



Tullow Oil plc

Tullow Oil plc | 2020 Full Year Results
10 March 2021

This presentation 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 Tullow 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.

The Group undertakes no obligation to revise any such forward-looking statements to reflect any changes in the Group's expectations or any change in circumstances, events or the Group's plans and strategy. Accordingly no reliance may be placed on the figures contained in such forward looking statements

2020 Full Year Results

Agenda



Presenters



OVERVIEW

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2020 Full Year Results overview



Operations

- Production in line with guidance at 74,900 bopd
- Ghana – improved operational performance underpinned by gas offtake and water injection
- Non-op – diversified portfolio delivering stable and sustainable production
- Kenya – licence extended and development concept under review
- Exploration – focus on unlocking value



Financial

- Results in line with expectations despite a challenging year
- Self-help of c.\$1bn putting Tullow on a firmer financial footing



Portfolio Management

- Uganda – sale completed in November 2020 and \$500m proceeds received
- Equatorial Guinea and Dussafu – up to \$180m sale announced in February 2021
- Optimising exploration portfolio



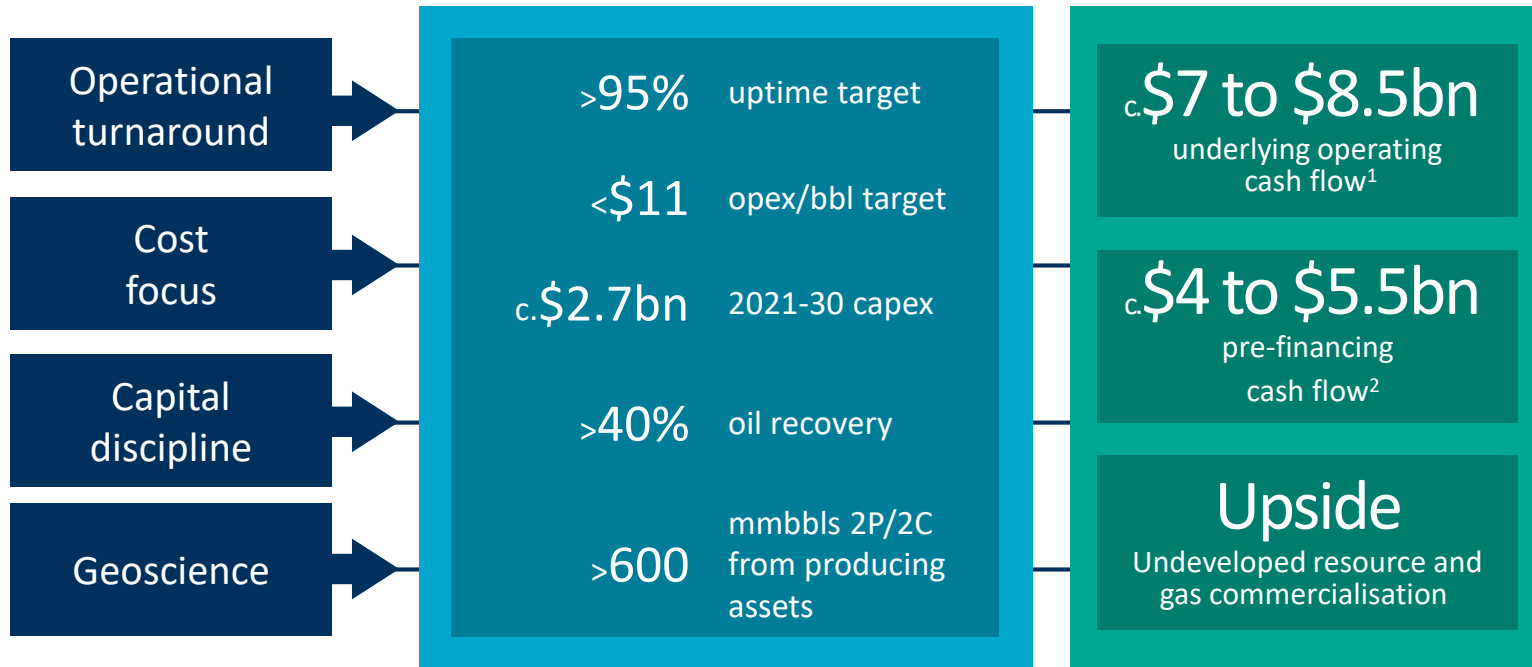
Strategic

- Strategic focus on low-cost production assets
- Targeting Net Zero by 2030 (Scope 1 & 2)
- Capital Markets Day laid out 10-year Business Plan to deliver c.\$4bn pre-financing cash flow at \$55/bbl
- Well positioned for price upside – incremental \$1.5bn at \$65/bbl over 10 years

Entering delivery mode and executing the plan

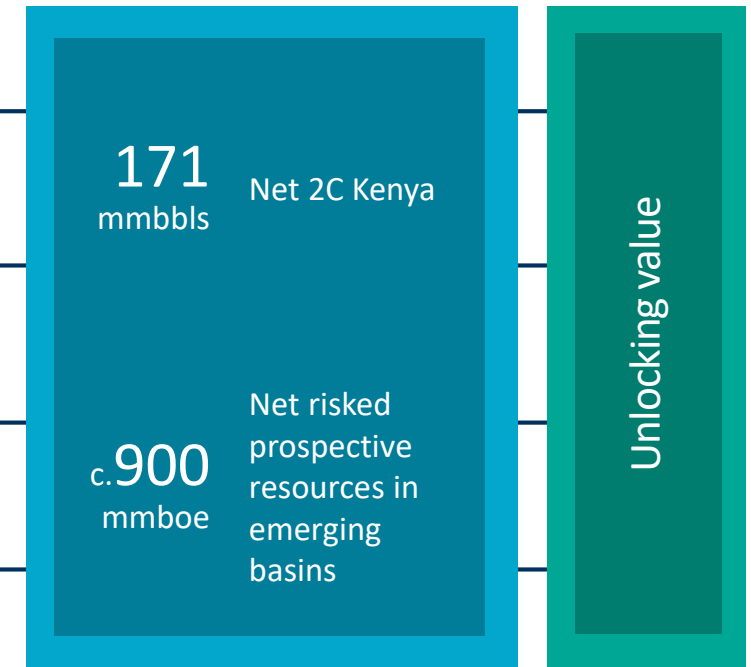
Production base with material resource play

2021-30



>90% capital allocation

Significant positions in discovered and emerging basins



Managing capital exposure

¹ Cash flow from operating activities, before debt service, capital investment and decommissioning expenditure

² Cash flow from operating activities less capital investment and decommissioning expenditure

^{1&2} Bottom of range based on CMD assumptions of \$45/bbl in 2021, \$55/bbl flat nominal in 2022+. Top of range based on \$65/bbl flat nominal in 2021+

^{NB} Excludes impact of Equatorial Guinea and Dussafu sales

Key priorities for 2021



Operational turnaround

- Deliver low-cost production within guidance range 60,000-66,000 bopd
- Initiate drilling campaign in Ghana and deliver production growth from 2022 onwards



Cost and capital discipline

- Pursue continuous improvement to reduce costs
- Drive drilling costs down by c.20%



Capital structure

- Confirm refinancing agreement in first half of the year
- Liquidity position improving with self-help and oil price



Unlocking portfolio value

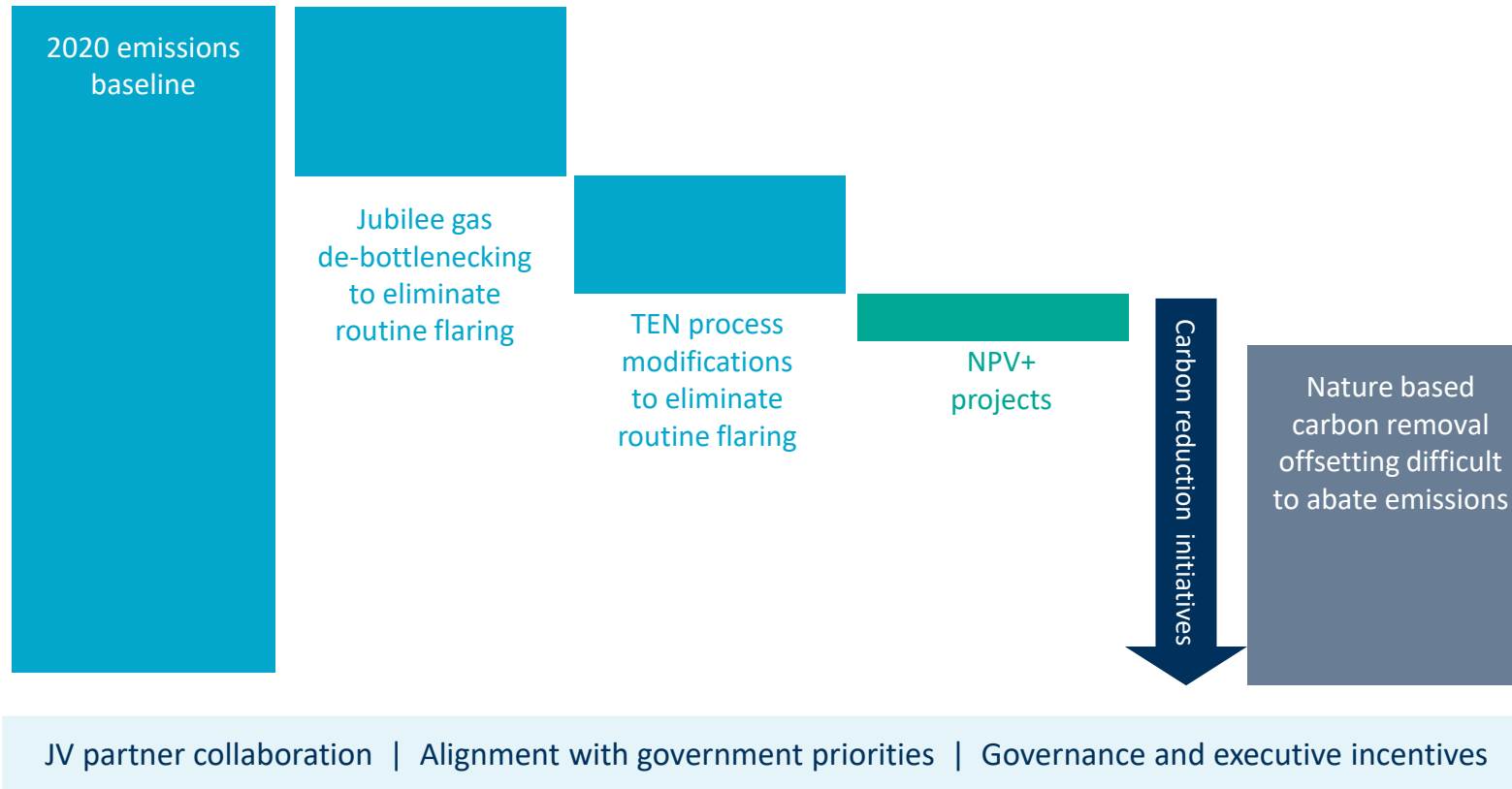
- Kenya project redesign
- Complete GVN-1 well in Suriname
- Prospect maturation in Guyana



