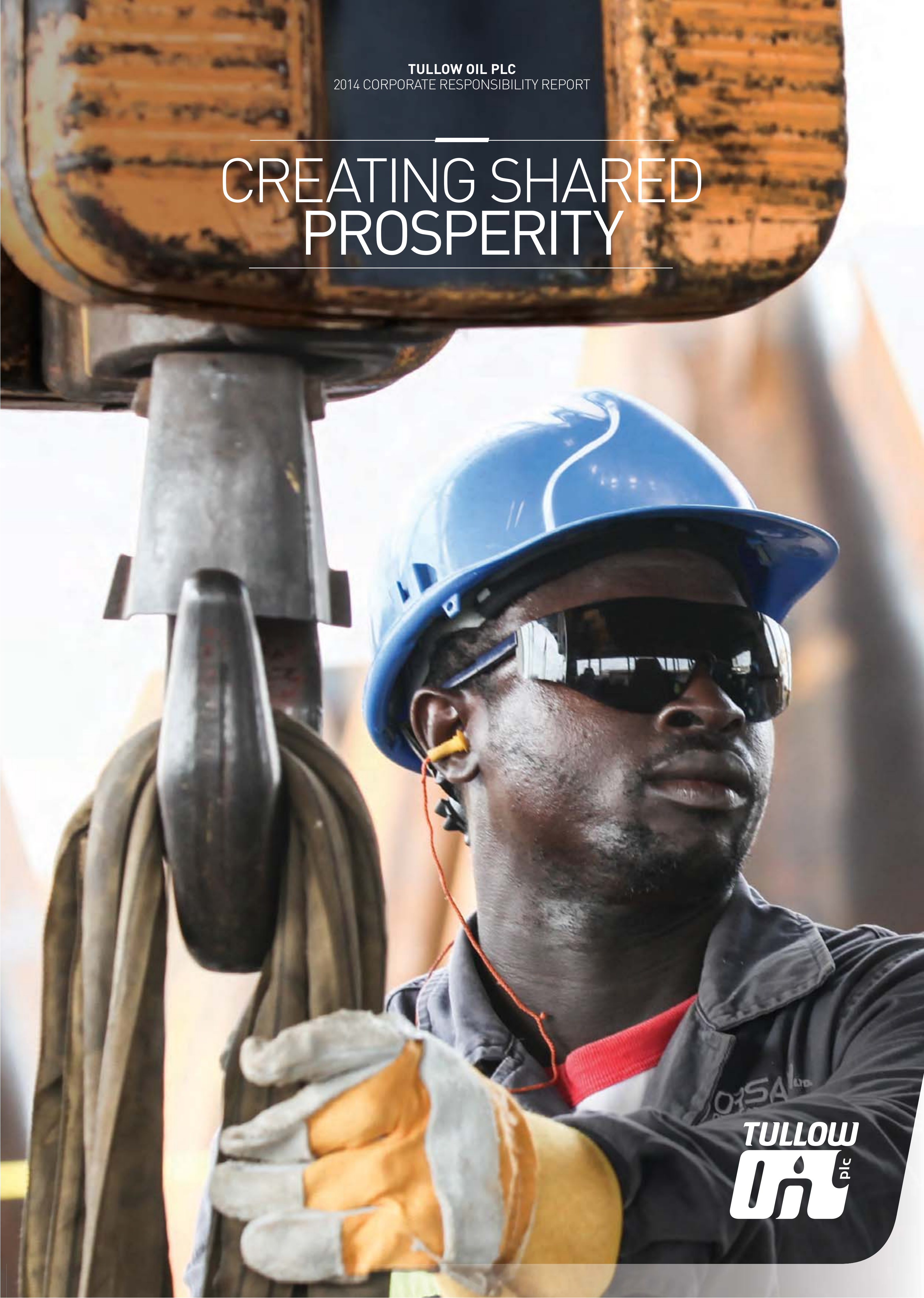
TULLOW OIL PLC
2014 CORPORATE RESPONSIBILITY REPORT

