

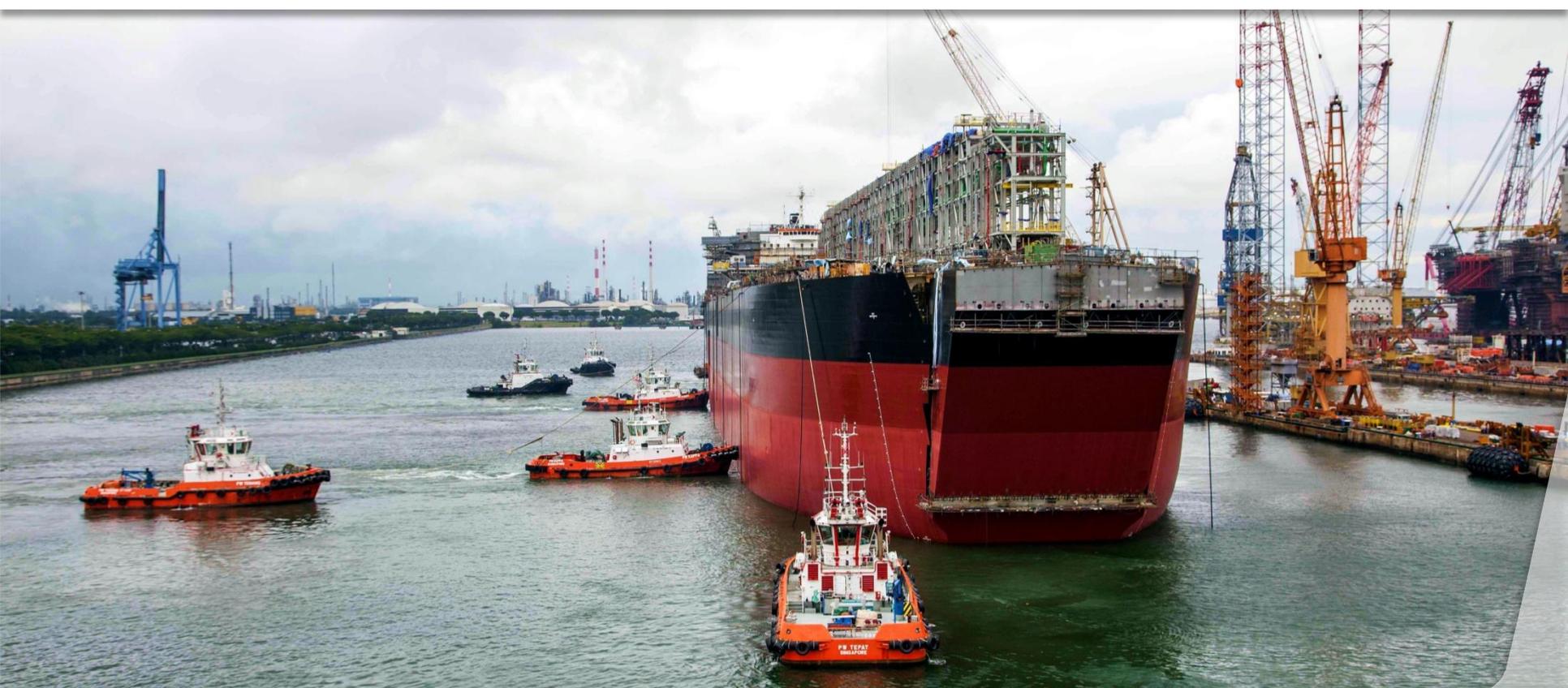
Tullow Oil plc



# AFRICA'S LEADING INDEPENDENT OIL COMPANY

Angus McCoss – Exploration Director

Credit Suisse Global Energy Conference – 2<sup>nd</sup> June 2015



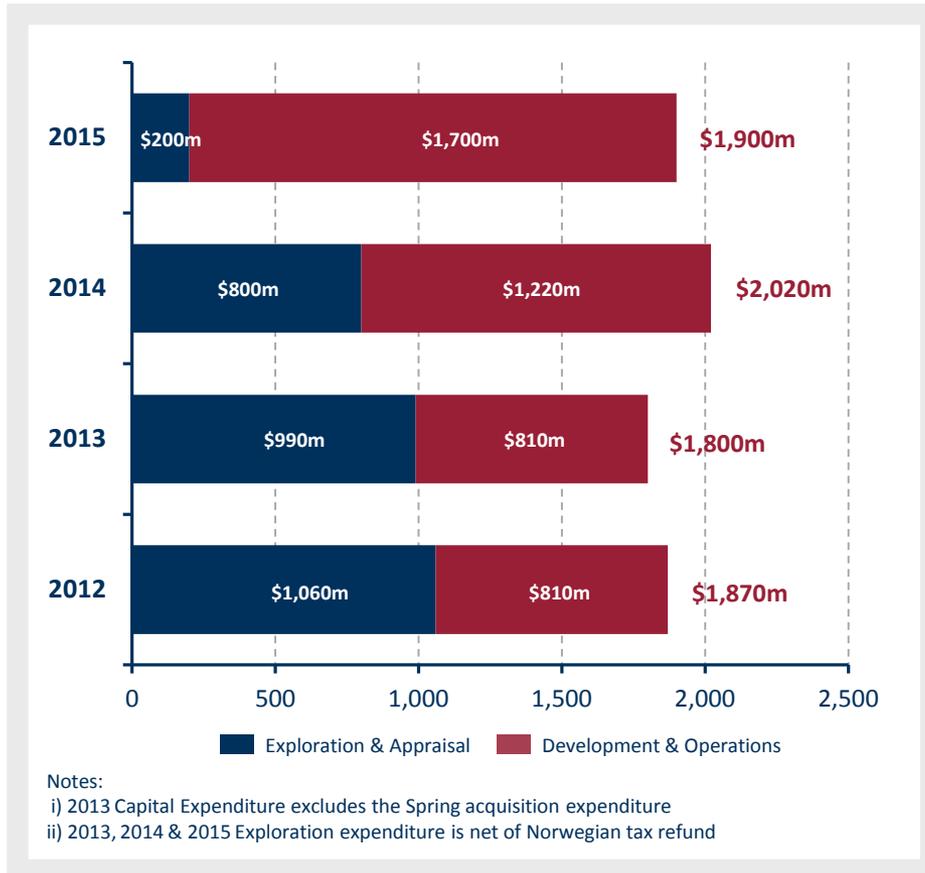
## Business reset for current market conditions

- Strong production and development business
- Reduced exploration budget focusing on low cost plays and long term options
- Reducing costs and dividend suspension provides increased flexibility
- Funded through TEN first oil
- Focused on delivering our projects, increased efficiency and positioning for future growth