Every barrel
matters &
every dollar
counts

Targeting Net Zero by 2030 (Scope 1 & 2)

Pathway to carbon neutrality in 2030



Interim target of 40-45% reduced emissions¹ by 2025

Target elimination of routine flaring by 2025

Long-term gas offtake options support Net Zero ambition

¹ Net equity emissions

FINANCIAL

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Financial highlights

Self-help delivering c.\$1bn over two years

- Uganda, Equatorial Guinea and Dussafu sales to raise over \$0.7bn with further upside potential
- Annual cost savings of >\$125m from headcount reduction, outsourcing and efficiencies

Cash flow generation supports deleveraging and value creation

- Free cash flow in 2020 of \$432m, including Uganda proceeds
- Self-funded business plan generates c.\$4bn pre-financing cash flow at \$55/bbl

Prudent commodity risk management

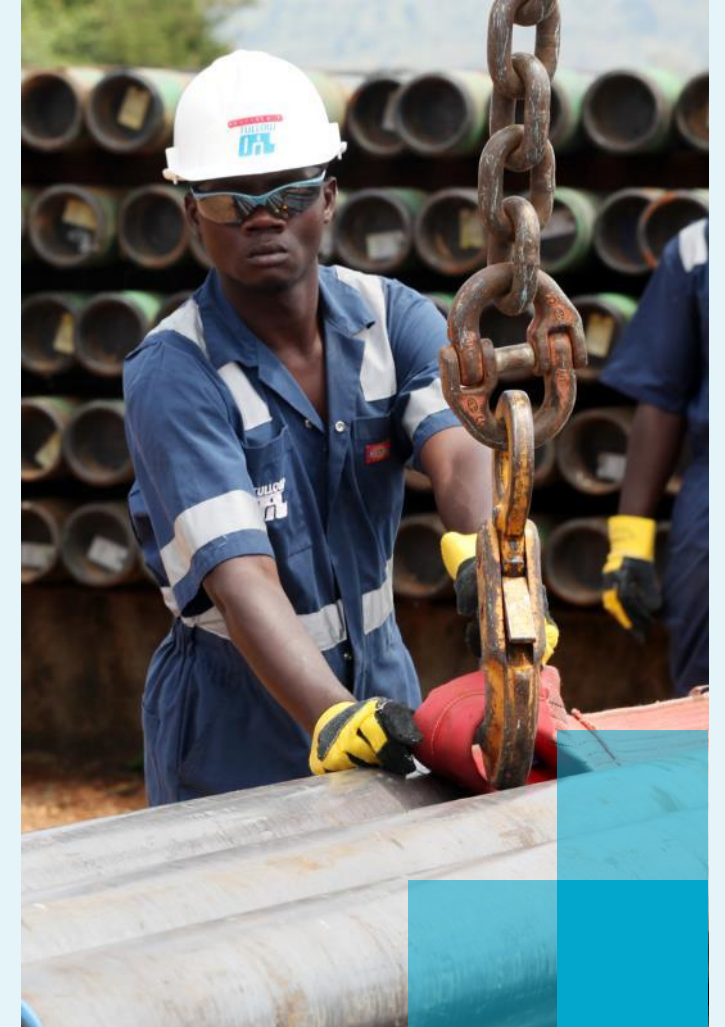
- Reduce revenue volatility through hedging programme, delivered \$219m in 2020
- Critical downside protection, whilst retaining access to the upside

RBL redeterminations supported by material reserves base

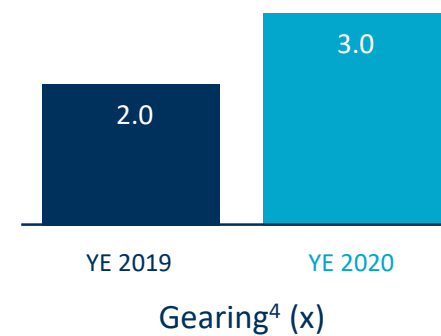
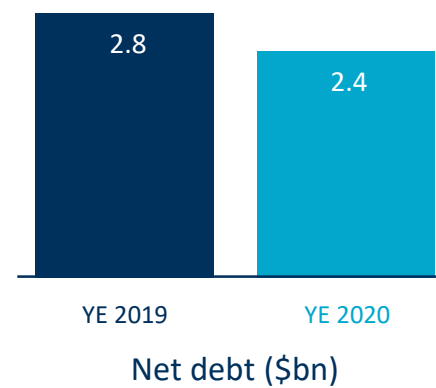
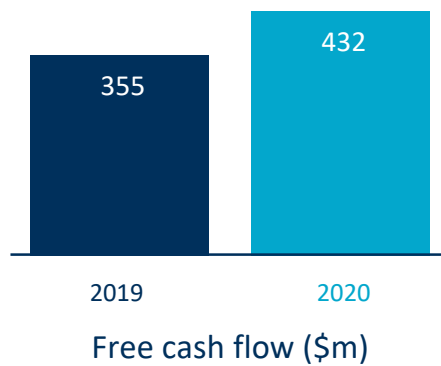
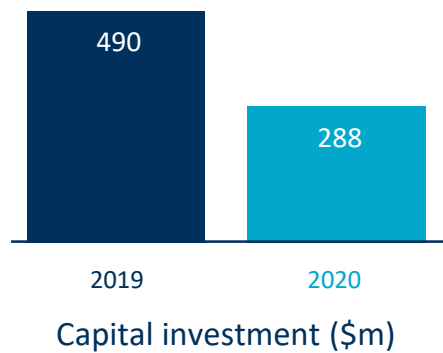
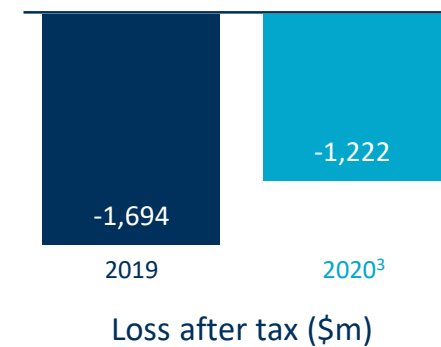
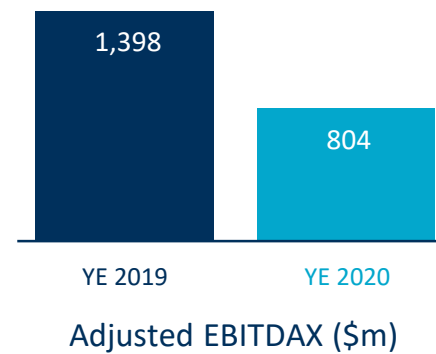
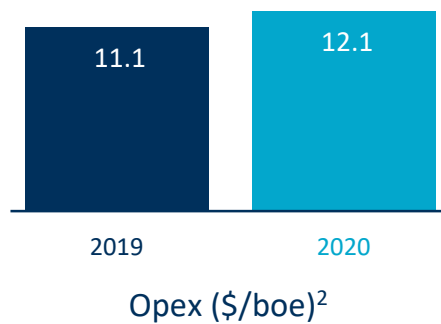
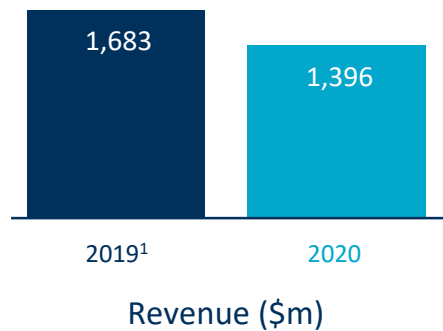
- March and September 2020 redeterminations completed in challenging environment
- January 2021 redetermination completed with debt capacity of \$1.7bn

Constructive refinancing discussions ongoing

- Debt refinancing options being progressed with creditors
- Strong operational delivery, self-help and higher commodity prices providing positive impetus



2020 Full Year Results



¹ Includes Corporate Business Interruption insurance

² Includes turret remediation and COVID related costs

³ Loss impacted by impairments and write-offs

⁴ Net debt / EBITDAX

Addressing near term debt maturities

Self-help...



- Annual cash savings >\$125 million
- Uganda sale - \$575 million plus deferred consideration
- Equatorial Guinea and Dussafu sales - \$180 million
- Self-funded and cash generative Business Plan at \$55/bbl flat nominal
- Cost discipline and value driven mindset

... delivering c.\$1 billion over two years

RBL redeterminations...



- March and September 2020 redeterminations completed in challenging environment
- RBL debt capacity confirmed at \$1.7 billion in February 2021
- Reflects six months of production and removal of sold assets

... resulting in c.\$0.9 billion of liquidity headroom

Refinancing...

