

COUNTRY PROFILE

TULLOW IN

GHANA



Tullow Oil is Africa's leading independent oil and gas, exploration and production group.

Our operations in Ghana began in 2006. A year later the world-class Jubilee field was discovered and first oil was achieved in late 2010. This milestone marked Ghana's emergence as a new player in West Africa's energy industry. Further exploration activities resulted in the Tweneboa, Enyenra & Ntomme (TEN) discoveries in the Deepwater Tano block. A Plan of Development was approved for the TEN Project in 2013 and first oil is forecast for mid-2016.

Tullow Oil plc has been listed on the Ghana Stock Exchange since 2011.



● West & North Africa ● South & East Africa ● Europe, South America & Asia

TULLOW OPERATIONS

	2013 Group totals
Countries	23
Licences	145
Acreage (sq km)	321,521
Total workforce	2,034
Working interest production (boepd)	84,200
Reserves and resources (mmboe)	1,409
Sales revenue (\$m)	2,647
Operating profit (\$m)	381
Profit after tax (\$m)	216
Operating cashflow (\$m)	1,901

ABOUT TULLOW OIL

Tullow is focused on finding oil in Africa and the Atlantic Margins, combined with selective development and high-margin production to fund our exploration-led strategy.

Our history in Africa started almost 30 years ago in 1986, with the Group's first licence in Senegal. Now, our portfolio of over 140 licences spans 23 countries and is organised into three regions – West & North Africa, South & East Africa and Europe, South America & Asia.

We are headquartered in London and we have a total global workforce of over 2,000 people, with over 50% of these working in our African operations.

Our shares are listed on the London, Irish and Ghana Stock Exchanges and the Group is a constituent of the FTSE 100 index.

CONTENTS

Overview of our operations	3
The TEN Project	4
Transparency	6
Our people	10
Local Content	12
Environment, Health & Safety (EHS)	19
Social performance	20

OUR JOURNEY



“WE ARE VERY PROUD OF THE ROLE TULLOW HAS PLAYED IN GHANA’S OIL & GAS INDUSTRY TO DATE. WE SEE FURTHER PARTICIPATION OF GHANA’S TALENTED BUSINESSES & INDIVIDUALS AS OUR NEXT OPPORTUNITY.”

The 100 millionth barrel of oil produced from Jubilee in May 2014 was a landmark achievement for Tullow, our partners and for Ghana as a whole. Speaking as a Ghanaian, at the helm of a business where Ghanaians make up the overwhelming majority of staff (2013: 87%), I am immensely proud of the significant economic and social contribution that the oil and gas industry has made to this country in the four years since first oil. Tullow and our industry partners are determined to further leverage the industry’s presence for the benefit of the Ghanaian economy in the years to come.

One of the biggest challenges and opportunities we face in doing so is maximising opportunities for local businesses to participate in an industry which requires deep technical expertise and significant experience. Tullow is committed to Local Content and to sourcing goods and services from Ghana’s market. We have spent the last three years voluntarily building our commitment in this area, and we are proud of the results we are starting to see. In 2013 alone, \$560 million, almost half of the \$1.2 billion spent with suppliers by Tullow on behalf of our partnerships, was with Ghanaian businesses or international businesses registered in Ghana.

All of our tenders with international suppliers now include an evaluation of Local Content contributions. This encourages significant foreign direct investment into Ghana, supporting job creation, technology transfer and building local capability. We also invest in the development of local suppliers and help them to understand what international companies require. We build this understanding through supplier forums and our investment in initiatives such as the Jubilee Technical Training Centre and the Enterprise Development Centre.

However, building the capacity and identifying the right opportunities for local business to participate takes time and requires a concerted effort by all parties. We need the support of government, industry and educational institutions to further invest in education and infrastructure to encourage more growth and participation by Ghanaian firms in the industry. When we achieve first oil from the TEN fields, we know we will be judged on whether we have successfully added to Ghana’s production capacity both on time and on budget. But we will equally be judged on whether enough Ghanaian businesses have supported and benefited from delivering Ghana’s second producing oil field. We count on collaboration and working closely with all of our stakeholders to make this vision a reality.

CHARLES DARKU
GENERAL MANAGER, TULLOW GHANA

TIMELINE

2006

Tullow farms in to two licences

2007

1st Jubilee discovery well – Mahogany-1.
Hyedua-1 well confirms large oil field
straddling the Deepwater Tano and
West Cape Three Points licences

2008

Tullow designated as field operator. Jubilee
Phase 1 development commences

2009

Government of Ghana approves the Jubilee
field Phase 1 Development Plan. Tweneboa-1
discovers new light hydrocarbon field

2010

First oil achieved from
Jubilee Phase 1 development

2011

Trading of Tullow shares on the
Ghana Stock Exchange

2012

TEN Plan of Development submitted to
the Government of Ghana

2013

Government of Ghana approves TEN Plan of
Development. The Centennial Jewel arrives
in Singapore to commence its conversion
from a tanker into the TEN FPSO

2014

TEN project one year into execution.
No recordable EHS incidents.
On track for first oil mid 2016



Tullow established a presence in Ghana in 2006. The discovery of the Jubilee field, 60 km offshore, was made in 2007 and first oil was celebrated in December 2010. Jubilee is a world-class oil field, operated by Tullow, with up to 700 mmbbl of resources and potential for significant upside. As of February 2013, Jubilee was producing over 110,000 bopd. Tullow's partners on the Jubilee field are Kosmos Energy (23.49%), Anadarko Petroleum (23.49%), Ghana National Petroleum Co. (13.75%) and Petro SA (2.81%). Tullow also has interests in both the Deepwater Tano and West Cape Three Points blocks.