CREATING SHARED PROSPERITY



2014 IN SUMMARY

CASH FLOW

$1.5 BILLION

operating cash flow

PRODUCTION

63,400 BOPD

production from West African assets

DEVELOPMENT

TEN

development on track and on budget

TEN SPECIAL FEATURE

FOCUS ON SUPPLY CHAIN

Our special feature focuses on Tullow's supply chain operations behind the development of the Tweneboa, Enyenra and Ntomme (TEN) fields offshore Ghana.

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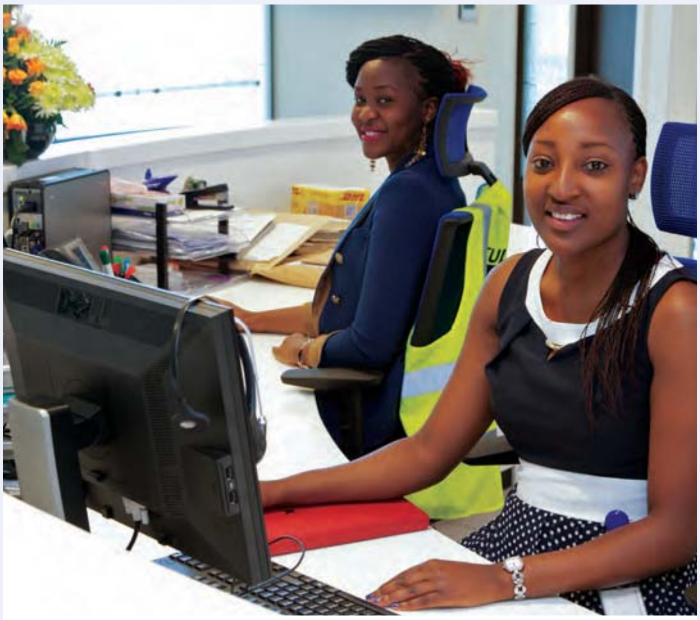
About the report

Our annual Corporate Responsibility Report covers the issues that we managed and our performance in relation to these key issues for the period 1 January – 31 December 2014. We use the IPIECA oil and gas industry guidance on voluntary sustainability reporting as a guide for our reporting. We use the Global Reporting Initiative's G4 reporting framework as a benchmark. Our 2014 Annual Report & Accounts includes a summary of the issues covered in this report and, as required by the 2013 amendments to the UK Companies Act, comprises a strategic report with disclosures on human rights, gender diversity and greenhouse gas emissions. You can find both reports and additional information about Tullow Oil on our website www.tullowoil.com

Please give us your feedback: csp@tullowoil.com

Cover: Orsam operative working on the TEN FPSO module support stools at the fabrication yard in Takoradi, Ghana.



SHARED PROSPERITY

$1.4 BILLION

payments to major stakeholder groups

83%

of staff are nationals in our African countries of operation

ORGANISATION & CULTURE

72%

employee engagement score, as measured by our independent survey

GOVERNANCE & RISK

94%

of workforce attended the Code of Business Conduct awareness sessions

RESPONSIBLE OPERATIONS

41/48

score against 16 performance indicators

Group	**2014**	2013
Sales revenue ($m)	**2,213**	2,647
Operating (loss)/profit ($m)	**(1,965)**	381
Net (loss)/profit after tax ($m)	**(1,640)**	216
Basic earnings per share (cents)	**(170.9)**	18.6
Pre-tax operating cash flow ($m)	**1,545**	1,901
Dividend per share (pence)	**4.0**	12.0

AFRICA'S LEADING INDEPENDENT OIL COMPANY

Tullow Oil is a leading independent oil and gas exploration and production company. Our focus is on finding and monetising oil in Africa and the Atlantic Margins. Our key activities include our core exploration campaigns, selective development projects and growing our high-margin production.