Took prudent and proactive steps to position the business for a lower oil price



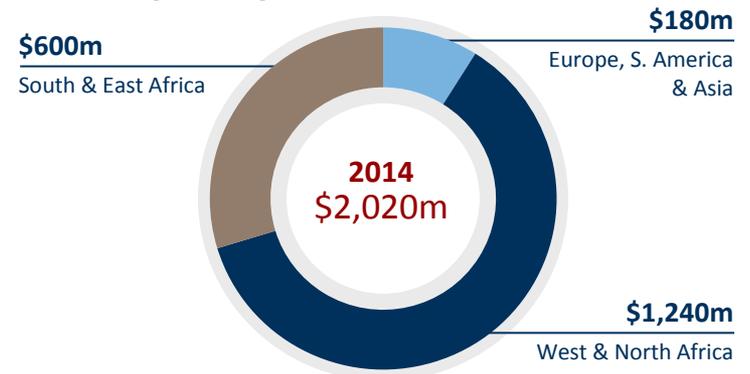
# 2015 Capex guidance



## 2015 capex of \$1.9bn

- Ghana: Jubilee & TEN developments - \$1,300m
- Other Africa: maintaining mature production and near field drilling activities - \$200m
- Uganda and Kenya: Pre-development activities supporting FID - \$170m
- Kenya: exploration & appraisal drilling - \$100m
- ROW: selected high-impact exploration - \$100m
- ROW: maintaining mature production - \$30m