TULLOW'S EQUITY INTERESTS

Operated

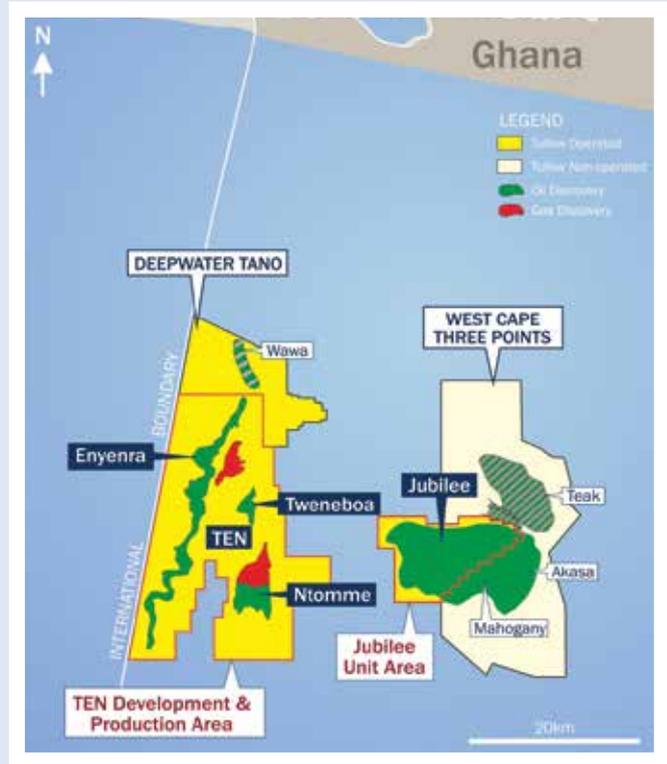
Deepwater Tano 49.95%

Jubilee field 35.48%

Tweneboa/Enyenra/Ntomme (TEN) 47.175%

Non-operated

West Cape Three Points 26.40%



WORLD-CLASS PETROLEUM PROVINCE



HONOURING GHANA'S INDEPENDENCE

Dr. Kwame Nkrumah was the first president of Ghana and led the country to independence in 1957. Recognising Dr. Kwame Nkrumah's significant role in modern Ghana's development, the FPSO was named after him by the Jubilee Partners.

The crude oil produced from the Jubilee field is light and sweet and commands a premium price in the global markets. On average three large cargoes are exported each month and shipped to various locations around the world.

100 MILLION
BARREL PRODUCTION MILESTONE
ACHIEVED IN MAY 2014

TWENEBOA, ENYENRA & NTOMME (TEN) THE TEN PROJECT



THE TEN PROJECT

Tullow Ghana Limited, on behalf of the Government of Ghana and its partners, is leading and operating the development of the Tweneboa, Enyenra and Ntomme (TEN) fields in the Deepwater Tano block, 60 km offshore Ghana and about 20 km west of the Jubilee Field.

PARTNERS

GNPC 15%

Kosmos 17%

Anadarko 17%

PetroSA 3.825%

THE PATH TO FIRST OIL

The TEN Plan of Development (PoD) was submitted to the Government of Ghana in late 2012, following the conclusion of extensive planning and evaluations, including a subsea Front End Engineering and Design exercise, an FPSO design competition and market engagements including tendering. After the PoD was approved in May 2013, contracts were then ready to award for the specialist equipment and services required for the development. During these contract awards, numerous local Ghanaian companies were identified as suppliers with capability and capacity.

All major contracts have been awarded, the FPSO conversion is well underway and manufacturing has begun on the subsea equipment. In parallel, preparations in Ghana to strengthen capacity among local suppliers to provide fabrication and other services has commenced through hiring and training campaigns.

MILESTONES TO PRODUCTION

Achieving first oil is dependent on many technological, legal, social and financial factors which have to be considered and agreed by a large group of stakeholders. In Ghana, the following key milestones need to be reached in order to progress development.

2014

- Drilling commences: the campaign to deliver up to 10 wells for start-up is underway. Five wells are scheduled to be drilled in 2014
- Final Environmental Impact Statement (EIS) submitted
- FPSO conversion begins

2015

- FPSO build completes and departs Singapore at the end of the year
- FPSO and subsea equipment installation offshore Ghana

2016

- First oil from TEN forecast for mid-2016
- Production to ramp up to 80,000 bopd by 2017



PRODUCTION FACTS

Nominal Nameplate Capacity 80,000 barrels of oil per day (bopd) and field production is expected to peak at just under 80,000 bopd

Gas Processing Compression Capacity 170 million standard cubic feet per day (MMscf/d)

Water Injection 132,000 barrels of water per day (bwpd)

Oil Storage 1.7 million barrels

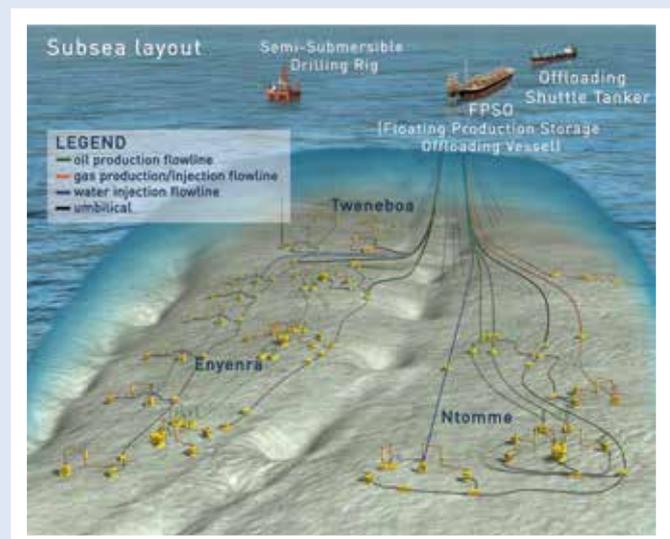
Oil Reserves 140 mmb-337 mmb

Gas Reserves 128-399 billion cubic feet (bcf)

Water Depth 1,000-2,000 metres

Wells 10 wells at first oil. Up to 24 wells full field development

Flowlines 70 km



“CURRENT JUBILEE RESERVES & RESOURCES ARE ESTIMATED AT 700 MILLION BARRELS. THE GOVERNMENT’S SHARE WILL AMOUNT TO 70% OF NET REVENUES WHICH, SUBJECT TO CURRENT COST ESTIMATES & THE FUTURE OIL PRICE, COULD AMOUNT TO \$53 BILLION. TO PUT THIS IN CONTEXT, IN 2013 GHANA’S GDP WAS \$48.7 BILLION.”