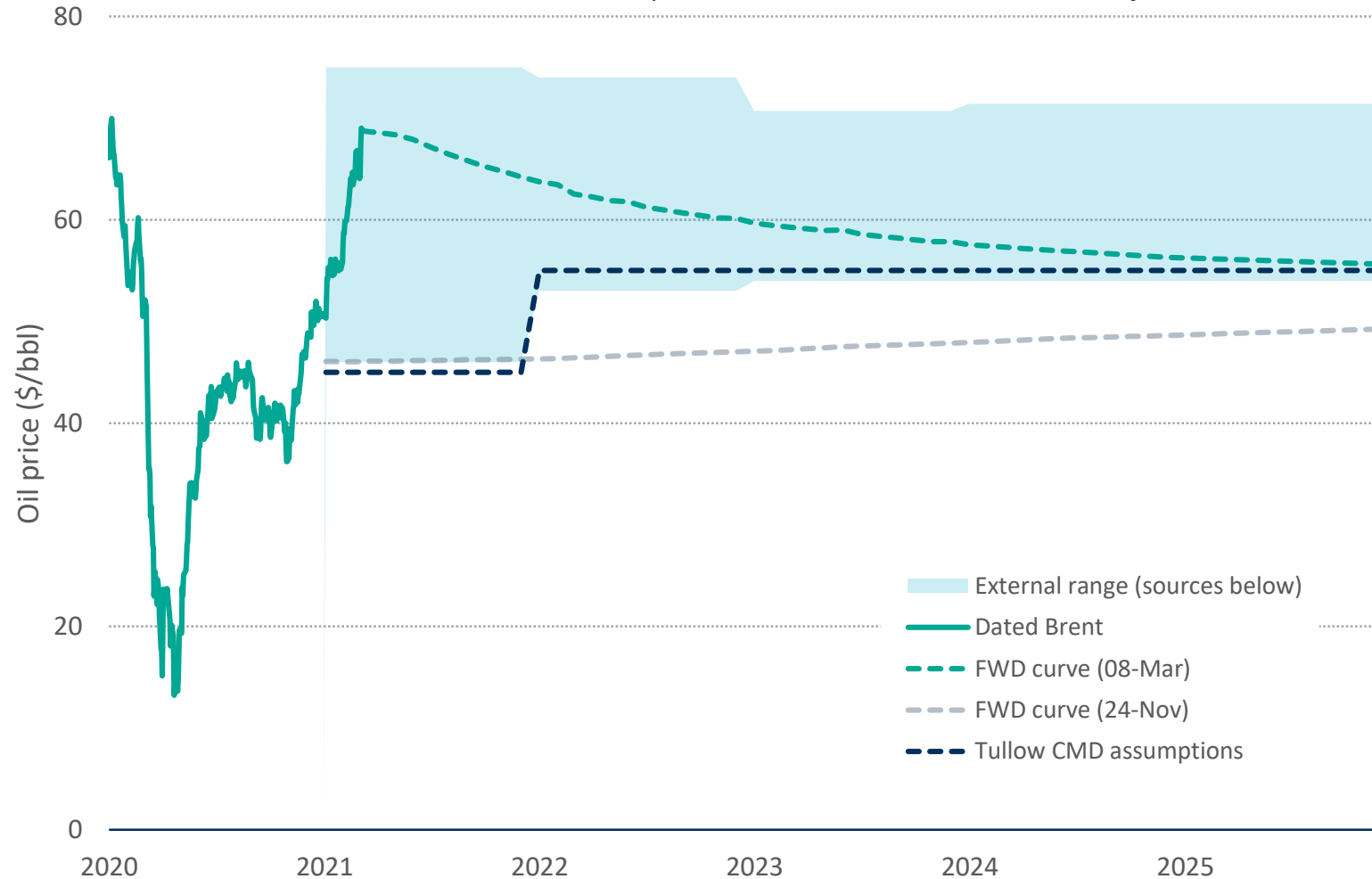
In progress

- Constructive discussions with representatives of banks and bondholders
- Agreement expected in the first half of 2021

... discussions underpinned by Business plan

Conservative assumptions in a volatile environment

Tullow CMD assumptions based on \$45/bbl in 2021, \$55/bbl flat nominal in 2022+



2020

Dramatic crash and rebound following OPEC+ deal, vaccines

Hedging

remains a key risk management tool

\$55/bbl and \$62/bbl

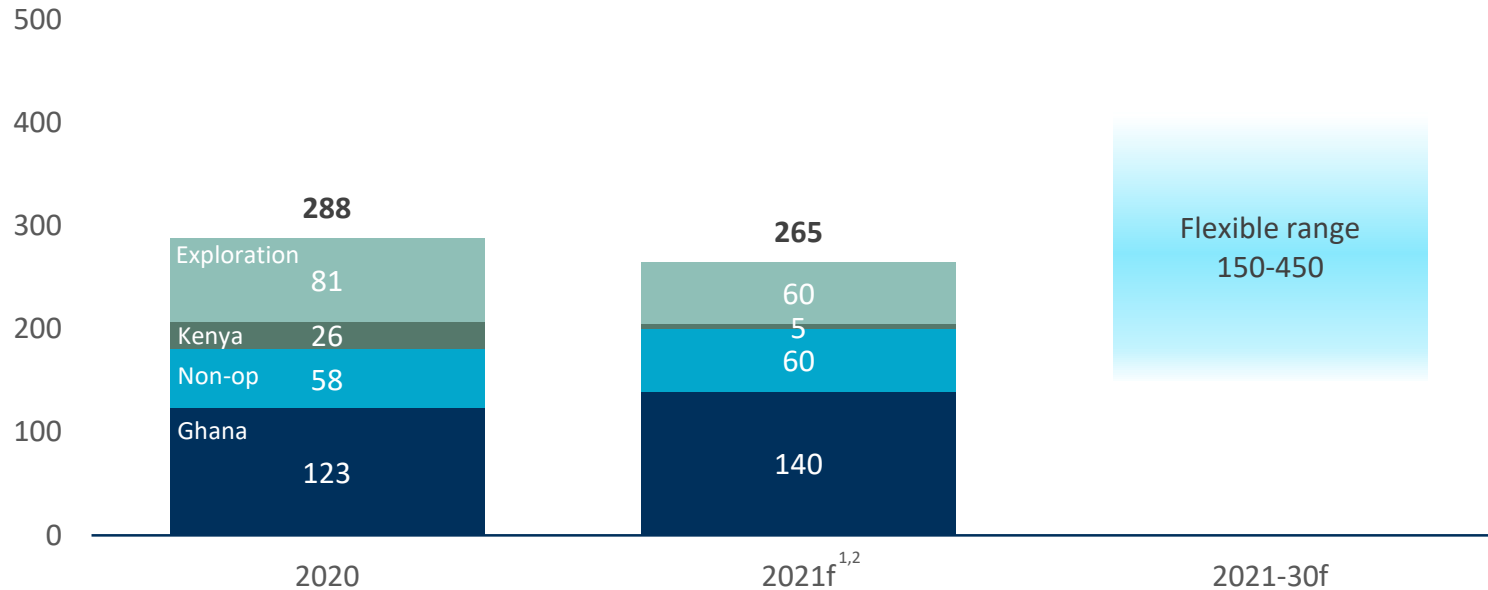
Realised prices in January and February 2021

¹ As of 9 March 2021, hedge position 2021: 40,000 bopd hedged at \$48/bbl, 2022: 11,000 bopd hedged at \$41/bbl

Sources: Bloomberg, Tullow data and External range based on: Arden, Auctus, Barclays, Berenberg, BNP, Canaccord, Cenkos, Citi, Credit Suisse, Deutsche Bank, Goldman Sachs, Hannam, Investec, Jefferies, JPM, Morgan Stanley, Mackie Research, Panmure Gordon, Peel Hunt, RBC, Shore Capital, Societe Generale, Stifel, Tennyson, UBS and WH Ireland

Allocating capital towards producing assets

Maintaining a flexible capex range (\$m)



Ability to reduce capital to respond to volatile oil price environment

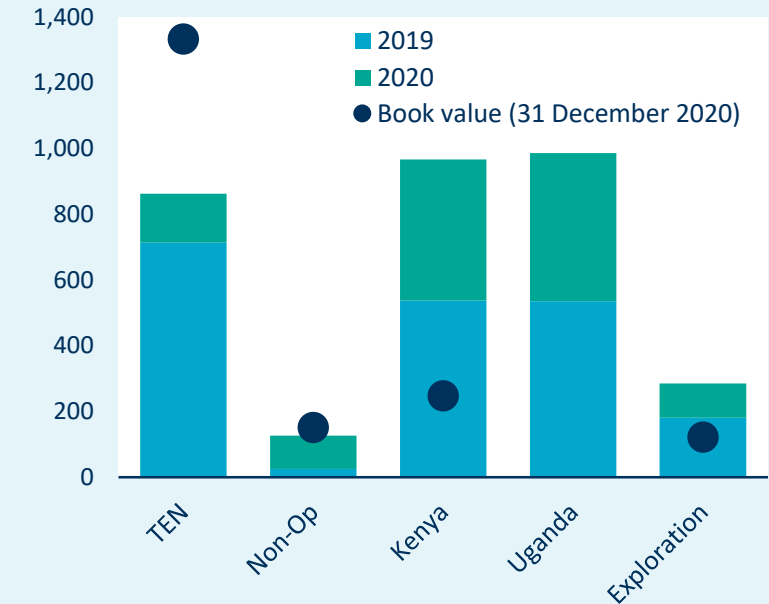
2022+ investing >90% of capital expenditure in producing assets

2021-30 \$2.7bn of total investment¹

¹ Majority of exploration expenditure in 2020-21 relates to existing commitments

² Excludes impact of Equatorial Guinea and Dussafu sales

Impairments and write-offs (\$m)



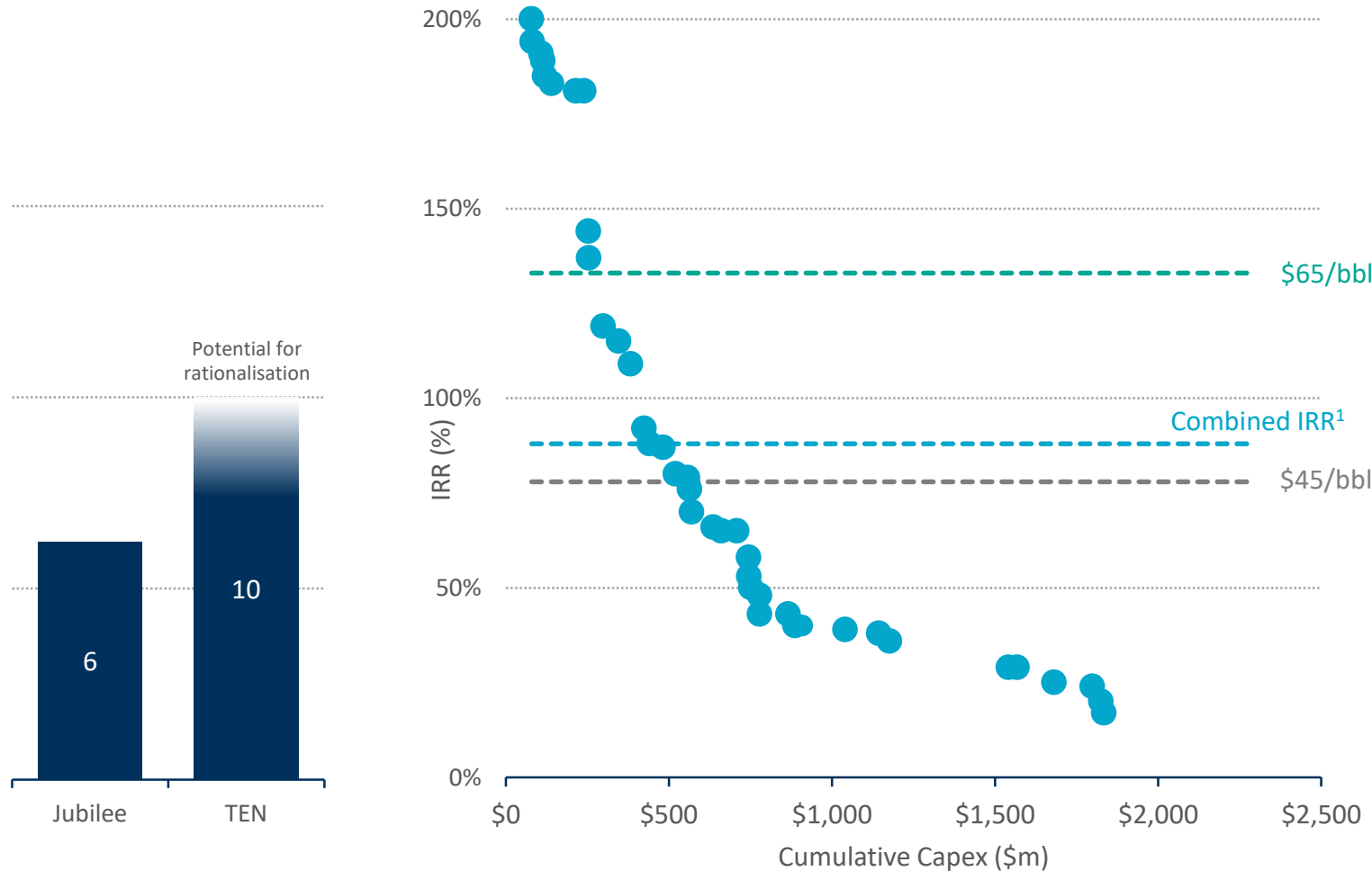
Significant impairments and write-offs recorded in 2019 and 2020

