2014
GHANA INVESTOR FORUM
7 May 2014
2014 GHANA INVESTOR FORUM

BUSINESS OVERVIEW
### 2013 Full Year Results Summary

<table>
<thead>
<tr>
<th>Category</th>
<th>2013</th>
<th>2012</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales revenue</td>
<td>$2,647m</td>
<td>$2,344m</td>
<td>+13%</td>
</tr>
<tr>
<td>Gross profit</td>
<td>$1,440m</td>
<td>$1,345m</td>
<td>+7%</td>
</tr>
<tr>
<td>Administrative Expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit on disposal</td>
<td>($219m)</td>
<td>($191m)</td>
<td></td>
</tr>
<tr>
<td>Exploration costs written off¹</td>
<td>$30m</td>
<td>$702m</td>
<td></td>
</tr>
<tr>
<td></td>
<td>($871m)</td>
<td>($671m)</td>
<td></td>
</tr>
<tr>
<td>Operating profit</td>
<td>$381m</td>
<td>$1,185m</td>
<td>-68%</td>
</tr>
<tr>
<td>Profit after tax</td>
<td>$216m</td>
<td>$666m</td>
<td>-68%</td>
</tr>
<tr>
<td>Basic earnings per share</td>
<td>18.6c</td>
<td>68.8c</td>
<td>-73%</td>
</tr>
<tr>
<td>Dividend per share</td>
<td>12.0p</td>
<td>12.0p</td>
<td>0%</td>
</tr>
<tr>
<td>Capital investment²</td>
<td>$1,800m</td>
<td>$1,870m</td>
<td>-4%</td>
</tr>
<tr>
<td>Cash generated from operations³</td>
<td>$1,901m</td>
<td>$1,777m</td>
<td>+7%</td>
</tr>
<tr>
<td>Net debt⁴</td>
<td>$1,909m</td>
<td>$989m</td>
<td>+93%</td>
</tr>
</tbody>
</table>

¹ Before tax refunds
² 2013 excludes Spring acquisition and includes Norway capex on an after tax refund basis
³ Before working capital movements
⁴ Net debt is cash and cash equivalents less financial liabilities

**Increased production generated higher revenues and operating cash flow**
Delivering against our strategy

High Margin Production Cash flow

- $1.9 billion 2013 Cash Flow
- Cash flow growth
  - Ghana – 2016
  - East Africa – 2018

Exploration & Appraisal

- 220mmboe 2013 Resource Adds
- Targeting 200mmboe p.a.
  - Opening a new basin every 2-3 years

Monetisation Options & Portfolio Management

- TEN & SNS Sales ongoing
- Balancing and high-grading
  - Accelerating cash flow

Selective Developments

- TEN PoD First oil mid-2016
- Major East Africa projects
  - Undeveloped resources to transform Tullow

Funding

- $650m bond
- $2.4bn headroom
- Strong balance sheet
  - Diversified funding to support growth

Operational and financial flexibility to deliver substantial long term growth
2013 Group actual production: 
84,200 boepd

2014 Group production guidance: 
79-85,000 boepd
Jubilee – world class asset delivering long term cash flow

High Margin Production Cash flow

**Strong reservoir performance**
- Existing well production capacity >130mbd
- Final Phase 1A wells to be completed as required

**Production increase awaiting Gas export**
- Gas export facilities review indicates 2H 2014 availability
- Short term gas disposal options under review with GoG

**Long-term reserves recovery remains robust**
- Reservoir performance to date underpins reserves
- 3D/4D seismic acquired to optimise future development
- Long-term options to increase FPSO capacity being worked
- Full field development plan will guide capital investment

Highly attractive Incremental investments will provide long term cash flow
Milestone production

- On 14 April, the FPSO Kwame Nkrumah completed the 100th off-take from the Jubilee Field
- Closely followed by the production of the 100 millionth barrel from the facility on 4 May
- Offtakes occur approximately every 10 days & each cargo holds approximately 997,500 bbls
- Production milestone reached with zero incidents to people and the environment
- Demonstrates success and collaboration of JV partners and Jubilee offtake Coordination (JOC) team
Cash flow growth from a pipeline of future projects

Material growth potential 2016+

GHANA - TEN development
- On track for first oil in mid-2016;
- FPSO gross capacity of 75,000+ bopd

KENYA - South Lokichar Basin
- Development studies underway;
- Single basin has potential to produce in excess of 100,000 bopd gross.