IKE DUKER
EXECUTIVE CHAIRMAN, TULLOW GHANA



\$300 MILLION
2013 PAYMENTS TO THE GOVERNMENT OF GHANA, INCLUDING PRODUCTION ENTITLEMENTS

CONTRACTUAL TRANSPARENCY

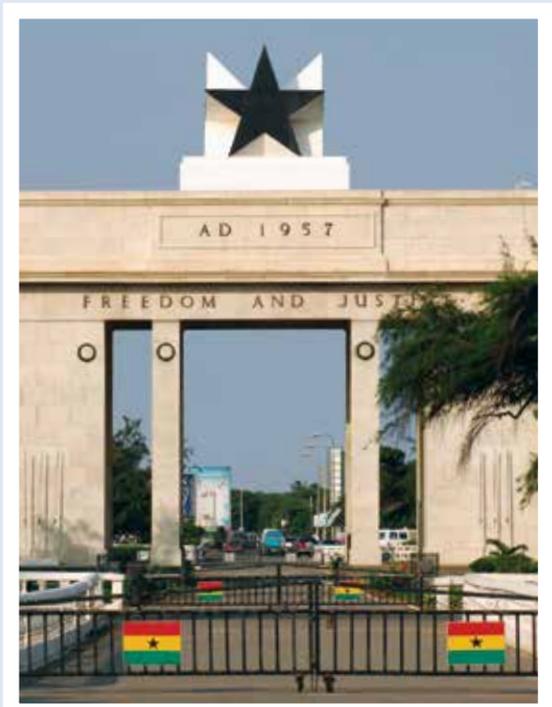
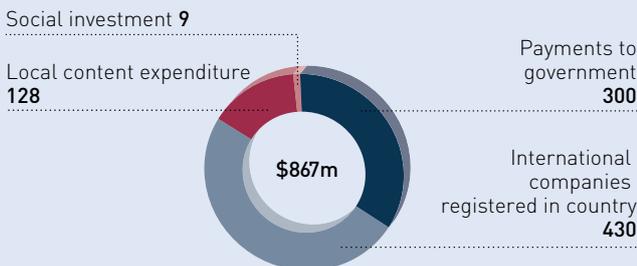
As part of Tullow’s commitment to transparency, we publish on our website the Petroleum Agreements for both the Deepwater Tano Contract Area and the West Cape Three Points Contract Area and also include a copy of the relevant Deeds of Assignment. The Petroleum Agreements were published at the request of, and with the approval of, the Government of Ghana.

FOCUSED ON
TRANSPARENCY

PAYMENTS IN GHANA

The Jubilee field is Tullow’s flagship operated offshore asset which contributed around 40% of the Group’s production last year. In 2013, we paid our first income tax to the Government of Ghana of \$107 million. Withholding tax on imports almost doubled from \$38 million to \$61 million between 2012 and 2013 as the TEN Project moved into the development phase. Spend by Tullow on behalf of our industry partners with local suppliers increased by 85% to \$128 million (2012: \$69 million). Total payments to the Government of Ghana, including production entitlements in barrels of oil, were over \$300 million.

Payments to major stakeholder groups – Ghana (\$ million)



PAYMENTS TO GOVERNMENT

We are committed to transparency, both in the way we run our business and in our disclosure of payments to major stakeholders. Our tax payments and payments in kind represent the most significant direct economic contribution we make to the Government of Ghana. To demonstrate our commitment to transparency, we are one of the first companies to disclose our payments in line with the EU Accounting Directive. The table below discloses payments on a cash basis, i.e. taxes physically paid in the reporting year. To provide a fuller understanding of the payments we make to government, we have also provided a range of voluntary disclosures such as Value Added Tax (VAT) and withholding tax.



“SINCE FIRST OIL AT JUBILEE IN DECEMBER 2010, GHANA HAS MADE GREAT STRIDES AS AN OIL PRODUCING NATION. I AM FOCUSED ON WORKING WITH TULLOW & ITS PARTNERS ON BUILDING ON THIS EXCELLENT START THROUGH OUR SHARED COMMITMENT TO TRANSPARENCY & LOCAL CONTENT ACROSS THIS NEW SECTOR FOR GHANA.”

HON. EMMANUEL ARMAH KOFI BUAH
MINISTER OF ENERGY AND PETROLEUM

	2013			2012		
	Jubilee	Company level	Total Ghana	Jubilee	Company level	Total Ghana
European Transparency Directive disclosure						
Production entitlements (bbls 000's)	812	–	812	464	–	464
Income taxes (USD 000's)	–	106,909	106,909	–	–	–
Licence fees (USD 000's)	–	64	64	–	64	64
Infrastructure improvement payments (USD 000's)	5,268	688	5,956	3,824	4,276	8,100
Voluntary disclosure						
VAT (USD 000's)	–	2,326	2,326	–	1,554	1,554
Withholding tax (USD 000's)	–	61,017	61,017	–	37,675	37,675
PAYE & national insurance (USD 000's)	–	14,734	14,734	–	14,762	14,762
Carried interests (USD 000's)	–	18,572	18,572	–	26,944	26,944
Customs duties (USD 000's)	–	4,688	4,688	–	3,417	3,417
Training allowances (USD 000's)	–	250	250	–	250	250
TOTAL (USD 000's)	5,268	209,248	214,516	3,824	88,942	92,766
TOTAL (bbls 000's)	812	–	812	464	–	464
Payments in kind in USD			85,828			50,112
Total			300,344			142,878

OUR TAX PAYMENTS THROUGH THE OIL LIFE CYCLE

To help build awareness of the different stages at which capital is invested and revenues received by host governments, we have published information which describes when the contractor, typically an international oil company (IOC), commits up-front capital investment to the exploration, appraisal and development phases. It also describes when the host country's government begins to receive revenues through its share of production, taxes and royalties resulting from the oil production phase. The IOCs carry all the financial risk and capital exposure through the exploration and appraisal phase.