## 2014 capital split

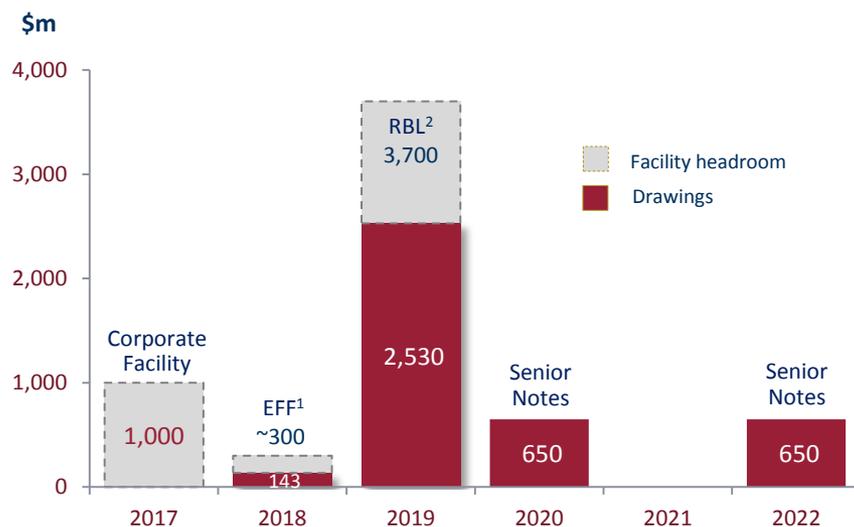


Reviewing opportunities to further reduce 2015 capital expenditure programme

# Debt Capital Structure

## Debt maturity profile

\$m	Commitment size	Maturity
RBL	3,700	Oct 2019
Corporate Facility	1,000	Apr 2017
6% Senior Notes	650	Nov 2020
6¼% Senior Notes	650	Apr 2022
EFF <sup>1</sup>	~300	Dec 2018



(1) Norwegian Exploration Finance Facility, NOK2.25bn

(2) Final maturity; RBL amortises linearly from October 2016 – 2019

## Key metrics

\$m	31 Dec 2014	24 Apr 2015
<b>Cash and cash equivalents</b>	<b>319</b>	<b>632</b>
<b>Debt outstanding</b>		
RBL Facilities	1,987	2,655
EFF <sup>1</sup>	135	150
Corporate Facility	-	-
Senior Notes	1,300	1,300
<b>Total debt</b>	<b>3,422</b>	<b>4,105</b>
<b>Net debt</b>	<b>3,103</b>	<b>3,473</b>
<b>Facility headroom plus free cash</b>	<b>2,381</b>	<b>2,352</b>

## March 2015 Financing Arrangements

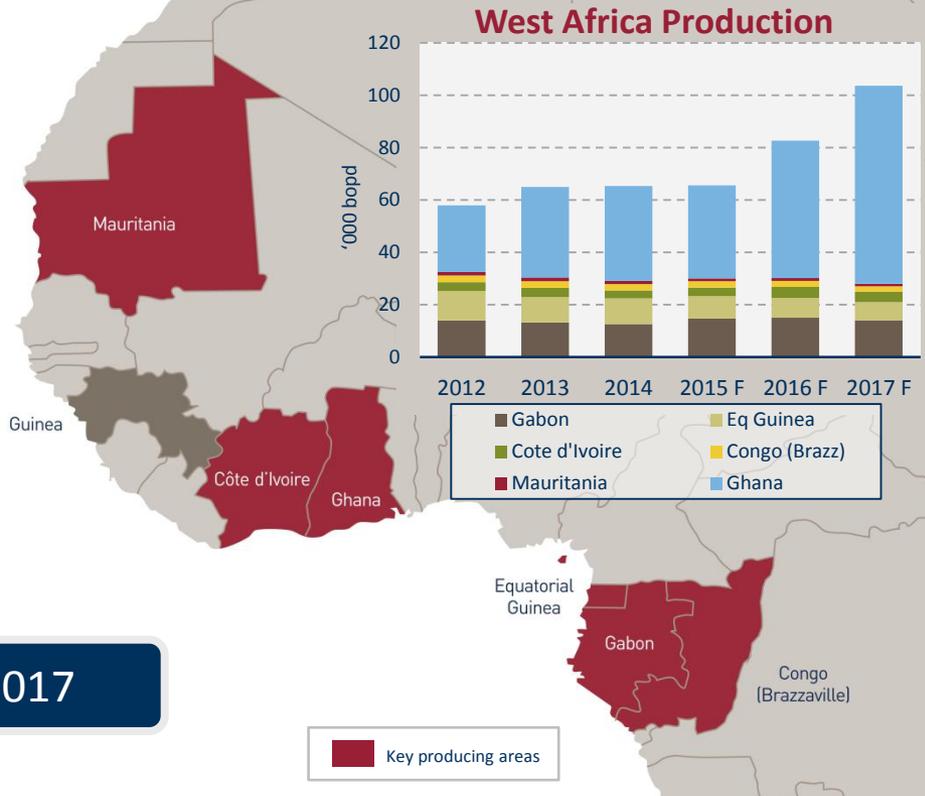
- \$200m increase of the RBL facility
- \$250m increase of the corporate facility
- Financial gearing covenant amended to address the risk of potential non-compliance