- Driven by lower oil prices
- Historical investment activity at high oil prices
- Material delays to project FIDs in East Africa
- Unsuccessful exploration activity

Jubilee and TEN: Structurally advantaged assets

2021-30 opex (\$/boe)

Attractive portfolio of African production investments



Low cost assets with flexibility in investment profiles

Historic (net) capex \$5.7 bn
2021-30 (net) capex \$2.1 bn

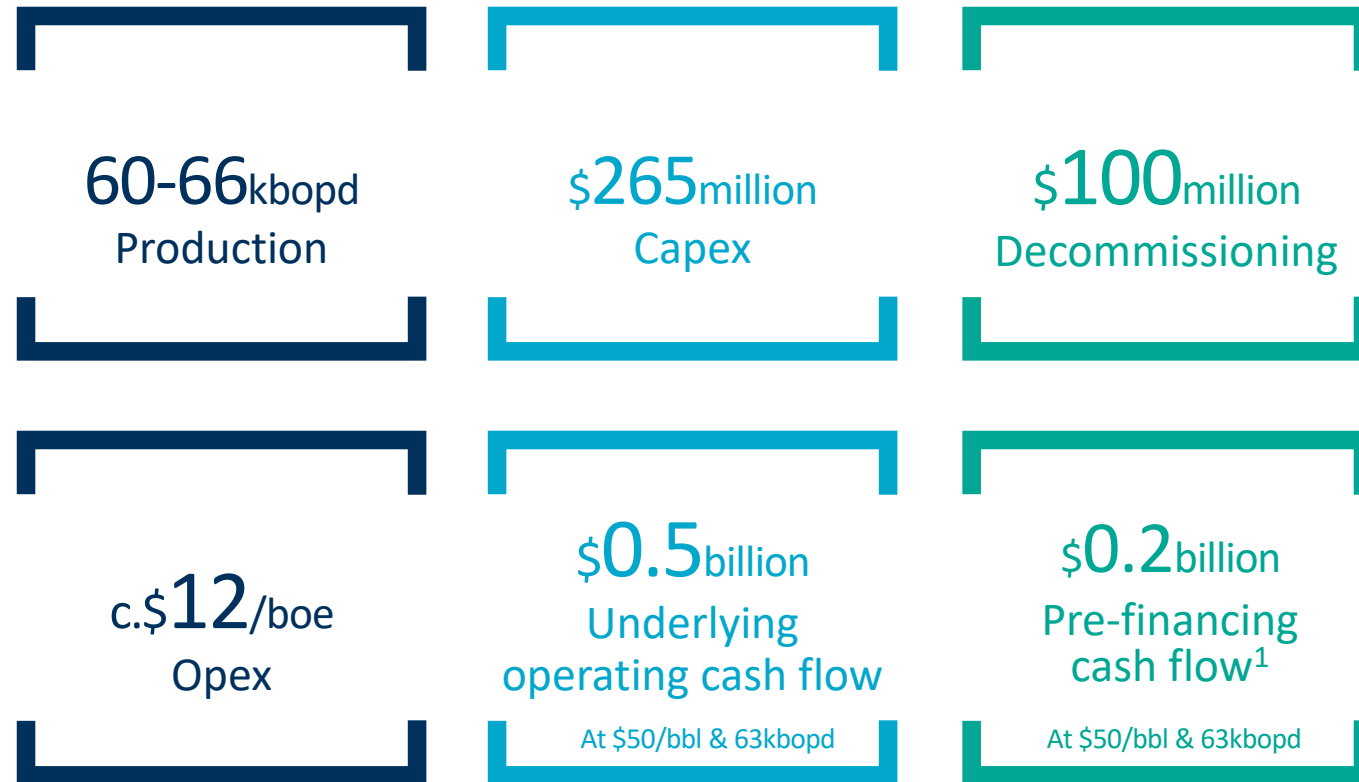
2021-30 capex allocation
Wells: 75%

Opportunities to tie back wells with low spend on infrastructure

¹ Based on \$45/bbl in 2021, \$55/bbl flat nominal in 2022+

2021 Guidance

Key guidance figures

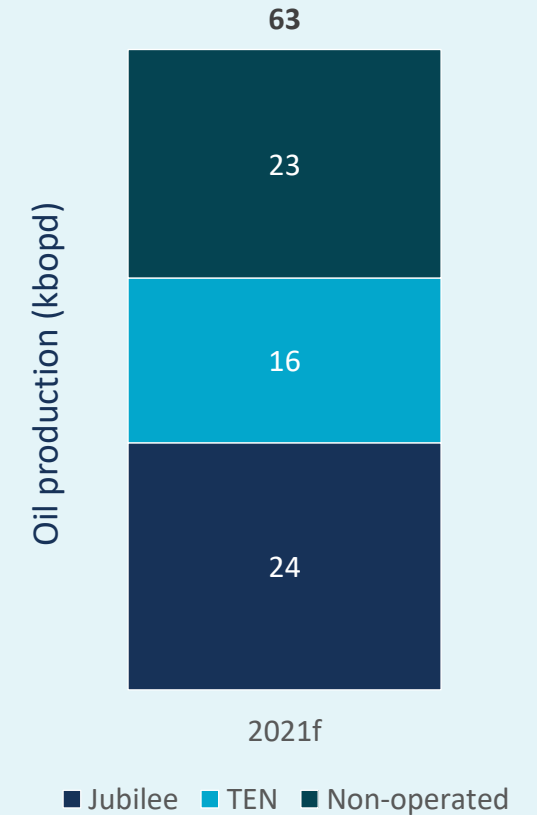


¹ Pre-financing cash flow sensitivity of c.\$100 million per +\$10/bbl up to \$70/bbl

^{NB} Excludes impact of Equatorial Guinea and Dussafu sales. Sales increase 2021 pre-financing cash flow to \$0.3bn



Group production breakdown



OPERATIONS

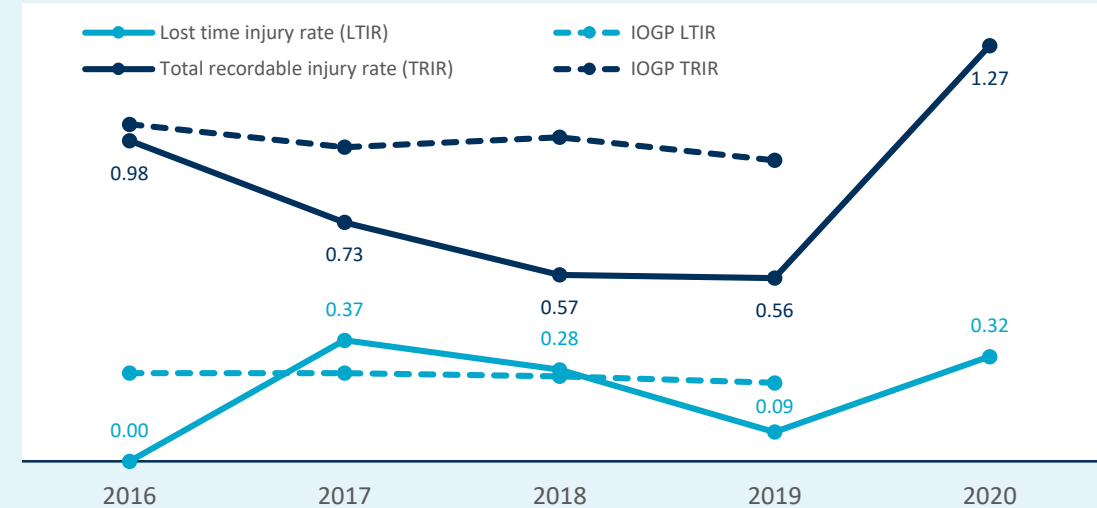
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Commitment to health and safety

COVID-19

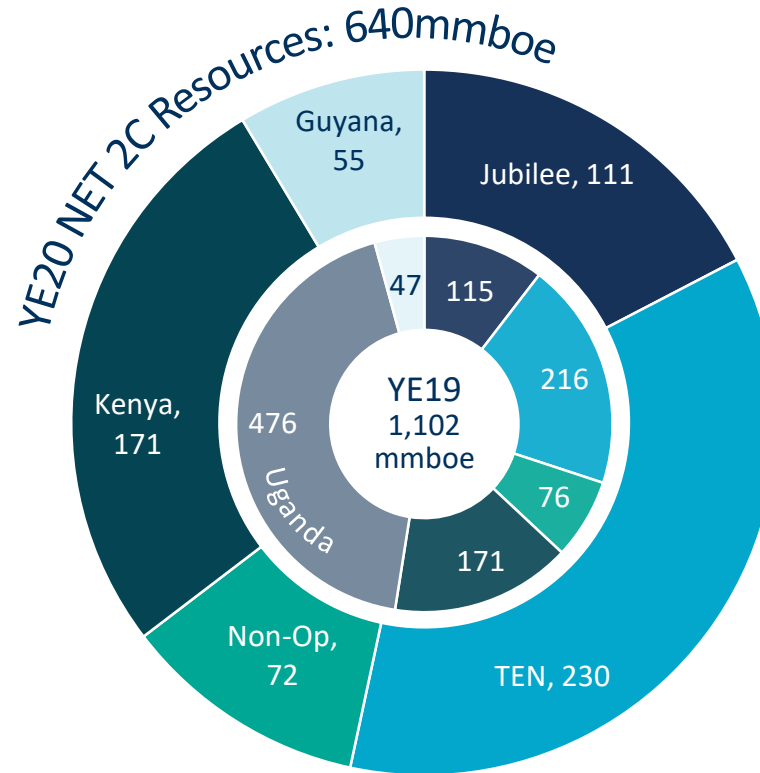
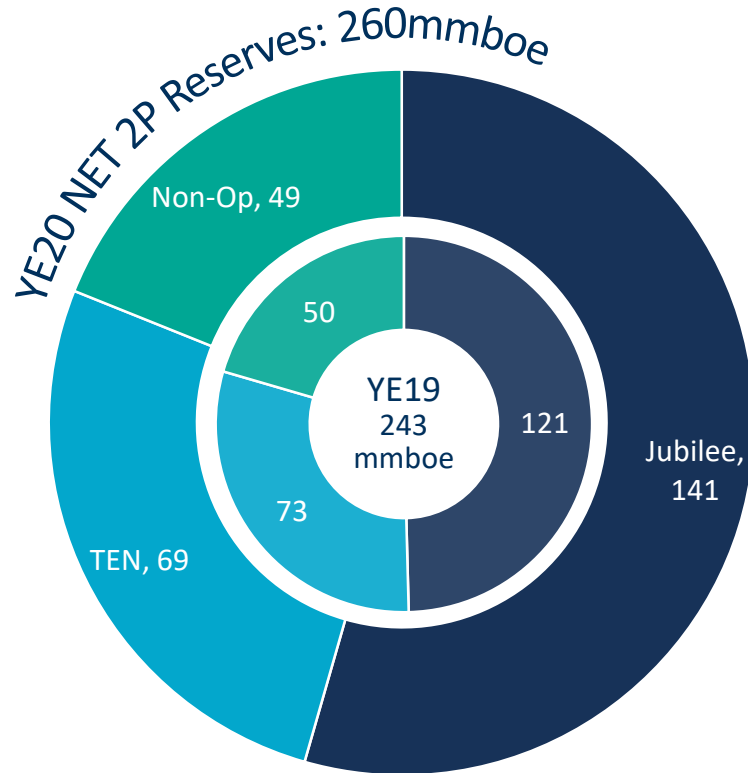
- Close co-operation with Government of Ghana
- Successful management of outbreak offshore Ghana (mid 2020)
 - Both FPSO operations impacted
 - Managed responsibly and effectively
 - No disruption to production
- Business continuity plans in place and operations running as normal
- Ongoing health and wellbeing programme to support physical and mental wellbeing of staff