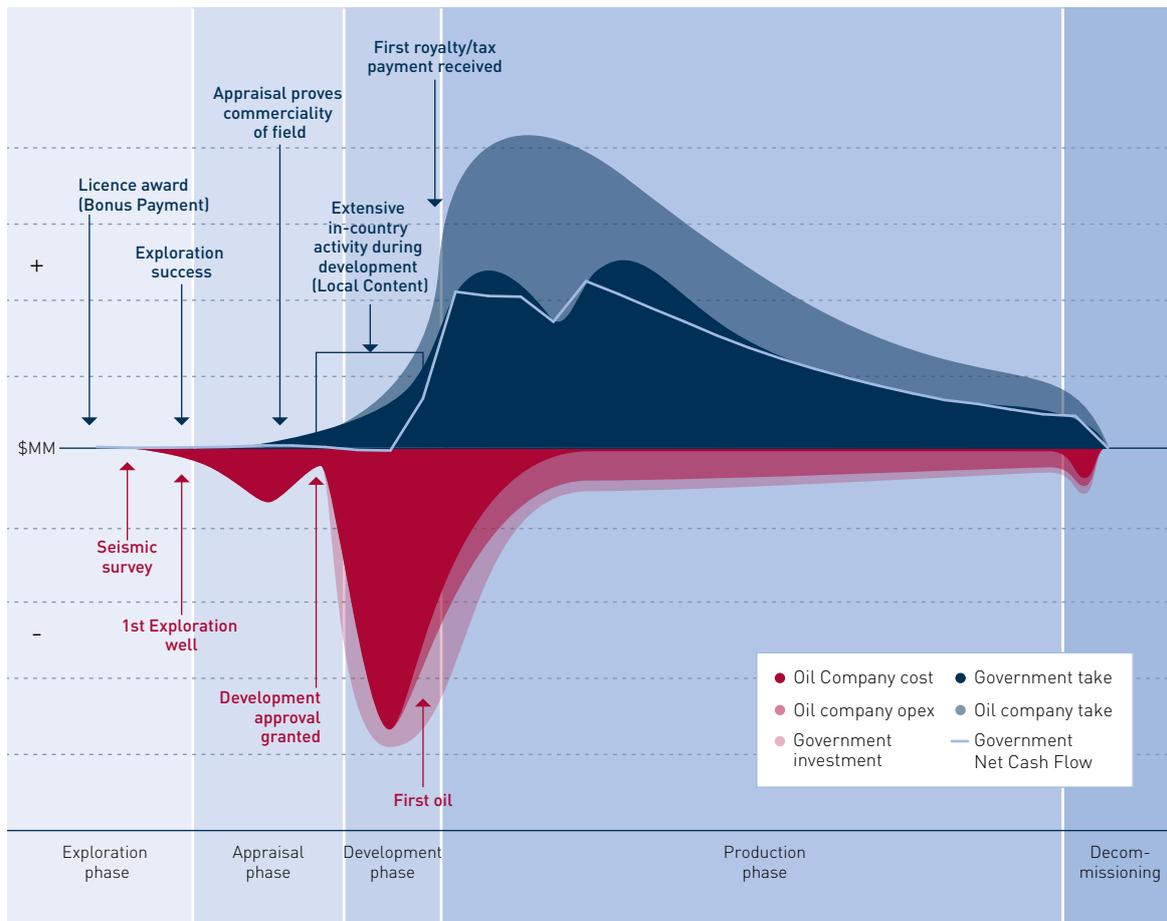
Typically, the IOC will carry the host government's share of costs through to first oil. In addition to the risked capital, through the exploration, appraisal and development phases the IOC pays the host government a number of taxes, including withholding taxes on the capital spent in the host country, VAT on imported goods, PAYE on staff payroll, customs on imported goods as well as land rentals, training and ongoing licence costs. When first oil is achieved, the host government will receive revenues and taxes in a number of forms.

Host governments receive a share of production or 'profit oil' either directly or via a national oil company.

The remainder of the host government's take from oil production is made up of bonuses, royalties, corporate tax and direct interests in projects. A share of the production will also be allocated to the IOC to recover the significant investment that has been made during the exploration, appraisal and development phases. The agreement between the IOC and the host government determines when and how costs can be recovered and how production and revenue are shared.

Typically, the IOC's share of net income is higher in the earlier years of production, as costs are recovered in the form of allowable deductions against corporate tax. 'Additional Oil Entitlements' to the host government then begin once a project reaches a certain level of return on investment for the IOC. Once the IOC's costs have been recovered, then production and revenue sharing between the IOC and host government more closely track the production profile of the project.

Payments through the oil life cycle



RECOGNISING THE POSITIVE POTENTIAL



Image courtesy of the American Times

“The Government and people of Ghana recognise the positive potential contribution that natural resources can make to the economic and social development of the country, and have agreed to realise this potential through improved resource governance by adopting approved international transparency initiatives. These initiatives complement our own policies and legal mechanisms, notably, the requirements under Ghana’s Petroleum Revenue Management Act (PRMA) as well as our value-addition strategies. These initiatives come at a time when we are making significant efforts at stabilising Ghana’s middle-income status and at deepening the governance of our natural resources.

“GLOBALLY, THERE IS A GROWING CONSENSUS THAT TRANSPARENCY IS GOOD FOR BUSINESS, SINCE IT IMPROVES THE BUSINESS CLIMATE IN WHICH COMPANIES WORK, & FOSTERS GOOD GOVERNANCE & ACCOUNTABILITY.”

HON. SETH TERKPER
MINISTER OF FINANCE & ECONOMIC PLANNING,
GOVERNMENT OF GHANA



“GNPC HAS WORKED CLOSELY WITH TULLOW AND ITS OTHER PARTNERS ON BOTH JUBILEE AND THE TEN PROJECT. I AM PROUD OF THE SUCCESS WE HAVE HAD SO FAR AND LOOK FORWARD TO MANY YEARS OF CLOSE COOPERATION AS WE BUILD GHANA’S OIL AND GAS SECTOR TOGETHER.”