~\$6.3bn of currently committed debt facilities; headroom and free cash of \$2.4bn; no near term maturities

# West Africa: stable production and future growth



- Material business with potential to generate material cash flow
- Rising production base to over 100,000 bopd in 2017; significant future value growth
- Balanced fiscal regimes which encourage investment
- Strong relationships with key stakeholders
- Deep regional experience and footprint



**Over 100,000 bopd net production in 2017**

# Ghana: at the heart of Tullow

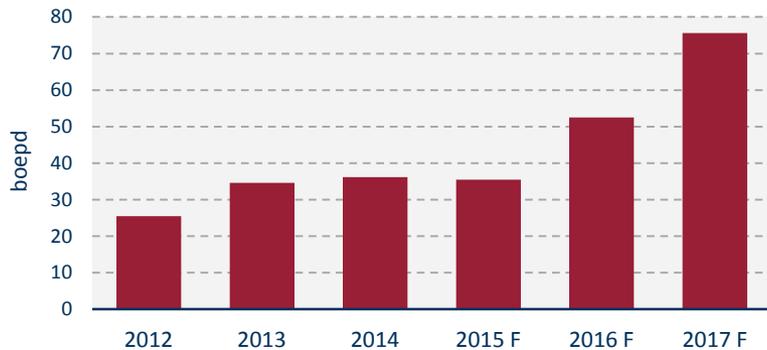
## Strong 2015 Jubilee production and cost performance

- Jubilee exceeded average production guidance in Q1 2015 at 103,000 bopd
- High FPSO operating efficiency
- Low operating cost ~\$10/bbl and cash break-even c.\$15-20/bbl
- Onshore gas processing facility online in November 2014 and fully commissioned by end March 2015

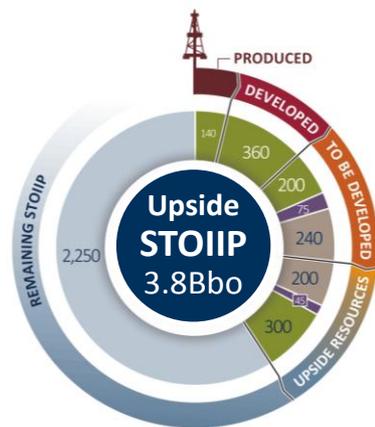
## TEN Project base case development

- 300 mmbob reserves being developed – 80% oil
- 24 well development – 10 wells on-stream at start up
- Gross development capex of \$4.9 billion
- Leased FPSO with facility capacity of 80,000 bopd
- Significant progress towards first oil; project over 55% complete
- ITLOS ruling clears the way towards first oil in mid-2016