Safety



- Zero recordable incidents on both Ghana FPSOs and Kenya facilities
- Eight non-critical incidents
- Reinvigorated leadership
 - Leadership commitment charter
 - Revised Safety Improvement Plans
 - Relentless focus on learning

Robust audited reserves and resources base



>160%

2020 reserves replacement¹

- 2P reserves increase largely due to:
 - Improved Jubilee performance
 - Maturation and acceleration of Jubilee projects
 - Jubilee drill sequence
 - Ntomme gas injector addition
- 2C resources decrease predominately due to Uganda asset sale
- Jubilee STOIP recovery factor² 17%
- TEN STOIP recovery factor² 9%

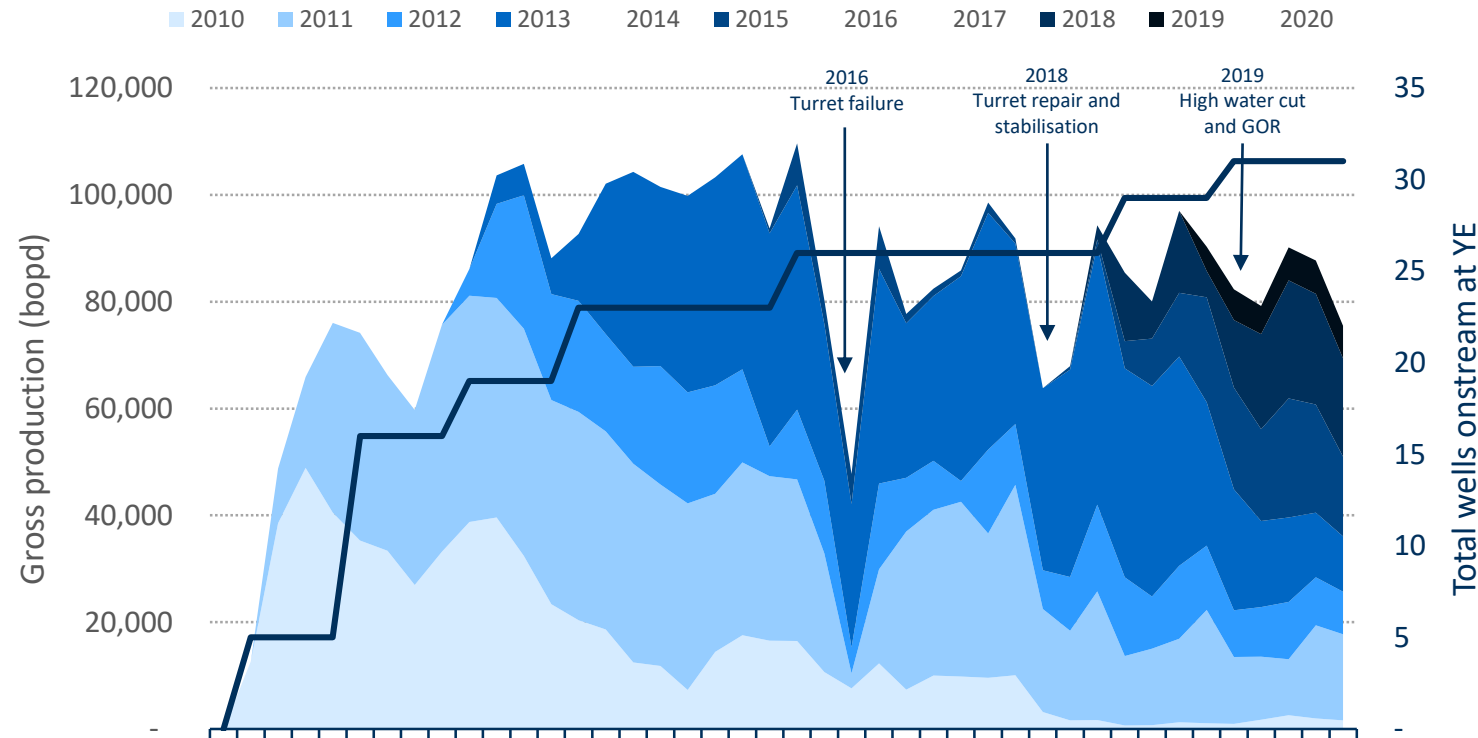
¹ Including production

² Recovery of STOIP as of December 2020

Capital Markets Day recovery factors (41% Jubilee and 30% TEN) inclusive of production, no further activity and defined project volumes

^{NB} Excludes impact of Equatorial Guinea and Dussafu sales.

Jubilee – Production driven by investment and operational performance



Well type	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
Producer	3	5	2	2	-	2	-	-	2	1	-	17
Water injector	2	4	-	2	-	1	-	-	1	1	-	11
Gas injector	-	2	1	-	-	-	-	-	-	-	-	3

Facilities improvements:

2019 → 2020 → 2021f

Uptime 89 → 96 → **95%+**

Gas export 50 → 70 → **135** mmscf/d¹

Water rate 130 → 160 → **240** kbw/d

Indicative future wells 2021-30²

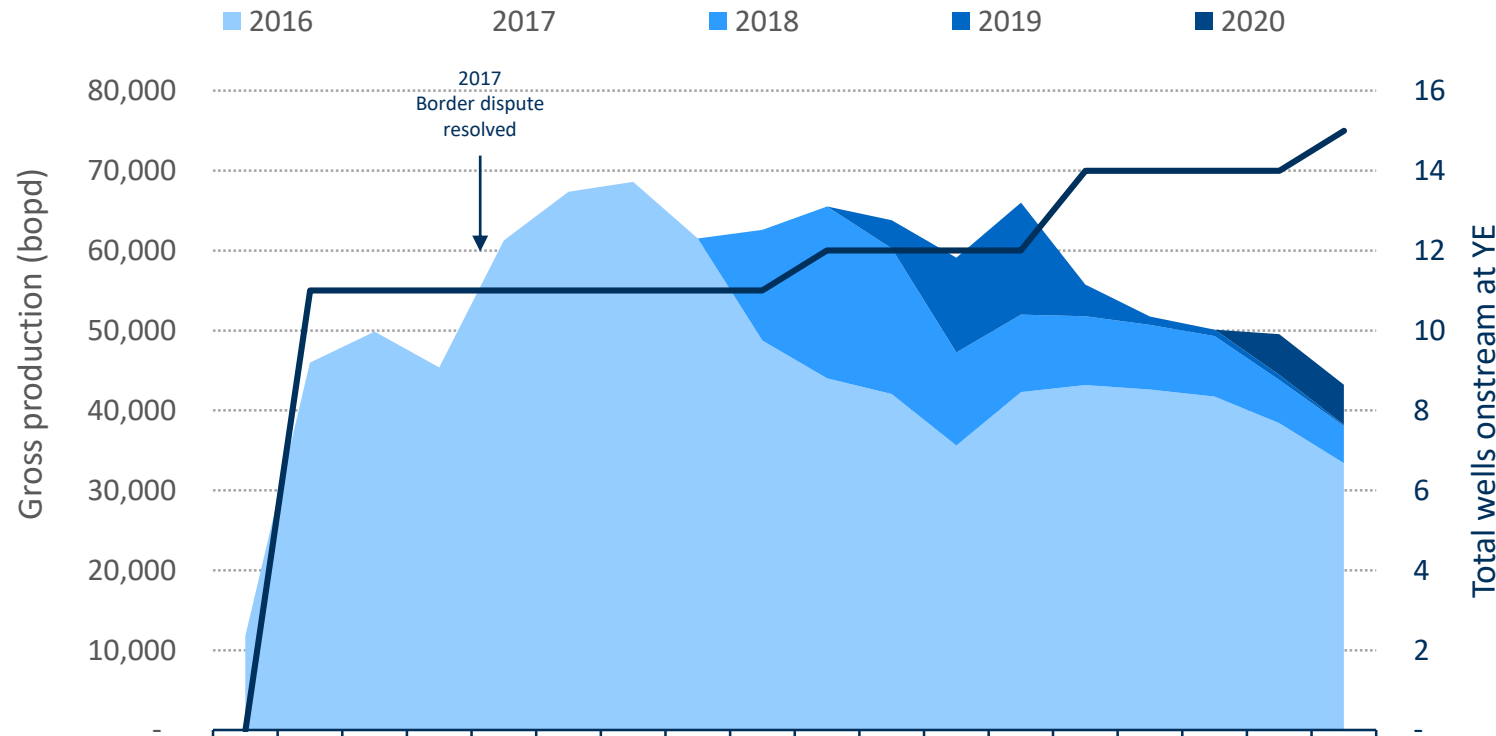
Producers **>15**

Water injectors **>10**

¹ To be achieved through combination of TEN and Jubilee gas

² Subject to approval

TEN – Material additional capacity potential



Well type	2016	2017	2018	2019	2020	Total
Producer	5	-	1	1	1	8
Water injector	5	-	-	1	-	6
Gas injector	1	-	-	-	-	1

¹ As of 31 December 2020

² Subject to approval

Uptime improvement:

2019 → 2020 → 2021f

Uptime 94 → 99 → **99%**

90mmbbls of defined projects:

- Ntomme Far West
- Enyenra North
- Enyenra South
- Plus other opportunities

Indicative future wells 2021-30²

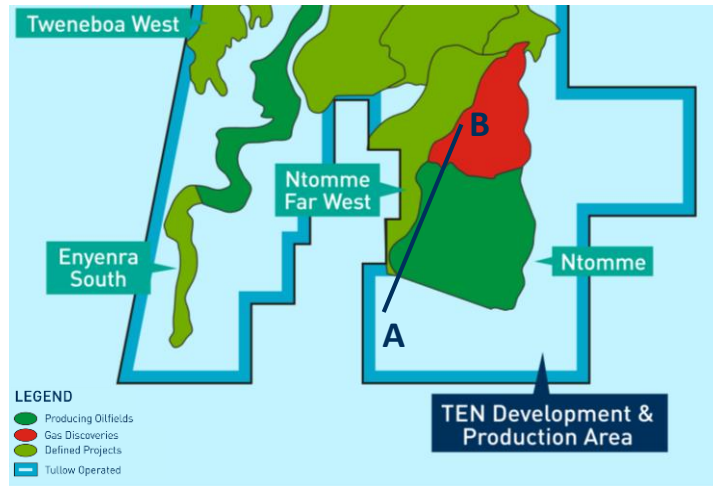
Producers **>15**

Water injectors **>10**

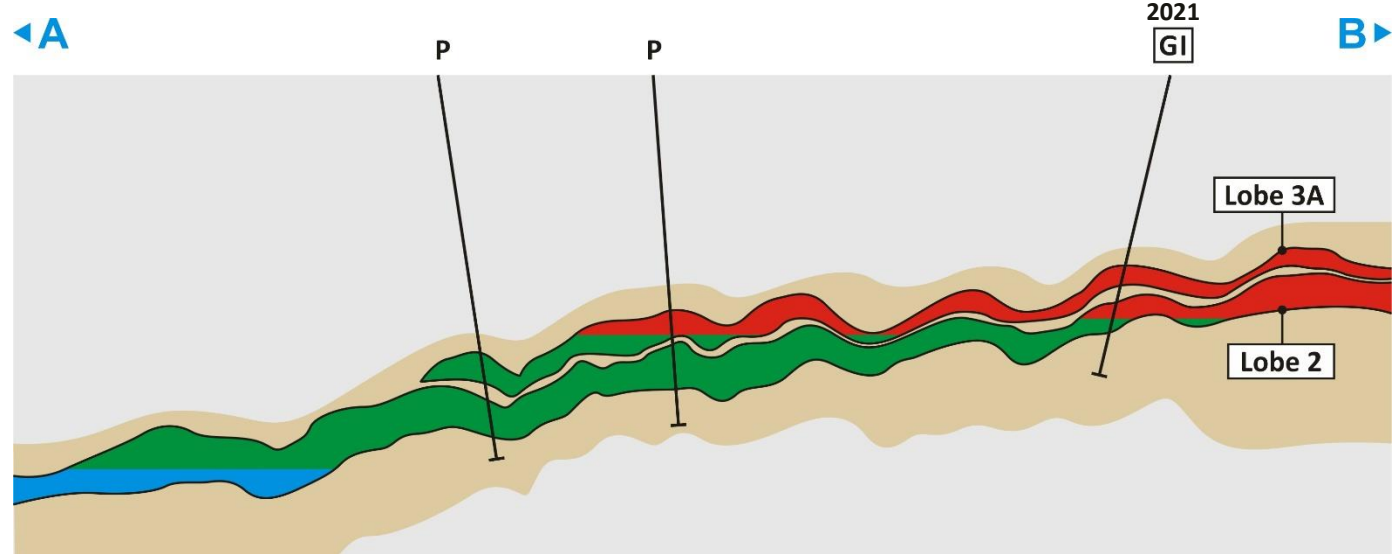
Gas injectors **2**

Well-defined, low-risk opportunities

TEN

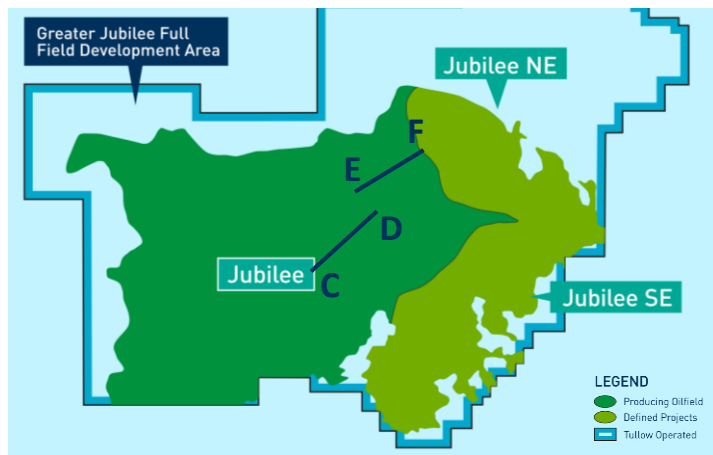


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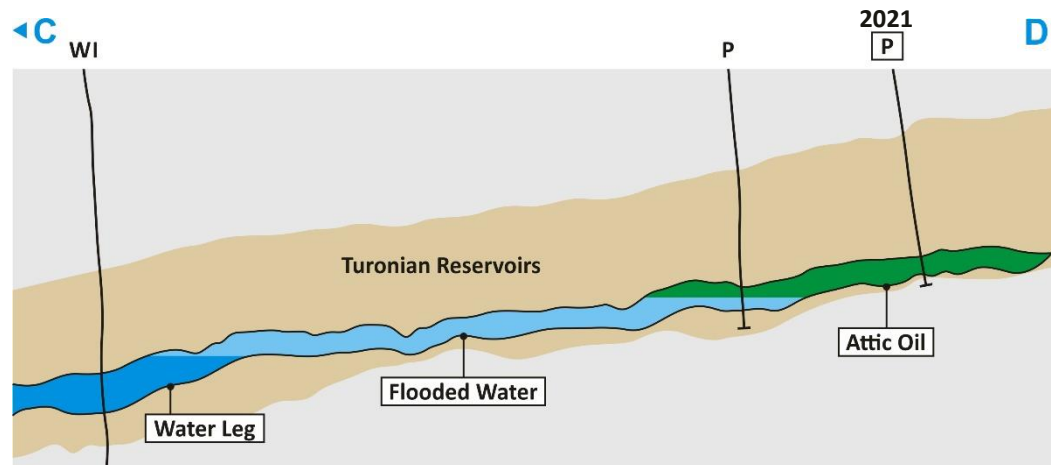


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JUBILEE

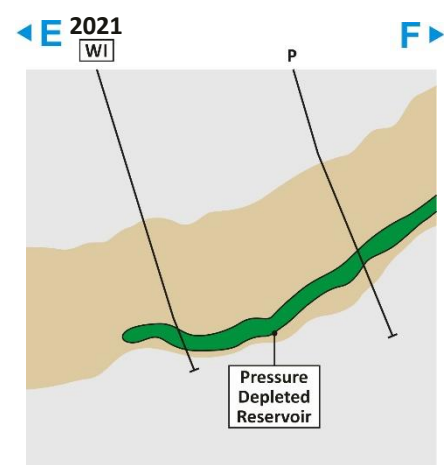


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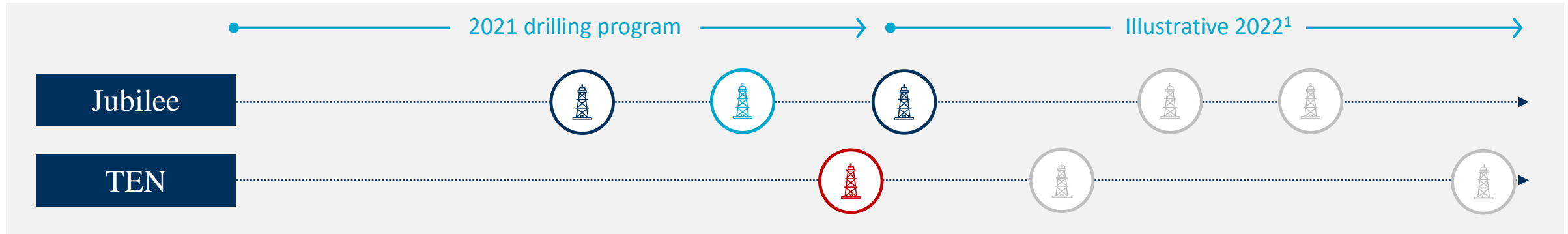


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Delivering visible production growth

Schedule representing onstream dates

 Producer  Water injector  Gas injector  Drill options



Indicative first year incremental production impact

Jubilee producers
c.8,000 bopd

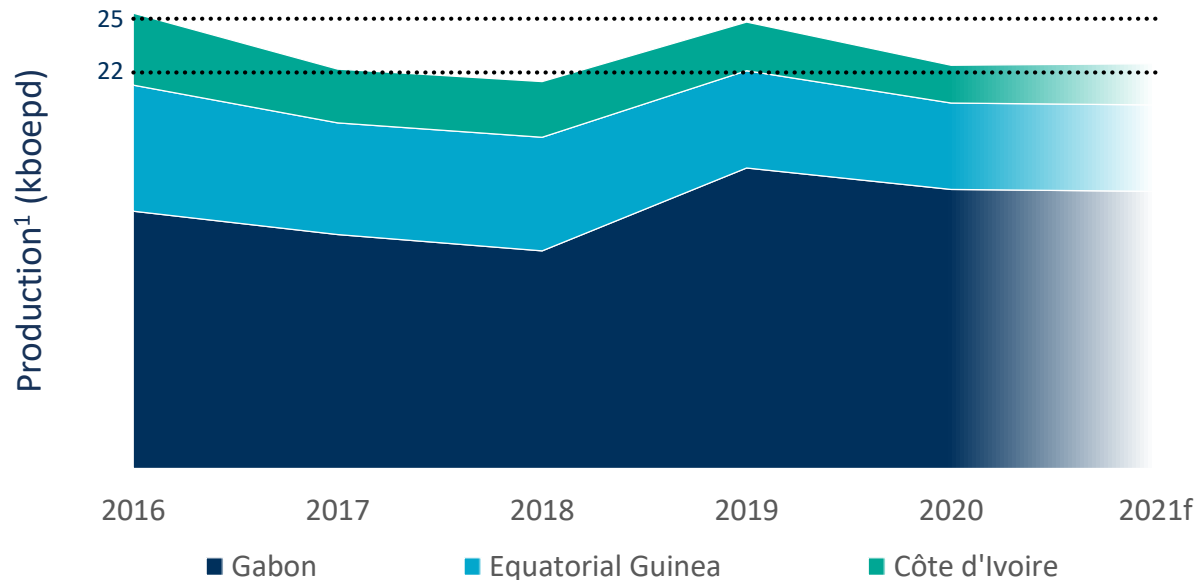
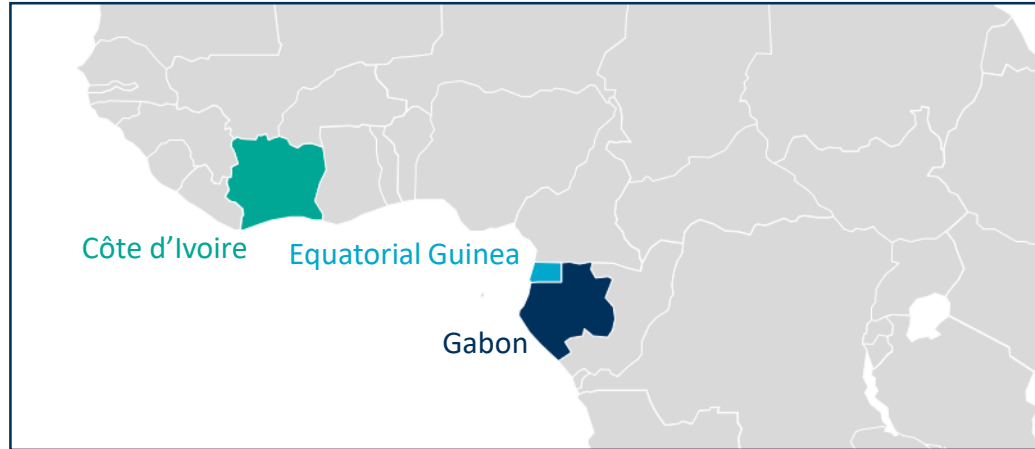
Jubilee water injector
c.8,000 bopd