ALEXANDER MOULD
CHIEF EXECUTIVE, GNPC

EXTRACTIVE INDUSTRY TRANSPARENCY INITIATIVE

As a corporate supporter of the Extractive Industry Transparency Initiative (EITI), Tullow actively participates in the multi-stakeholder process of the EITI member countries in which we operate. In May 2013, a new EITI Standard was approved, which requires more comprehensive reporting by oil, gas and mining companies to governments including disclosure of payments made at project level. Since then we have worked to understand the changes so that they can contribute effectively to the revision of local reporting requirements.

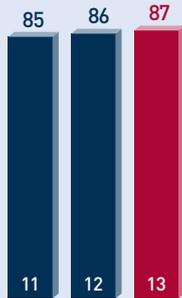


“GOVERNMENT & BUSINESS HAVE A COMMON INTEREST IN ESTABLISHING A LEGAL, FISCAL & REGULATORY REGIME THAT IS FAIR, TRANSPARENT &, ABOVE ALL, PREDICTABLE, IN ORDER TO ATTRACT THE LONG-TERM INVESTMENT REQUIRED TO DEVELOP THE OIL INDUSTRY.”

SIMON THOMPSON
CHAIRMAN

Tullow is committed to enabling Ghanaians to participate in the country's oil and gas industry through both direct employment and opportunities within our contractor base. One of the key challenges we face in achieving full localisation is in building capacity for an industry which requires significant experience as well as highly technical and specialised skills. While we work hard to build this capacity, Ghana's oil industry is still relatively new and these skills take time to develop.

Nationals employed (%)



COMMITTED TO TULLOW & EACH OTHER

At Tullow Ghana, we develop the capability of our employees by building their knowledge in their first two years of employment and by identifying their competency needs through our annual performance appraisal process. We also use coaching and job shadowing in some parts of the business, especially at the Takoradi shore base.

We provide vocational skills training and have sponsored eight technicians to achieve International Vocational Qualification (IVQ) Level 2. These technicians are now working on the FPSO as production technicians.

We are also sponsoring Ghanaians in the EHS team to achieve NVQ Level 3. Currently, three EHS employees are NVQ Level 3 qualified. Previous capacity building initiatives have included the two year secondment of 14 GNPC staff to Tullow's Ghana and international offices. Ten of these secondees were sponsored as part of a scholarship scheme, funded and organised by Tullow Ghana, to achieve Masters degrees in various disciplines as well as receiving hands-on development and coaching. The remaining four were coached by experts, who provided dedicated on-the-job training. The majority of the GNPC secondees are now being trained on the TEN Project so that they can develop the required skills to fully participate in their country's oil and gas industry.

\$23 MILLION

INVESTED IN TRAINING & DEVELOPMENT IN 2013



WELL ENGINEERING

Our trainee well engineering staff also benefit from our well engineering development programme, which equips them with the internationally recognised training required by this technical and specialist discipline. Felix Ayisi Yeboah, graduated as a fully qualified well engineer from this programme in early 2014. Through our sponsored further education programme, Winfred Okpoti, one of our engineering students, graduated in 2013 from Heriot-Watt University in the UK with a masters in petroleum engineering. Currently, three graduate trainees are undertaking masters in petroleum engineering at the same university.



SPEND WITH BUSINESSES IN GHANA

In 2013, almost half of our gross spend with suppliers was with Ghanaian businesses (\$128 million) and international businesses registered in country (INTRIC) (\$430 million). We know that not all money spent with INTRICs stays in Ghana. We have commissioned an independent macro-socio economic review to understand the impact of the oil and gas industry on Ghana's economy, which will be published later this year.

\$558 MILLION
 SPENT WITH GHANAIAN
 BUSINESSES & BUSINESSES
 REGISTERED IN GHANA

"I AM HAPPY THAT DR. KWAME NKRUMAH'S DREAM FOR WHICH HE BUILT THE TEMA SHIPYARD & DRY DOCK IS COMING TO FRUITION. WE ARE DELIGHTED AT THE OPPORTUNITY TULLOW HAS CREATED FOR MODEC & SEAWELD TO TRANSFER KNOWLEDGE & CAPACITY TO GHANAISANS TO HELP WITH THE SOCIO-ECONOMIC DEVELOPMENT OF THE COUNTRY."

ALFRED FAFALI ADAGBEDU
 MANAGING DIRECTOR OF SEAWELD

Ghana – Local Content expenditure (\$ million)



SUPPORTING LOCAL
BUSINESSES



Seaweld Engineering, a wholly owned Ghanaian company, is one of two Ghanaian companies contracted by MODEC to fabricate 'stools'. These are large support structures which hold pipe carrying racks and equipment modules on the TEN FPSO (Floating Production, Storage and Offloading) vessel currently under construction in Singapore. The company employs 80 Ghanaians, made up of 77 men and three women.

In all, 223 stools are being fabricated, with most now complete and shipped to Singapore to be fitted on the TEN FPSO. A further 138 module support stools required later in the FPSO construction programme are being built at Orsam, another local Ghanaian company.

SUPPLIER PERFORMANCE DRIVING LOCAL CONTENT

In October 2013, major contracts were awarded to international suppliers as part of the TEN development project. The successful award of these contracts was a critical component of the work programme to ensure we deliver first oil in 2016. Through our contracting strategy, a Local Content component was mandated as one of the terms of the award. Six international suppliers were awarded contracts for the delivery of the Floating Production Storage Offloading (FPSO), subsea production systems (SPS), subsea umbilicals, risers & flowlines (SURF), connectors and engineering components of the project. Each supplier included Local Content plans as part of their proposals. Through our new contract management process, we are beginning to track progress against Local Content plans and targets through monthly reporting.

MODEC was awarded the contract to convert the Centennial Jewel trading tanker into a FPSO vessel for the TEN Project. The FPSO, which is being worked on at Jurong Shipyard in Singapore, will be capable of handling expected plateau production of 80,000 barrels of oil per day, and has a storage capacity of 1,700,000 barrels. As part of its contract award, MODEC has sub-contracted the fabrication of steel for the topside modules of the vessel to two local providers, Seaweld and Orsam. Between them, Seaweld and Orsam will be delivering 500 metres of fabricated steel.