Tullow's production in Ghana



Ghana Resources



# Progressing East Africa regional development

3

Countries

10

Licences

10+

Years experience

85,000

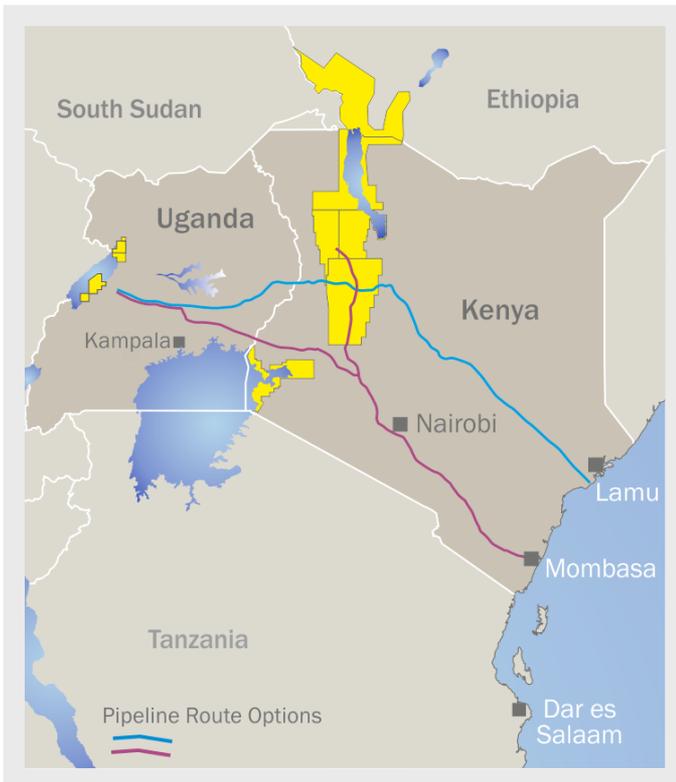
Sq Km  
acreage

2.3 Bbo

Gross recoverable  
resources

1 to 5 Bbo

Risked yet to find  
resources (gross)



## East Africa upstream developments

- Good progress on development studies & resource base
- Uganda and South Lokichar gross oil resources – 2.3 billion barrels
- Kenya appraisal drilling & EWT ongoing
- Focused on development capex reductions
- Progressing towards option to sanction project by end 2016

## Key regional pipeline project progressing

- Upstream partners completed pipeline pre-FEED
- All parties working to align on optimal pipeline routing
- Commercial and tariff structure discussions under way
- GoU and GoK appointed technical pipeline advisor
- Significant focus on optimisation of pipeline capex c.\$4 billion
- Gross oil export rate from current resources c.300,000 bopd

Governments of Uganda & Kenya fully committed to export pipeline to unlock value of region's oil

# Low-cost exploration options

## Caribbean-Guyanas

*Atlantic Margin Plays*

### 1. Licence activity

- Prospecting & farming down

### 2. Frontier wildcatting

- Spari in Suriname

### 3. De-risked Core E&A

- Pending well results

## Norway

*Atlantic Margin Plays*

### 1. Licence activity

- Johan Sverdrup charge fairway (APA 2014)