Our portfolio of over 130 licences spans 22 countries and is organised into three regions. At the end of 2014, we had a total workforce of approximately 2,000 people, with 50% of these working in our African operations.

We are headquartered in London and our shares are listed on the London, Irish and Ghanaian Stock Exchanges.

OVERVIEW

PERFORMANCE

SUPPLEMENTARY INFORMATION

WHERE WE OPERATE

West & North Africa

This region contributes the majority of Tullow's production which comes from Ghana and our non-operated assets in West Africa, providing cash flow to help fund the Group's operations.

South & East Africa

Tullow considers this region to have great potential for exploration and development. The Group is focused on its onshore exploration campaigns and progressing developments in Uganda & Kenya.

Europe, South America & Asia

This region consists of future frontier exploration acreage as well as some of Tullow's mature non-core gas assets.

Key Producing Areas
(boepd x000)

Exploration Campaigns
1. South Atlantic Margins 2. Guyanas Margin 3. Norwegian Continental Shelf 4. East African Rift Basin

OPERATIONS IN
22 COUNTRIES

LICENCES
136

ACREAGE SQ KM
330,250

TOTAL WORKFORCE
2,042

SIMON THOMPSON CHAIRMAN & **AIDAN HEAVEY** CHIEF EXECUTIVE OFFICER

RESILIENT IN THE FACE OF CHALLENGE

Our Chairman, Simon Thompson and Chief Executive Officer, Aidan Heavey share the key highlights and challenges that affected the business during 2014 and our approach to maintaining sustainable operations whilst focusing on successful delivery of the business strategy.

Q What has the falling oil and share price meant for your approach to sustainability? Will sustainability at Tullow be compromised in any way?

AIDAN: Sustainability is just too important to compromise. While the falling oil price has meant that we have had to cut some of our work programmes, we are not in any way compromising our health, safety or environmental standards or respect for the communities where we operate. Our long-term licence to operate absolutely depends on maintaining those high standards. However, we do have to get smarter about the way we deploy resources, both human and financial and about how we manage our sustainability risks. Part of the answer is to be more proactive, because prevention is almost invariably cheaper than trying to cure the problem once it has arisen.

Q What does the falling oil price mean for the governments of countries where Tullow operates?

SIMON: One of the causes of the current low oil price is the rapid expansion of the US oil shale industry at a time of subdued demand for oil across the world. Oil from shale is now a realistic alternative to conventional oil, so the important lesson for African governments is that they have to compete for investment with the USA. It is important that they look at their fiscal regimes and that they create a legal and regulatory environment that is predictable and where contracts are respected and laws are upheld. Otherwise investors will simply go elsewhere.

AIDAN: Another key issue is capital gains tax and its impact on investment. One of the ways for international oil companies to finance developments is by bringing in industrial partners to share the financial risk. Yet capital gains tax will deter those partners. The possible introduction of a new capital gains tax in Kenya could have an impact on the speed of the development and size of the oil and gas industry.

It is also important to understand that one of the biggest costs for the oil industry in the last decade has been the increase in the government's share of revenues. If oil prices stay at these low levels, government's share of revenue may need to be reviewed to make the investment proposition more attractive for international oil companies.

> "If oil prices stay at these low levels, governments' share of revenue may need to be reviewed to make the investment proposition more attractive for international oil companies"
>
> **AIDAN HEAVEY**
> CHIEF EXECUTIVE OFFICER

Q How will Tullow's ability to 'share prosperity' be affected in the medium term in the current environment?

SIMON: The net benefit in the countries where we operate is still positive. But the fall in the oil price will inevitably feed through, and governments, the oil industry and the whole supply chain have to adjust to a lower price environment. We are all under pressure and that means jobs and the sourcing of goods and services will be affected, both locally and internationally. No area of our industry will be immune.