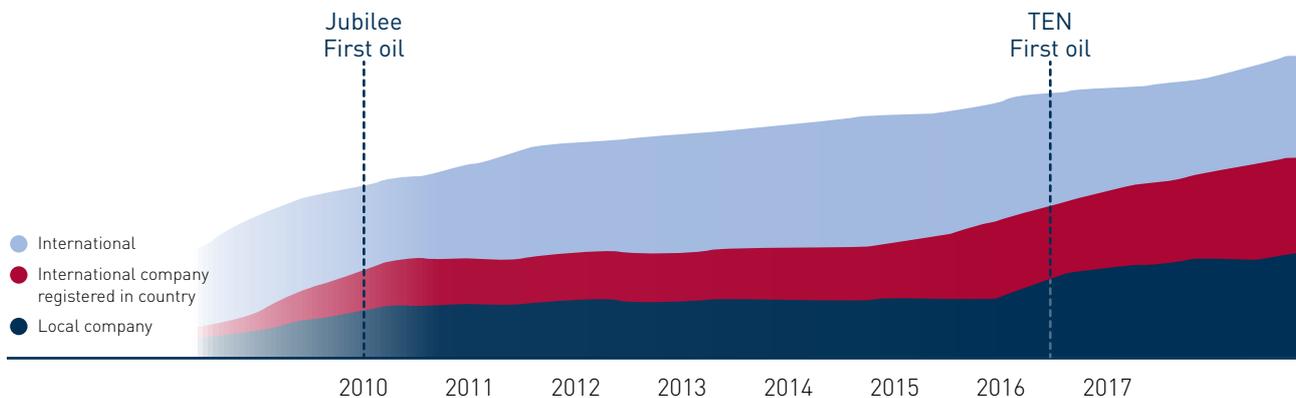
TS7, a consortium between Technip and Subsea 7, was awarded the contract to fabricate the key subsea components at Sekondi, in the Western Region of Ghana. This consortium is responsible for fabricating jumpers and sleepers from 400 tonnes of steel. TS7 now employ 38 Ghanaians, who represent 86% of their workforce delivering the project, which includes 25 engineers. The consortium is also providing the equivalent of 95 months training in Europe for Ghanaian sub-contractors.

“OUR LOCAL CONTENT POLICY ENSURES THAT OUR BUSINESS OPTIMISES OPPORTUNITIES FOR LOCAL ENTERPRISES AT EVERY STAGE OF THE SUPPLY CHAIN.”

LEK AMOA-FORSON
LOCAL CONTENT MANAGER, TULLOW GHANA

LOCAL CONTENT OPPORTUNITIES

Discovering and developing an oil field is a lengthy, complex process and the opportunities to develop Local Content throughout the oil life cycle vary. This graph describes the typical peaks and troughs of an IOC's capital expenditure on goods and services through the supply chain and the likely scale of opportunities available to local businesses. The skills developed for the oil and gas industry can also be used in the wider economy.



Exploration & Appraisal

The exploration and appraisal stage is technically complex, capital-intensive and high risk. Opportunities for local businesses, tend to be focused on the supply of support services, such as transportation, accommodation, security and camp facilities.

Development

The development stage involves the construction of infrastructure, or the fabrication and installation of oil and gas processing facilities. The TEN project is using local companies in the fabrication of FPSO parts.

Production

Production involves highly automated operations and does not directly create many jobs. However, for local companies that meet the high standards required by the industry and international law, there will be opportunities in the maintenance and repair of equipment.

Decommissioning & Restoration

In the decommissioning and restoration stage, specialist skills are still required, but opportunities available for local suppliers include, for example, demolition, waste management and fabrication.

THE JUBILEE TECHNICAL TRAINING CENTRE

In 2013, the Jubilee Partners invested over \$5 million in the Jubilee Technical Training Centre (JTTC), as part of their ongoing investment in this project. The centre is the first vocational training polytechnic in West Africa to offer National Vocational Qualification (NVQ) accredited courses in technical subjects such as instrumentation, process, mechanical and electrical engineering. Situated on the Takoradi Polytechnic campus in Ghana, the Jubilee Partners' investment funded the construction of the centre, including provision of the latest engineering equipment and training of instructors. The centre was officially opened by the Minister for Education in Ghana, Hon. Professor Jane Naana Opoku-Agyemang. The centre ran a pilot programme in 2013, and 16 students are studying full-time courses in 2014. As well as hands-on technical training courses, the centre offers Health & Safety training and is open to students not connected to the oil and gas sector.



GROWING GHANA'S FUTURE TALENT



"HAVING THE OPPORTUNITY TO TRAIN & ACQUIRE INTERNATIONALLY ACCREDITED SKILLS WILL NOT ONLY BOOST MY CAREER BUT ALSO GIVE ME A CHANCE TO PARTICIPATE IN GHANA'S GROWING OIL & GAS SECTOR."

ISHMEAL GYIMAH
JTTC STUDENT





STIMULATING FOREIGN DIRECT INVESTMENT

Following the Jubilee discovery in 2007, Ghana's oil and gas sector has attracted foreign direct investment, created local job opportunities and boosted economic growth. Tullow contracted the services of Expro, an international well services company, to provide well engineering services to the Jubilee and TEN development projects. Expro relocated their regional office to Ghana in 2011 and have since invested almost \$1 million in an operational support facility and \$140,000 in national capacity development programmes. Over half of their employees are Ghanaian nationals.

\$1 MILLION

INVESTED IN AN OPERATIONAL SUPPORT FACILITY





“THE ENTERPRISE DEVELOPMENT CENTRE IS PLAYING A KEY ROLE IN SUPPORTING SMALL & MEDIUM-SIZED ENTERPRISES TO IMPROVE THEIR BUSINESS & SERVICE DELIVERY IN ORDER TO POSITION THEMSELVES FOR OPPORTUNITIES IN GHANA’S OIL & GAS SECTOR.”