UGANDA - Lake Albert Rift Basin
- Basin development targeting over 200,000 bopd gross production
Success in new basin opening exploration strategy has led to good prospects for lower finding costs.

- 200mmboe/year, steady performance
- Strong run of success in Uganda & Ghana
- New basins campaigns deliver continuity
- Low cost Kenya & Norway extend the trends
- 60% from onshore, 40% from offshore
- Finding cycles; short onshore, long offshore

Uganda at original equities, no uplift from Heritage acquisition

Key exploration wells in the next 18 months

NORWEGIAN CONTINENTAL SHELF
Norway:
Hanssen Q2 2014
Lupus Q2 2014
Hagar Q1 2015

CENTRAL ATLANTIC MARGIN
Mauritainia:
Locations TBC following analysis, 1H 2015

GUYANAS TRANSFORM MARGIN
Suriname:
Goliathberg/Voltzberg South Q1 2015

EAST AFRICAN RIFT BASINS
Ethiopia:
Shimela in progress
Kenya:
Dyepa Q2 2014
Aze Q1 2015
Tasui Q1 2015
Engomo Q3 2015

EAST AFRICAN TRANSFORM MARGIN
Madagascar:
Berenty H1 2015

WEST AFRICAN TRANSFORM MARGIN
Gabon: Sputnik East Q2 2014
Guinea: Fatala TBC
Strong record of resource additions & reserves replacement

**2P Commercial Reserves and 2C Contingent Resources**
as of 31 December 2013

- **South & East Africa**: 41%
- **Europe, South America & Asia**: 12%
- **West & North Africa**: 47%

**Group Reserves and Resources (mmboe)**

- **2P Commercial Reserves**
- **2C Contingent Resources**

**Total Resource Potential**
as of 31 December 2013

- **2P Commercial Reserves**: 382.4 mmboe
- **2C Contingent Resources**: 1,026.4 mmboe
- **Risked prospective upside**: 4.8bn boe

**Reserves and Resources doubled over four year period**

- 150% reserves replacement average over last 5 years
- 200 mmboe average resource add over last 7 Years
- Over 600 mmboe Uganda resources monetised in 2012
- Recent success in Kenya will provide further additions
- 75% oil across the portfolio

*2009-11 YE contingent resources restated following Uganda sale of 66.67% equity across Lake Albert licence in 2012 – 604 mmboe.*
East Africa: Multiple basins with new oil province potential

- Pioneering basins:
  - Lake Albert, Uganda (1.7Bbo)
  - South Lokichar, Kenya, 7/8 (>600mmbo)
  - Oil shows in South Omo, Ethiopia
- > 9 other Tertiary Rift Basins in portfolio
- 5 basins to be tested by wildcats in 2014
Southern North Sea Assets

**UK & The Netherlands**
- Schooner & Ketch sale agreed for $75.6m
- Marketing of remaining assets is ongoing

**TEN farm-down**

**Ghana**
- Divestment process underway with options being considered

**Bangladesh interests**
- Sale of Bangladesh assets to Kris Energy completed in December 2013

**Pakistan interests**
- Awaiting Government consent for sale of Pakistan assets to Ocean Pakistan Ltd
Selective Developments

TEN PROJECT

Project execution underway and on track
- West Leo rig secured and first two development wells drilled
- Centennial Jewel tanker-FPSO conversion underway in Singapore
- All subsea contracts awarded and major equipment ordered
- Enhanced seismic survey will further enhance well placement
- Project on track for mid 2016 first oil and c.$5bn capex