### 2. Frontier wildcatting

- Zumba & Hagar

### 3. Core E&A

- Bjaaland in Wisting cluster

## Africa

*Atlantic Margin Plays*

### 1. Licence activity

- Prospecting & farming down

### 2. Frontier wildcatting

- Evaluating new plays

### 3. De-risked Core E&A

- Realising Ghana Upside

## East Africa

*Onshore Rift Plays*

### 1. Licence activity

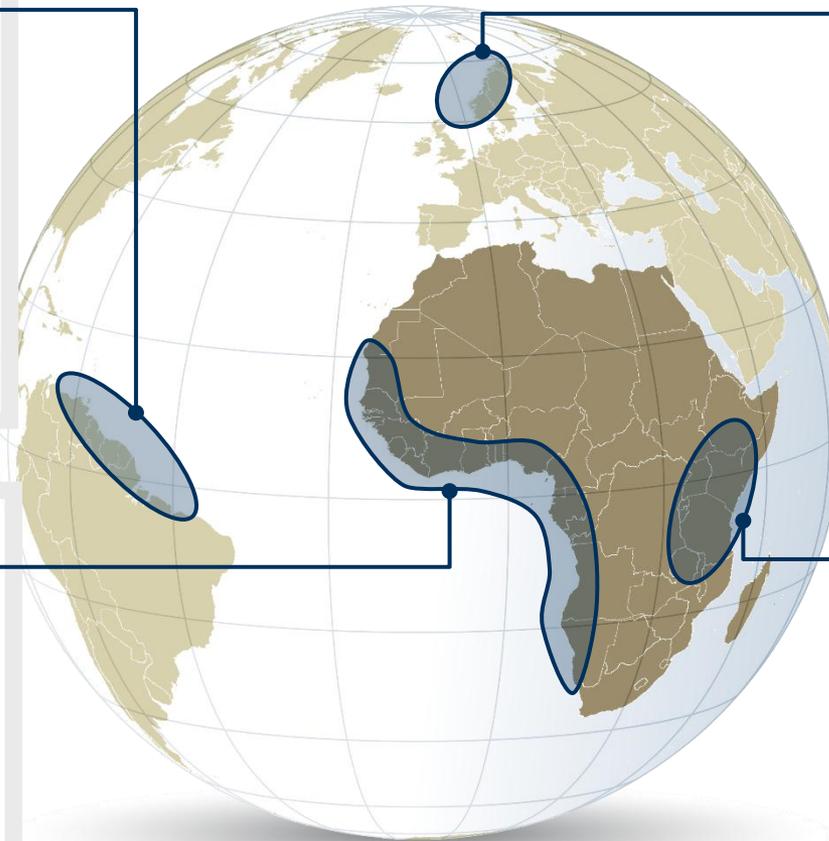
- Regional evaluation & prospecting

### 2. Frontier wildcatting

- New basin testing & new basin axis play

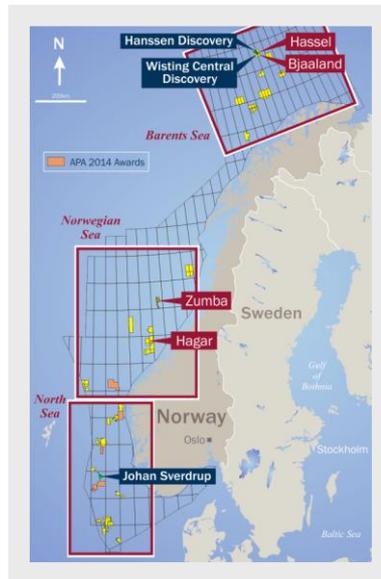
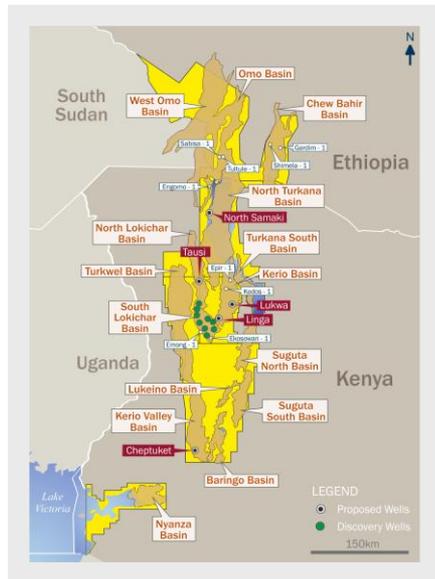
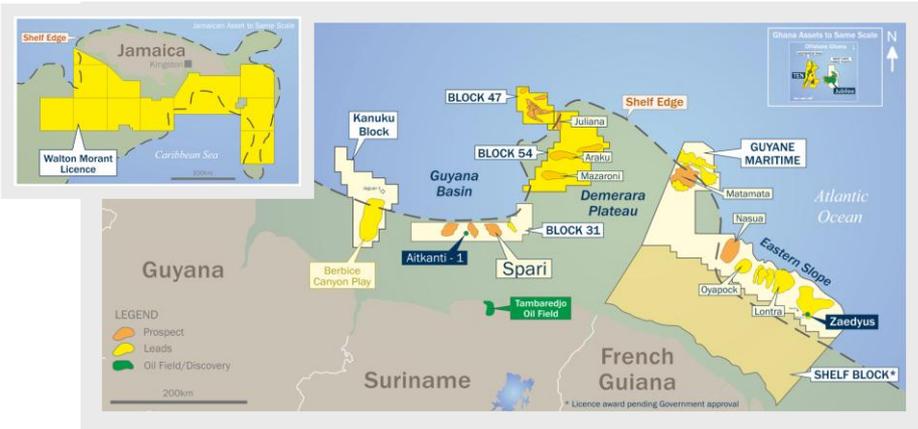
### 3. De-risked Core E&A

- South Lokichar Basin



**Priority Exploration**

# Exploration remains at the heart of the business



<p><b>18</b> Countries with expl activities</p>	<p><b>320,000</b> sq km Expl acreage</p>	<p><b>\$200m</b> 2015 exploration capex</p>
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- Ambitious campaigns in Kenya, Norway and South America
- Key 2015 wells: Cheptuket (Kenya), Zumba (Norway) and Spari (Suriname)
- Building prospect inventory to drill once market conditions improve
- Major exploration acreage positions in Namibia, Ethiopia, Kenya, Norway, Mauritania, Uruguay, Guyana, Madagascar, Guinea, Suriname, French Guiana and Jamaica

# Outlook remains strong during period of low oil price



Quality assets, experienced management team and strong funding position will ensure Tullow is well positioned to benefit from opportunities when market conditions improve

Follow Tullow on:



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