SHIKA ACOLATSE
EDC COUNTRY MANAGER



ENTERPRISE DEVELOPMENT CENTRE

The Jubilee Partners invested \$600,000 in 2013 and have committed \$5 million in total to the Government-led Enterprise Development Centre (EDC) in Takoradi. The centre supports small and medium-sized Ghanaian enterprises to better position themselves to take advantage of business opportunities within the oil and gas industry. The EDC offers a range of services including business training, advisory services and access to information about local markets.

“The Petroleum Commission is proud of the development of the Upstream Petroleum Industry in Ghana, for which Tullow as a lead operator plays a key role. The industry has grown both in the number of barrels of oil produced but also through enhanced value creation as a result of the activities conducted in the country.

Through its core mandates of ensuring the efficient utilisation of Petroleum Resources, the Petroleum Commission seeks to work with all operators in Ghana to ensure that the petroleum resources are efficiently produced and utilised with the least impact to the environment.

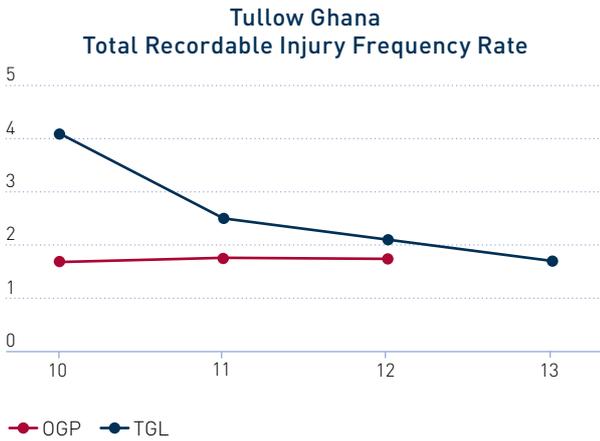
THIS YEAR, THE PETROLEUM COMMISSION COMMENCED A PROCESS WITH TULLOW TO DEVELOP & IMPLEMENT A PLAN FOR LOCAL CONTENT FOR THE TEN & JUBILEE FIELDS. THIS PLAN SIGNIFIES A PARTNERSHIP FOR SYSTEMATICALLY ENHANCING FUTURE IN-COUNTRY SPEND. THE PETROLEUM COMMISSION EXPECTS TULLOW & THE INDUSTRY TO CONTINUE TO GROW ITS SUPPORT & VALUE CREATION FOR THE STATE.”

THEOPHILUS AHWERING
CEO, PETROLEUM COMMISSION



RESPONSIBLE OPERATIONS

Our commitment to upholding the highest Environment, Health & Safety standards has resulted in a continuous improvement in our total recordable injury rate over the last three years, which in Ghana is now in the top quartile of the international Association of Oil and Gas Producers (OGP), as demonstrated by the graph below. We have also maintained our ISO14001 certification, demonstrating we have strong EHS processes in place and are committed to continuous improvement. We adhere to the Environment Protection Agency permit conditions as well as the International Finance Corporation’s performance standards. Through our internal development and National Vocational Qualification programme we have achieved a significant increase in the representation of local talent in our EHS team. In terms of emergency response preparedness, we have achieved an industry leadership position in establishing a Tier 1 & 2 response capability in the event of an oil spill.



COMMUNITY TRAINING ON OIL SPILL RESPONSE

In 2013, Tullow Ghana trained over 1,500 community youth and opinion leaders in the management of oil spills in the Western Region of Ghana. The training programme provides our communities with the capacity and competency to support emergency response procedures. The initiative is part of the company’s effort to prevent negative impacts on fishing communities and the environment in the event of an oil spill.

The fishing communities involved in the training were those bordering the area of the Jubilee field, including Apewosika, Lower Axim, Upper Axim and Brewire. The training represents a practical demonstration of Tullow’s commitment towards managing spills. Tullow will continue to hold regular training programmes, including simulation exercises for fishermen and community volunteers in the six coastal districts of the Western Region.



LIVELIHOOD ENHANCEMENT PROGRAMME – GHANA

In the Western Region of Ghana, we sponsored over 1,400 people from 26 fishing communities to receive training from the Jubilee Livelihood Enhancement and Enterprise Development (LEED) project, one of the Social Investment projects being managed by Tullow on behalf of the Jubilee Partners in partnership with local NGO, Pyxera Global. The week-long training covered subjects such as strategic business management, entrepreneurship development, soap making and oven and ice box construction. The sessions were open to fishermen, fishmongers and processors, artisans and members of the business community. Participants have ongoing access to the Business Resource Centre, which assists people by linking them to credit facilities, access to loans, and other business support.

INVESTING IN LOCAL COMMUNITIES

Over the last three years, Tullow and our partners have invested \$3m in the Supportive Technical Assistance for Revitalising (STAR) community based health planning and services (CHPS) project, which aims to strengthen the Western Region's health network. Working in collaboration with Jhpiego, an international NGO affiliated to the Johns Hopkins University, Tullow has provided support to 43 CHPS zones by funding the training, capacity building, and operational support to the health centres. The project has trained a total of 140 Community Health Officers (CHOs), who in turn train up their co-workers. Now, five CHOs have been designated as role models, providing leadership and support to more than 130 Community Health Nurses (CHNs) across the six districts. The 130 CHNs provide medical support to approximately 215,000 people living in the communities across the six districts. Medical support provided ranges from reproductive health and malaria management to child healthcare and the treatment of minor illnesses.



"I HAVE PARTICIPATED IN THE TRAINING OF MORE THAN 80 COMMUNITY HEALTH NURSES. I FEEL APPRECIATED & RECOGNISED FOR MY EXPERIENCE & MOTIVATED TO HELP OTHERS LEARN TO ACHIEVE THEIR BEST. I HOPE THAT I WILL REMAIN A ROLE MODEL FOR OTHER NURSES. I WOULD LOVE STUDENTS FROM THIS REGION TO COME & EXPERIENCE THE PROJECT FIRST HAND."