There has been and will be a reduction in the level of investment until the oil price recovers and there is more certainty on the outlook. However, we should also remember that when you have a period of sustained high oil prices there is little motivation to change work practices and the industry tends to get complacent. Now there is a real incentive for everybody to think about how we can do things better, cheaper and faster without compromising safety. Low prices are not just a threat, they're also an opportunity for our business, the industry and whole value chain to become more efficient.

Q Turkana in North West Kenya is still a very challenging operating environment, with legacy, social, security and environmental issues outside of Tullow's control. Have you learned anything new in how Tullow can manage that?

AIDAN: It's important to recognise that all the issues we are dealing with in Turkana were there long before oil was discovered. We operate in an area where marginalised communities have suffered from the effects of drought and periodic violence for decades. We have to cooperate with others to try and address those issues, as it is not something Tullow can do alone.

Tullow has been playing catch up to some extent. When we farmed into our partners' licences, we had a tight drilling schedule to meet as part of our commitments to the Kenyan Government. With more time, we would have set out the support we needed up front from the government to operate in this sensitive environment.

We are learning all the time and every interaction we have provides fresh insights. We have made a lot of progress over the last 12 months and the reduced activity over the next year or so will help us consolidate our systems, approaches and experience and simultaneously agree with the government on areas where more support is required. The Kenyan Government has already started to take the issues seriously and is working closely with us. Despite this progress, we know we still face some formidable challenges over land, water and livelihoods.

Q Water will become an increasing area of focus in your Kenyan operations. Do you think a solution in a water scarce region will be achievable?

AIDAN: Water is inevitably going to be a major issue and we have to find a solution that is sustainable. We are currently conducting hydrogeological and hydrological studies in the region to identify and evaluate sources of water that would meet our requirements and could be developed without conflicting with other water demands, such as local agriculture and human consumption. Another important factor is avoiding creating further issues with land or water by inadvertently creating an influx of people, so we need to be very careful.

SHARED PROSPERITY THROUGH PARTNERSHIPS

We engage with multilaterals, aid agencies and civil society to raise awareness of the need for capacity-building in countries where we operate to develop legal, fiscal and regulatory frameworks to manage the industry's development. In 2014, the World Bank approved a $50 million technical assistance programme for Kenya, while the UK's Department for International Development approved £25 million support for skills development in the oil and gas sector in Kenya, Uganda, Tanzania and Mozambique. This will support local training to ensure our host countries benefit from these major investments.

OVERVIEW PERFORMANCE SUPPLEMENTARY INFORMATION

Q Stranded assets have become a major topic for discussion in the oil and gas industry. It has been suggested that, as governments adopt stricter climate change policies, the majority of coal, oil and gas deposits will remain undeveloped as investment in alternative energy sources grows. What are your views on this issue?

SIMON: There is no question that the world needs to reduce greenhouse gas emissions. But even if governments around the world took decisive action tomorrow, it would take decades of investment to replace the installed base of assets consuming fossil fuels and meanwhile energy demand continues to grow. So there will be a continuing role for the oil and gas industry for a long time to come. But climate change legislation is going to become an increasingly important factor in determining the price of all fossil fuels and some of the industry's resources may not achieve the commercial thresholds required to be developed.

As we look at Tullow's activities, in the short term we will work to minimise our own greenhouse gas emissions. In the longer term, oil and gas will probably play a diminishing role in the overall global energy mix. In the meantime, the priority for both Tullow and our host governments is to use the window of opportunity presented by the discovery of oil to convert natural resource wealth into shareholder value and sustainable and inclusive economic growth for Africa.

Q This will be Tullow's third year of disclosing its taxes to government. 2015 is the year the Transparency Directive becomes a legal requirement. Has it been worthwhile to Tullow in reporting early?

SIMON: There is no doubt in my mind that disclosure was the right thing to do. Now the onus is on the Non-Governmental Organisations that have been calling for greater transparency to use the data effectively. Most of the citizens in the countries where we operate are more interested in opportunities: jobs, investment in education, health and infrastructure, things that make a difference to their daily lives, rather than greater tax disclosure in our annual reports. So we all have to recognise that the disclosure of payments by oil companies to governments is the first step.

