)	Carried interests US\$ (000)	Customs duties US\$ (000)	Training allowances US\$(000)	US\$ (000)	bbls (000)
-	-	-	-	-	-	-	-	226
-	-	-	-	-	-	-	-	226
-	-	-	-	-	-	-	274	-
-	-	-	59	-	-	-	59	-
-	-	-	59	-	-	-	333	-
-	-	-	-	-	-	-	-	149
-	-	-	-	-	-	-	-	346
-	-	-	-	-	-	-	37,381	-
-	-	-	-	-	-	-	37,381	495
-	-	-	-	-	-	-	1,304	-
-	-	-	-	-	-	-	3,124	-
-	-	-	-	-	-	-	20,706	-
-	-	-	-	-	-	-	3,236	-
-	-	-	-	-	-	-	157	-
-	-	-	-	-	-	-	3,013	-
-	-	-	-	-	-	-	9,413	-
-	-	-	-	-	-	-	1,088	-
344	-	69	588	-	-	-	16,870	-
-	-	-	-	-	-	-	1,106	-
-	-	-	2	-	-	-	2,124	-
344	-	69	590	-	-	-	62,141	-
-	-	-	-	-	-	-	915	664
-	-	-	-	-	-	-	237	-
3,709	-	63,321	16,597	94,114	10,215	250	191,456	-
3,709	-	63,321	16,597	94,114	10,215	250	192,608	664
-	-	-	25	-	-	-	160	-
-	-	-	25	-	-	-	160	-
-	-	-	-	-	-	-	258	47
-	-	1,270	61	-	-	700	2,101	-
-	-	1,270	61	-	-	700	2,359	47
-	-	-	-	-	-	-	638	-
(1,780)	-	49	160	-	-	150	(1,421)	-
(1,780)	-	49	160	-	-	150	(783)	-
157	-	9,003	21,634	-	993	958	33,240	-
157	-	9,003	21,634	-	993	958	33,240	-
-	-	-	-	-	-	-	300	-
-	-	-	3	-	-	-	303	-
-	-	-	3	-	-	-	603	-
-	-	-	-	-	-	-	1	-
-	-	-	-	-	-	-	1	-
-	-	-	188	-	-	55	370	-
-	-	-	188	-	-	55	370	-

SUPPLEMENTARY INFORMATION  
TRANSPARENCY DISCLOSURE 2015 (UNAUDITED) CONTINUED

UK Regulations								
Licence / Company level	Production entitlements bbls (000)	Production entitlements US\$ (000)	Income taxes US\$ (000)	Royalties (cash only) US\$ (000)	Dividends US\$ (000)	Bonus payments US\$ (000)	Licence fees US\$ (000)	Infrastructure improvement payments US\$ (000)
Corporate	-	-	505	-	-	-	-	-
Total South Africa	-	-	505	-	-	-	-	-
Corporate	-	-	36,059	-	-	-	11	-
Total Uganda	-	-	36,059	-	-	-	11	-
Corporate	-	-	(2,919)	-	-	-	-	-
Total Ireland	-	-	(2,919)	-	-	-	-	-
Walton Morant	-	-	-	-	-	-	128	-
Corporate	-	-	-	-	-	-	-	-
Total Jamaica	-	-	-	-	-	-	128	-
Corporate	-	-	(5,755)	-	-	-	259	-
Total Netherlands	-	-	(5,755)	-	-	-	259	-
PL 405B	-	-	-	-	-	-	263	-
PL 406	-	-	-	-	-	-	391	-
PL 438	-	-	-	-	-	-	1,002	-
PL 519	-	-	-	-	-	-	186	-
PL 550	-	-	-	-	-	-	1,370	-
Corporate	-	-	(144,867)	-	-	-	71	-
Total Norway	-	-	(144,867)	-	-	-	3,283	-
Corporate	-	-	-	-	-	-	10	14
Total Pakistan	-	-	-	-	-	-	10	14
Block 47	-	-	-	-	-	-	-	258
Block 54	-	-	-	-	-	-	-	258
Corporate	-	-	-	-	-	-	-	-
Total Suriname	-	-	-	-	-	-	-	516
Murdoch	-	-	-	-	-	-	260	-
Ketch	-	-	-	-	-	-	299	-
Schooner	-	-	-	-	-	-	434	-
Corporate	-	-	7,080	-	-	-	634	238
Total UK	-	-	7,080	-	-	-	1,627	238
Corporate	-	-	-	-	-	-	-	-
Total Uruguay	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>1,432</b>	<b>274</b>	<b>(54,609)</b>	<b>23,241</b>	<b>-</b>	<b>20,000</b>	<b>7,435</b>	<b>5,367</b>

Voluntary disclosure							TOTAL	TOTAL
VAT	Stamp duty	Withholding tax	PAYE & national insurance	Carried interests	Customs duties	Training allowances	US\$ (000)	bbls (000)
472	-	-	5,428	-	-	-	6,405	-
472	-	-	5,428	-	-	-	6,405	-
907	-	6,286	6,121	-	-	276	49,660	-
907	-	6,286	6,121	-	-	276	49,660	-
(2,593)	-	-	8,910	-	-	-	3,398	-
(2,593)	-	-	8,910	-	-	-	3,398	-
-	-	-	-	-	-	-	128	-
-	-	-	-	-	-	102	102	-
-	-	-	-	-	-	102	230	-
400	-	-	490	-	-	-	(4,606)	-
400	-	-	490	-	-	-	(4,606)	-
-	-	-	-	-	-	-	263	-
-	-	-	-	-	-	-	391	-
-	-	-	-	-	-	-	1,002	-
-	-	-	-	-	-	-	186	-
-	-	-	-	-	-	-	1,370	-
(3,797)	-	-	10,597	-	135	-	(137,861)	-
(3,797)	-	-	10,597	-	135	-	(134,649)	-
-	-	270	-	-	-	7	301	-
-	-	270	-	-	-	7	301	-
-	-	-	-	-	-	-	258	-
-	-	-	-	-	-	-	258	-
-	-	-	242	-	-	-	242	-
-	-	-	242	-	-	-	758	-
-	-	-	-	-	-	-	260	-
-	-	-	-	-	-	-	299	-
-	-	-	-	-	-	-	434	-
(26,589)	-	-	63,015	-	-	-	44,378	-
(26,589)	-	-	63,015	-	-	-	45,371	-
(33)	-	-	153	-	-	100	220	-
(33)	-	-	153	-	-	100	220	-
<b>(28,803)</b>	<b>-</b>	<b>80,268</b>	<b>134,273</b>	<b>94,114</b>	<b>11,343</b>	<b>2,598</b>	<b>295,501</b>	<b>1,432</b>
							Payments in kind in US\$ (000)	95,928
							<b>TOTAL US\$ (000)</b>	<b>391,429</b>