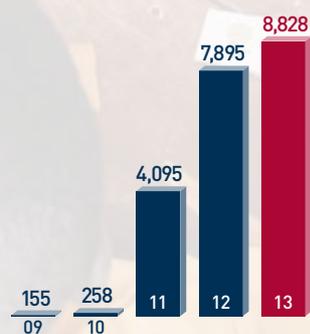
JOSEPH OPOKU COBBINAH
COMMUNITY HEALTH OFFICER



Between 2009-2013, Tullow Ghana has invested over \$21 million in social projects to benefit communities in the Western Region. One of these projects is the Amerano Sustainable Kindergarten, which we invested \$165,000 through a not-for-profit partner, the Sabre Charitable Trust.

The childcare centre provides pre-school care for up to 120 children annually. Responding to calls from the community to have a high quality childcare option in the local neighbourhood, the childcare facility will allow parents and particularly women to generate an income for their families. The Amerano project took on board the views of local communities and authorities throughout the planning and delivery stages of the project.

Discretionary Social Investment (\$000)



TULLOW GROUP SCHOLARSHIP SCHEME

Tullow established its Group Scholarship Scheme in 2011 to fill skills gaps and support long-term socio-economic development in countries where we operate. The scheme sponsors post-graduate students on courses at leading universities in the UK, France and Ireland, which are related to the oil and gas industry and other sectors that will help promote economic diversification. The scheme, now entering its fourth year, has invested \$7,745,000 in sponsoring 121 Ghanaian scholars. Below are the achievements of some of our 2012/13 scholars.

- Irene Darkoa Danquah, who studied Public Health Nutrition at the University of Southampton, became part of a panel discussion held by the World Food Programme;
- Bernard Oduro, who studied Photonics Technologies at the University of Southampton, has been acknowledged as a co-author in a submission to Optics Express;
- Josephine Darko, who studied Finance & Management at the University of Central Lancashire, received the School Prize for Outstanding Academic Performance – presented at the International Journal of Arts & Sciences conference at Harvard Medical School;
- Joshua Ayinbora, who studied Petroleum Engineering at the University of Salford, received a certificate of merit from the Society of Petroleum Engineers for being the pioneer Vice President of the society at the University;
- Juantuah Wiafe Osei, who studied Safety, Health and Environment, also at the University of Salford, won an internship with the United Nations Department for Economic & Social Affairs (UNDESA); and
- David Eshun, who studied Renewable Energy Engineering at the University of Central Lancashire, was selected by Rolls-Royce as the student to attend its Manufacturing Engineering Insight Day.



\$7.7 MILLION
INVESTED IN GHANAIAN SCHOLARS

"I AM PROUD TO HAVE ACHIEVED A DISTINCTION IN MY STUDIES. I HAVE VOWED TO RETURN TO GHANA TO USE THE SKILLS I HAVE LEARNT FOR THE BENEFIT OF MY HOME COUNTRY."

FREDERICK BRIGHT
BIOTECHNOLOGY GRADUATE FROM TEESIDE UNIVERSITY



CREATING SHARED PROSPERITY THROUGH SPORT

Tullow is supporting a number of initiatives that help develop local capacity through sports.

One sport unites people across Africa like no other: football. Tullow is the main sponsor of the Right to Dream Academy (RtD) in Ghana. The RtD Academy offers aspiring and under privileged children from across Ghana and other West African countries the opportunity to follow their dreams of one day playing professional football. Based outside Accra, the academy delivers top class football coaching alongside a full education and character development programme.

RtD holds recruitment events annually across the country, trialling around 20,000 children for football and academic potential, with only 15 being selected each year. At the academy, boys and girls from 10 to 18 work to an international academic curriculum and receive quality football coaching throughout.

Established in 2003, RtD is now starting to see the fruits of its labour with some graduates representing Ghana for the Black Stars in this year's World Cup in Brazil and many more on professional football contracts in Europe. Many students who choose not to pursue football continue their studies on full scholarships at top UK and US colleges.

Tullow is providing support to the Ghana Black Stars in the run-up to the World Cup and funded a coaching, technical and medical training programme in the UK for the Management Team earlier in 2014.



GOLF SPONSORSHIP

Tullow is also working to help develop golf in Ghana, with a particular focus on youth development.

In 2012, Tullow established golf academies in Accra, Tema and Kumasi in association with Paul McGinley, the 2014 European Ryder Cup Captain, and provided course maintenance equipment to three golf clubs. A major re-development of the Achimota golf course is currently underway.

Tullow believes that the development of golf will help to foster business opportunities through networking as well as building Local Content and creating jobs in the golf and hospitality industries.

MORE INFORMATION WWW.TULLOWOIL.COM

Our main corporate website has key information about our business, operations, investors, media, corporate responsibility and our people.

Online communications

Financial results, events, corporate reports, webcasts and fact books are all available in our central reporting hub.

Reporting Centre

www.tullowoil.com/reports

2013 Annual Report and Accounts

www.tullowoil.com/ara2013

Creating Shared Prosperity

Go online to find our Creating Shared Prosperity reports, including country reports and special features which will also be published in 2014.

Videos

Our dedicated video section contains a wide variety of content, from understanding our supply chain management to finding the exploration prize and results.

www.tullowoil.com/videos

Mobile

Live news and share price information on your phone.

Investor relations

Our Investor Relations & Media App for tablets and smart phones enables easy access to our suite of investor materials, such as results announcements, presentations, videos, webcasts and images while on the move. You can access this directly by scanning the QR code below.



Follow us



twitter.com/tullowoilplc



youtube.com/tullowoilplc



linkedin.com/tullowoilplc



facebook.com/tullowoilplc



This report is printed on Heaven 42 which is FSC® certified (the standards for well-managed forests, considering environmental, social and economic issues). Heaven 42 is manufactured at a mill that is certified to the ISO14001 and EMAS environmental standards.

Designed and produced by **Black Sun Plc**

Printed by **Pureprint Group**



Tullow Ghana Ltd

Plot No. 71
Off George Walker Bush Highway
North Dzorwulu
Accra, Ghana

Tel: +233 (0) 302 742200
Fax: +233 (0) 302 742300

Email: infoghana@tulloil.com
Website: www.tulloil.com