> "We will emerge from this as a stronger company and one that is able to seize the opportunities and deal with the challenges that the market will present."
>
> **AIDAN HEAVEY**
> CHIEF EXECUTIVE OFFICER

The next step is to try to ensure that there is a linkage between natural resource revenues and investment in sustainable and inclusive economic growth.

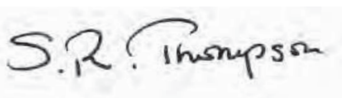
Q Tullow is about to go through a significant organisational change. What aspirations do you have for the kind of company Tullow will be after this is completed?

AIDAN: Over the last five years Tullow has expanded rapidly as a result of establishing major projects, like Jubilee and TEN. We now have a much more stable business and need to re-look at the organisation. Our internal feedback suggests that Tullow has become too bureaucratic and that our processes are not efficient. Simplification is about shaping the business into an organisation that is fit for purpose again. We need to define clearer lines of authority and our people need to be empowered to get on with their jobs and be held accountable for outcomes.

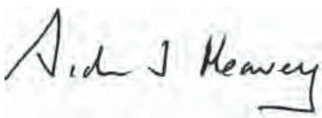
I am confident Tullow will emerge from this as a leaner, fitter and more cost-conscious organisation and with all the great capabilities of the Company intact. While it is a relatively tough period, we are committed to treating our people with respect as well as recognising how they have each contributed to some of the great achievements we have made as a company over the last fe w years. We will emerge from this as a stronger company and one that is able to seize the opportunities and deal with the challenges that the industry will present.

Q With a challenging industry outlook, what opportunities and challenges do you see ahead for the Company?

AIDAN: We floated the Company on Black Monday in 1987 when stock markets around the world crashed. The industry has since been through a downward cycle numerous times, and we have had to reinvent the Company on each of those occasions. While these are no doubt challenges, the companies that take the opportunities are the ones that do better. We have world-class assets and a fantastic group of people working for us. That is something that is recognised by the whole industry. That means we are in a better place than anybody else to come out of this phase stronger and I am confident for the future.



Simon R Thompson
Chairman



Aidan Heavey
Chief Executive Officer

OUR STRATEGY & SUSTAINABILITY APPROACH

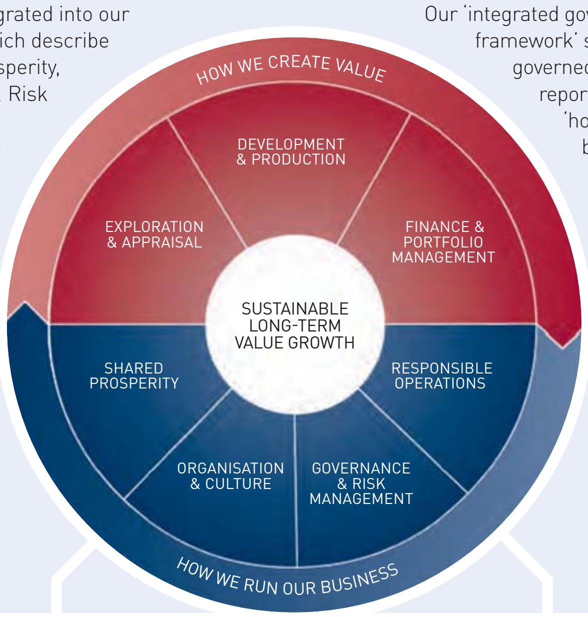
Our strategy is focused on building sustainable long-term value growth. We deliver our business strategy whilst ensuring safe and responsible people and operations.

Tullow's approach to sustainability focuses on our commitment to managing risks and mitigating the impacts of our operations while creating shared prosperity for shareholders, governments, citizens of host countries, employees and industry partners alike.