Significant future value and cash flow
- 214 mmboe of net high value reserves & resources booked
- Upside resource potential remains
- Significant enhancement of Tullow cash flow post 2016
- Divestment process underway with options being considered
- Ghana potential net oil production post 2016: 75,000+ bopd

Group’s next high value producing asset transforming future cash flow generation
East Africa – major onshore Tertiary Rift Basin projects

Kenya – Operated world-class onshore oil project
- Favourable conditions allowing for rapid progress
- Clear plan towards 2015/16 development sanction
- Pipeline leadership offers regional benefits

Uganda – Focus on enhancing project value
- Major project review results in multi-billion dollar cost savings
- Significant value enhancement with shared regional infrastructure
- Signed MoU provides basis of development

Poised to commence transformational East Africa oil developments

Potential East Africa net oil production*

* Net production based on post government back-in rights
Funding: Strong balance sheet & financial flexibility

**Financials**

- **Debt Capital Markets**
  - $1.3 billion from two Corporate Bonds issued November '13 and April '14

- **Commercial Bank Facilities**
  - $3.5bn RBL
  - $750mm RCF
  - ~$327mm EFF

- **Operating Cash Flow**
  - ~$1.9bn in 2013

**Business Strategy**

- High Margin Production Cash flow
- Exploration and Appraisal $1bn + p.a. Fully Funded
- Surplus Cash
- Costs & Dividends

**Funding Strategy**

- Selective Development
- Additional Exploration, Cash Distribution
- $4bn debt facilities

Access to diversified sources of capital provides liquidity and flexibility.
2014 GHANA INVESTOR FORUM

CORPORATE RESPONSIBILITY
• We manage our business in a responsible way to maximise sustainable development opportunities for host nations.

• We are committed to ensuring long-term benefits to local people and economies where we operate.

• The foundation of shared prosperity is to be a successful and profitable company, so we can meet our obligations to governments, employees and suppliers and generate returns.

• Stakeholder engagement is critical for our operations and our approach to elements such as local content or EHS, directly affects our ability to run our business successfully.
Open, transparent disclosure

**Economic contribution**

- We are committed to transparent disclosure of payments to governments and other stakeholders in the countries in which we operate
- Revenue transparency and disclosure enables a country’s citizens to hold their government and Tullow to account

**Leading the way in transparency reporting**

- Enhanced our transparency disclosures, reporting in line with the EU Accounting Directive, ahead of legislation
- Disclosed all tax payments to governments at a project or company level in 2013 Annual Report
- Also made voluntary disclosures of other taxes we pay to give a fuller understanding of the payments we make

See 2013 Annual Report, with more details to follow in CR Report, due out in May
Socio-economic contribution in Ghana

- **$500+ million**: Total socio-economic contribution
- **$130 million** spent with local suppliers
  - over 40% of Tullow Ghana contracts under $100,000 were awarded to local businesses
  - 24% of contracts between $100,000 and $1 million were awarded to local businesses
- **250+** Ghanaians employed, 87% of total workforce
- **Social Investments** supporting education, health and enterprise development, including:
  - **The Jubilee Technical Training Centre**: The first vocational training centre in West Africa to offer National Vocational Qualification (NVQ) accredited courses for technical courses
  - **Enterprise Development Centre**: Located in Takoradi, supports small and medium sized Ghanaian enterprises
  - **Livelihood enhancement programme**: Over 1,400 people from 26 fishing communities in the Western Region of Ghana sponsored to receive training
Delivering against our strategy

**2013**

- **High Margin Production**
  - Cash flow: $1.9 billion
  - 2013 Cash Flow

- **Exploration & Appraisal**
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- **Monetisation Options & Portfolio Management**
  - TEN & SNS
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**2014 +**

- **Cash flow growth**
  - Ghana – 2016 East Africa – 2018

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Q&A