TEN gas injector
c.5,000 bopd

Drilling 4-5 wells in Ghana with one rig annually, can potentially be doubled from 2023 in two rig scenario

¹ Subject to approval

Stable non-operated production performance and monetisation



Reliable, cash-generative portfolio

Performance

Stable production c.22-25 kboepd

Monetisation¹

Sale of c.6 kboepd of 2021 production for \$180 million

Maturing low-risk investment options

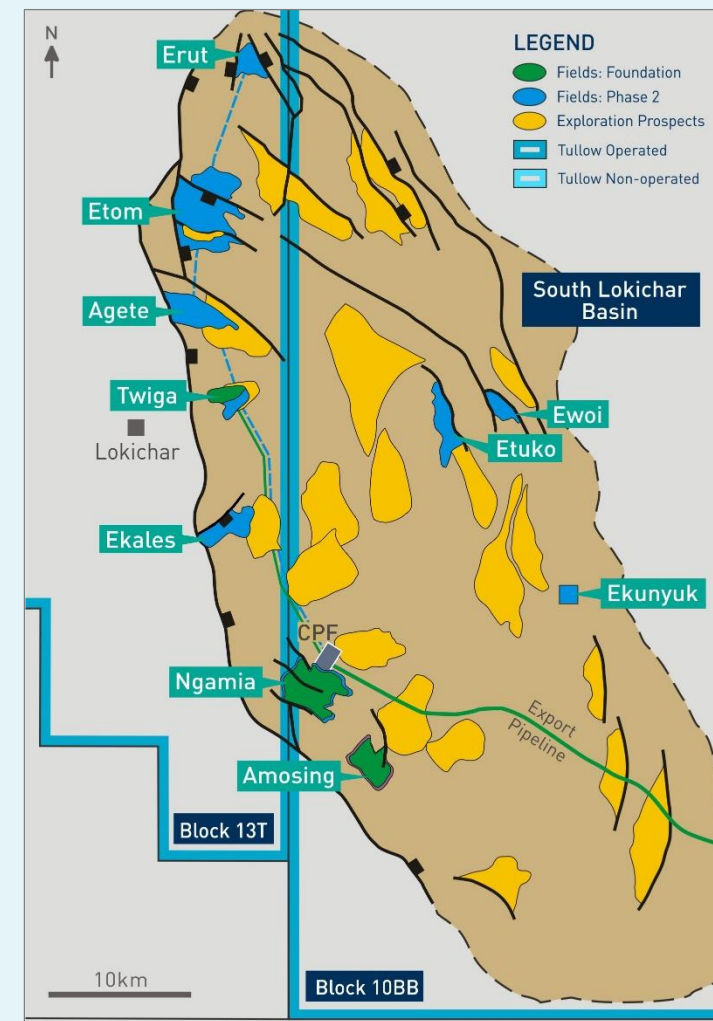
Espoir infill campaign and Simba expansion project

¹ Production excludes impact of Equatorial Guinea and Dussafu sales

Kenya development redesign nearing completion

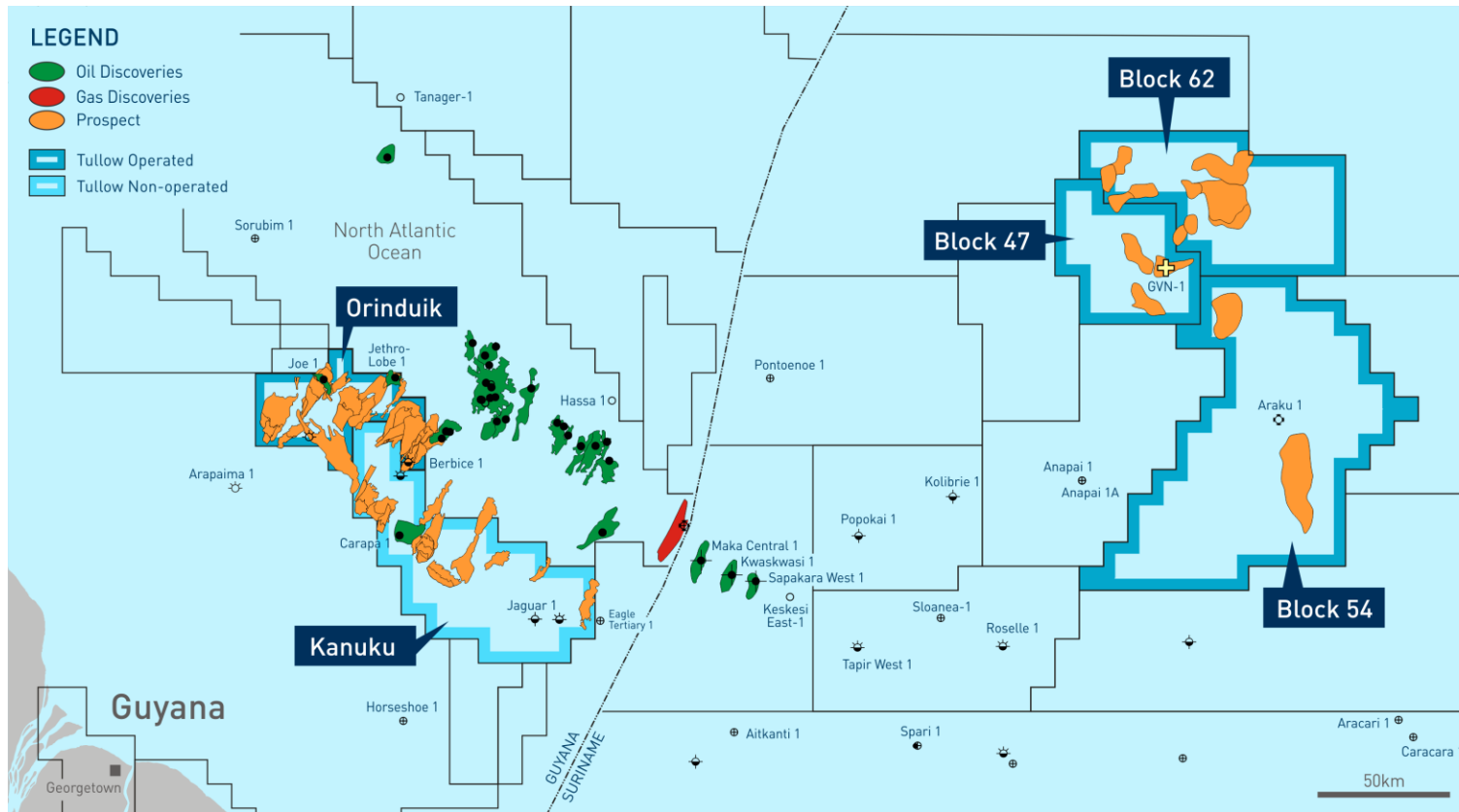
Sustainable economic development at low oil price

Material high quality onshore resource base	1.5 billion bbls STOIIIP (gross)	<ul style="list-style-type: none"> Shallow, productive reservoirs Light waxy crude Large onshore acreage position
Licences extended	December 2021	<ul style="list-style-type: none"> 2021 WP&B approved; licences extended until Dec-21 Plan to fully review development concept Ensure project robust to low oil prices
Significant progress made to date	Upstream	<ul style="list-style-type: none"> Subsurface evaluation incorporating EOPS production data to increase resource recovery within licence period Optimising surface facilities FEED and wells capex under review
	Midstream	<ul style="list-style-type: none"> Progressing EPC Scope of Work and ITT in discussion with JVP and Government of Kenya stakeholders
	Commercial	<ul style="list-style-type: none"> Key agreements drafted; regional and international interest for pipeline financing
	Land, water & ESIA	<ul style="list-style-type: none"> Finalising the process for land allocation for the project with Government of Kenya Progressing water allocation for the project and communities with National/County Govts Midstream ESIA progressing to public participation led by NEMA. Upstream ESIA baseline data collection nearing completion. ESIA submission planned for 2Q21



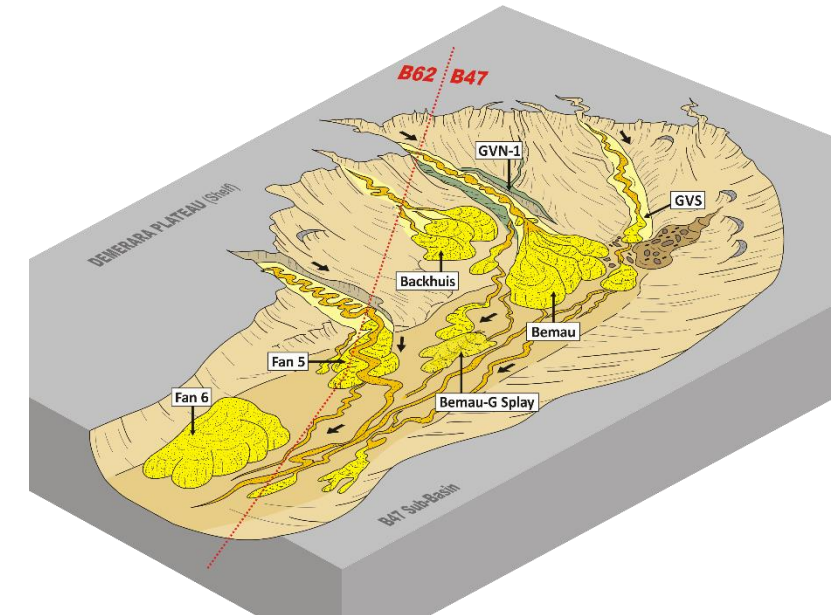
Generating value through prospect identification and maturation