We have evolved our approach to managing sustainability since our last report. Previously we articulated our approach through eight key areas, which came under the banner of 'Shared Prosperity'. These eight components are now integrated into our business model, across four areas which describe how we run our business: Shared Prosperity, Organisation & Culture, Governance & Risk Management and Responsible Operations. For transparency, we have included the historical performance scorecards on pages 18-19 of this report.

In prior years, we have reported key performance indicators for each of our focus areas for the forthcoming year. 'How we measure success' in each of these four areas can be found in the relevant, dedicated sections of this report, the page references for which can be found below. In our 2015 report, we plan to set out forward looking goals and targets against these four areas of 'how we run our business'.

Our 'integrated governance & risk management framework' sets out how sustainability at Tullow is governed and can be found on page 36 of this report. A more detailed explanation of the 'how we create value' component of our business model can be found on pages 8-9 of our 2014 Annual Report & Accounts.



SHARED PROSPERITY

We work to share the industry's prosperity with our host nations by:

- Ensuring we pay a fair amount of tax in our host countries
- Employing nationals of our host countries
- Providing opportunities for local businesses to supply goods and services
- Building local business capacity

See page 20

ORGANISATION & CULTURE

Retaining and motivating our people involves:

- Maintaining a strong culture and values
- Ensuring our people understand and are committed to delivering our business strategy
- Providing career development and training opportunities
- Rewarding our people for their performance

See page 26

GOVERNANCE & RISK MANAGEMENT

We uphold the highest standards of governance and manage risk effectively by:

- Ensuring our Board is accountable for governance and risk management
- Upholding the highest business ethics including a zero tolerance for bribery and corruption
- Demonstrating transparency in our contracting processes

See page 32

RESPONSIBLE OPERATIONS

As a responsible operator, we are committed to:

- Managing our environmental and social impacts
- Keeping our people and our assets safe and secure
- Maintaining our asset integrity and being prepared for major emergencies
- Ensuring our high standards are upheld throughout our supply chain

See page 38

CREATING VALUE ACROSS THE OIL LIFE CYCLE

We want our contribution to the global oil life cycle to bring tangible and sustainable value to the groups that should benefit from our presence.

CONTRACTUAL LICENCE

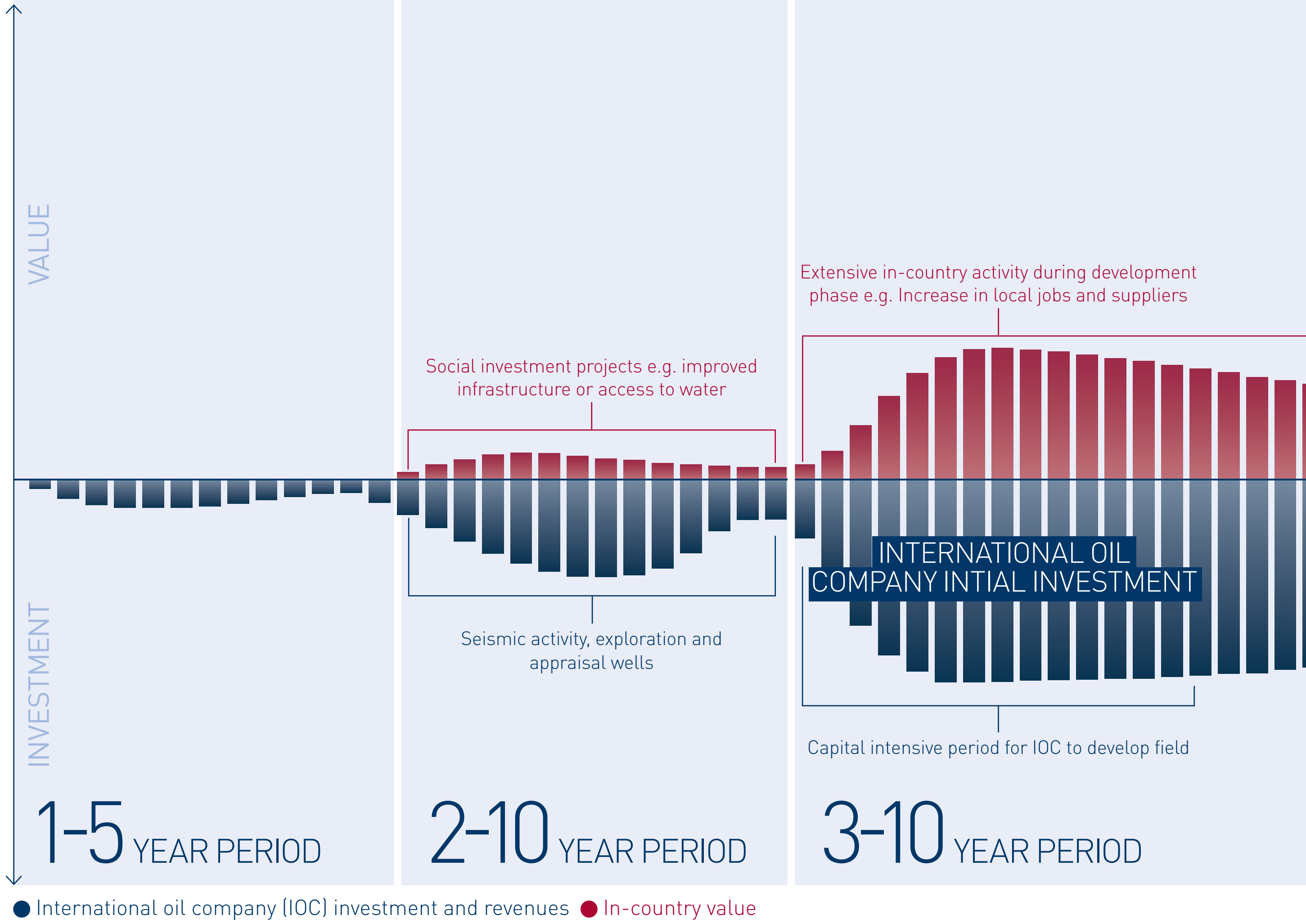
In order to explore we must first be granted a licence by the government of the country we wish to invest in. We identify those countries through careful evaluation of geological and non-technical risks. We look for hydrocarbons in regions where we have proven expertise as well as in new, under-explored territories.

EXPLORATION & APPRAISAL

We collect and interpret seismic and geophysical data to assess potential oil in the ground. We drill an initial well and after a discovery, we drill appraisal wells and potential additional exploration wells to determine the size, quality and extent of the geological play. If there is no oil or it is not commercially viable, the well will be plugged and abandoned.

DEVELOPMENT OF DISCOVERY

We begin work on a Plan of Development (PoD) once we have confirmed that the oil discovery we have made is commercially viable. The PoD involves extensive stakeholder engagement and must consider environmental, social, economic and operational issues. These plans are approved by governments and regulatory authorities and their implementation is carefully monitored.