Guyana: high grading drill candidates for 2022+



Three proven plays on Tullow acreage in Guyana and over 2bnboe net recoverable

Suriname: GVN-1 drilling

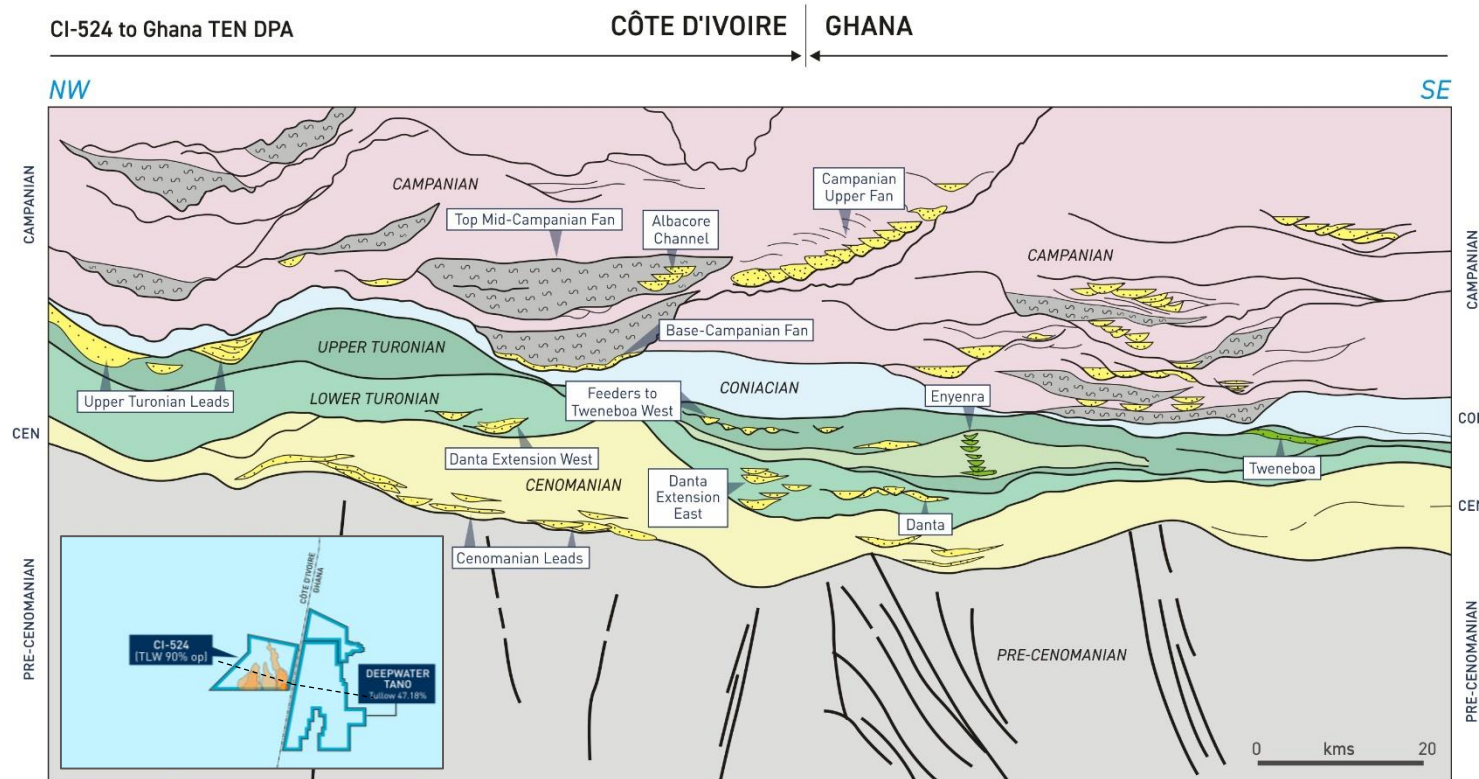


Upper Cretaceous turbidite play
Dual targets of >400mmboe (gross)
Pmean recoverable
Testing extension of working
hydrocarbon system
Potential to de-risk >1bnboe (gross)

Unlocking value in our exploration portfolio

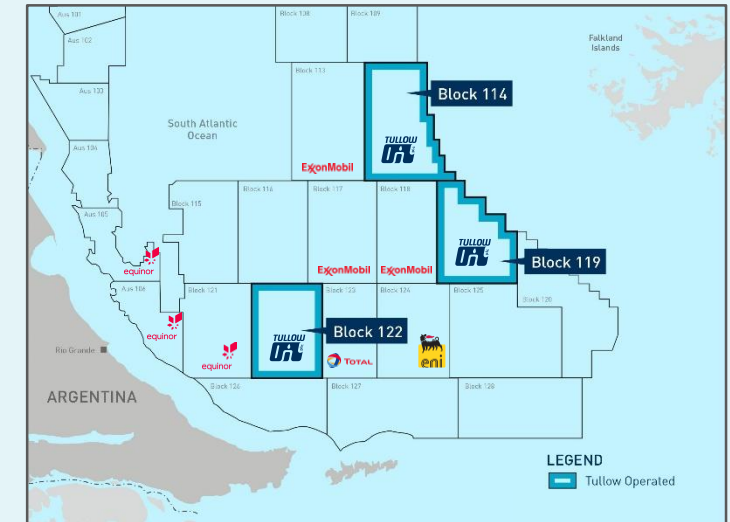


Côte d'Ivoire: Maturing prospects



Underexplored block adjacent to TEN fields and infrastructure
Westward extension of producing Upper Cretaceous Turbidite plays in Ghana
>1bnboe STOIIIP potential with stacked reservoirs defined on 3D seismic

Argentina seismic



Upper Cretaceous and Tertiary
turbidite plays

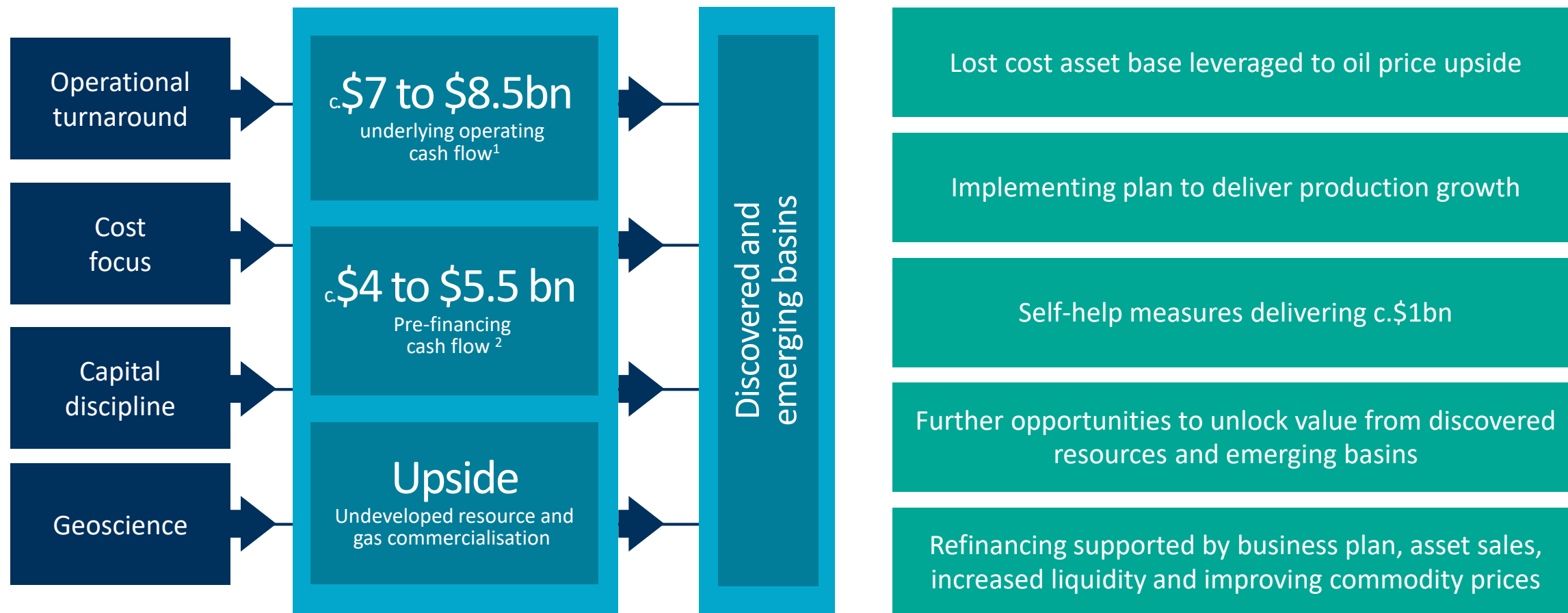
c.5,000 sq.km of 3D seismic
newly acquired

c.5,000 sq.km of 3D seismic
ready to interpret

CONCLUSION

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Executing our robust cash generative business plan



¹ Cash flow from operating activities, before debt service, capital investment and decommissioning expenditure

² Cash flow from operating activities less capital investment and decommissioning expenditure

^{1&2} Bottom of range based on CMD assumptions of \$45/bbl in 2021, \$55/bbl flat nominal in 2022+. Top of range based on \$65/bbl flat nominal in 2021+.

^{NB} Excludes impact of Equatorial Guinea and Dussafu sales.

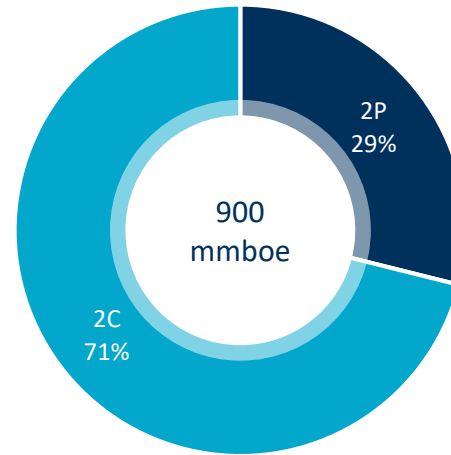
KEY DATA

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2021 Key data

Oil production (kboepd)	2021 forecast
Ghana	40.5
<i>Jubilee</i>	24.3
<i>TEN</i>	16.2
Equatorial Guinea	4.8
Gabon	15.4
Côte d'Ivoire	2.3
Group total	63.0

Group Reserves and Resources (at 31 Dec 2020)



Operating costs ¹ (\$/boe)	2021 forecast
Ghana	8.0
Equatorial Guinea	20.0
Gabon ²	19.0
Côte d'Ivoire	21.0

Depreciation (\$/boe)	2021 forecast
Ghana	17.0
Equatorial Guinea	7.0
Gabon ²	5.0
Côte d'Ivoire	18.0

¹ Data on a working interest basis ² Includes royalties

2021 hedge structure	Bopd	Bought put (floor)	Sold call	Bought call
Collars	39,000	\$48.12	\$66.47	-
Three-way collars (call spread)	1,000	\$50.00	\$72.80	\$82.80
Total / weighted average	40,000	\$48.17	\$66.63	\$82.80

2022 hedging position at 9 March 2021: 11,000 bopd hedged with an average floor price protected of \$41/bbl

Tullow Oil plc

9 Chiswick Park,
566 Chiswick High Road
London
W4 5XT
United Kingdom

Tel: +44 (0)20 3249 9000
Fax: +44 (0)20 3249 8801

Email: ir@tullowoil.com

Web: www.tullowoil.com

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