THE VALUE WE GENERATE

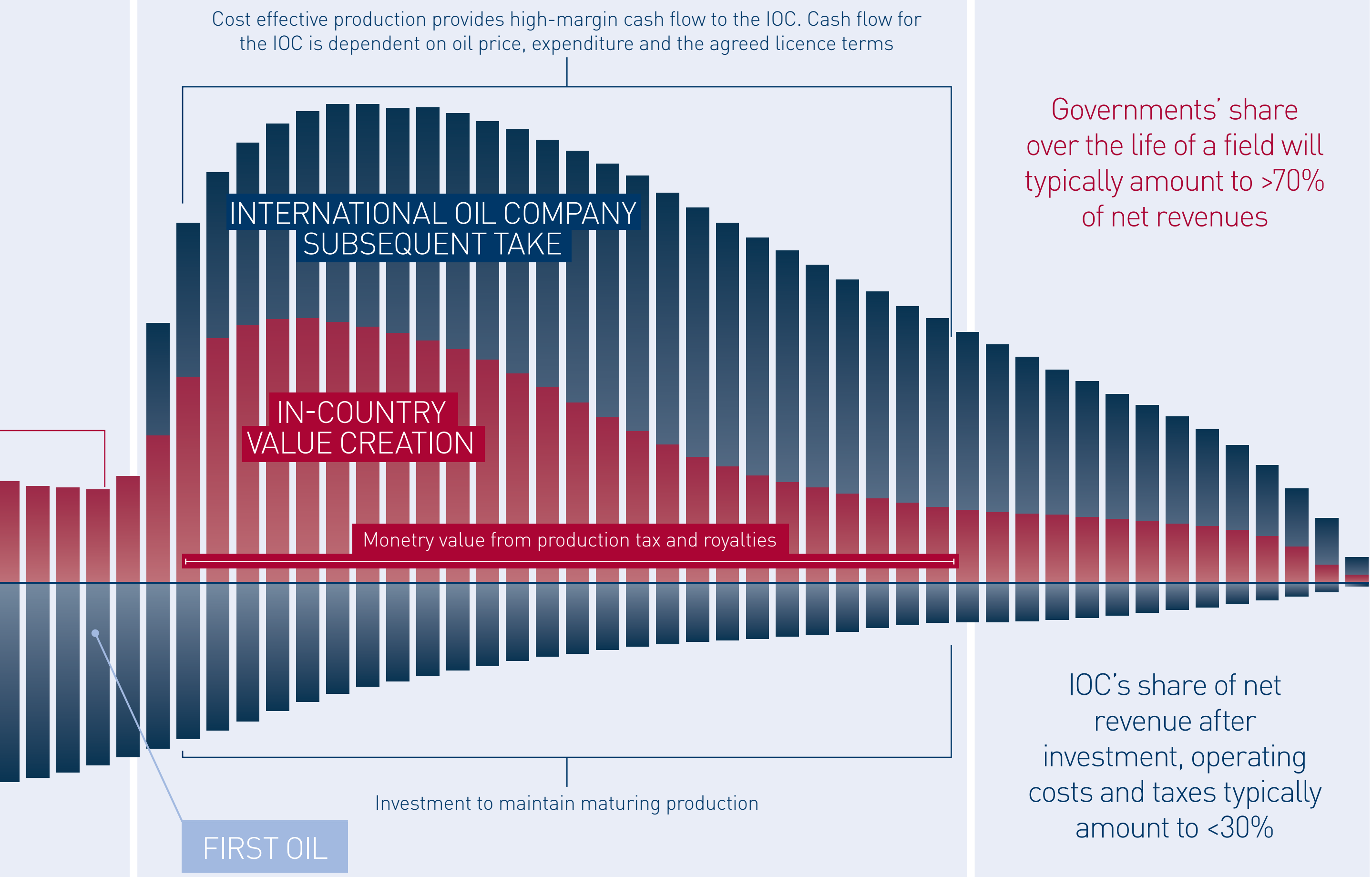
We aim to create sustainable long-term value growth through our operations across the oil life cycle. While our shareholders are always our key focus, we believe it is equally important to create in-country value for a wider group of beneficiaries including employees, governments, local suppliers and communities. This value is not purely focused on financial returns, it also comes from local employment, local sourcing of goods and services and capacity building. We call our approach to achieving this value 'shared prosperity' and we aim to ultimately create a positive and lasting contribution to economic and social development in the communities and countries where we operate. This should bring further benefits to our shareholders.

PRODUCTION

Successful developments should be carried out in the most cost-effective way, without compromising high safety standards, and with regard for the environment and local communities that may be affected by our work. Production can last many decades.

DE-COMMISSIONING

When production ceases, facilities are decommissioned and the location is fully remediated.



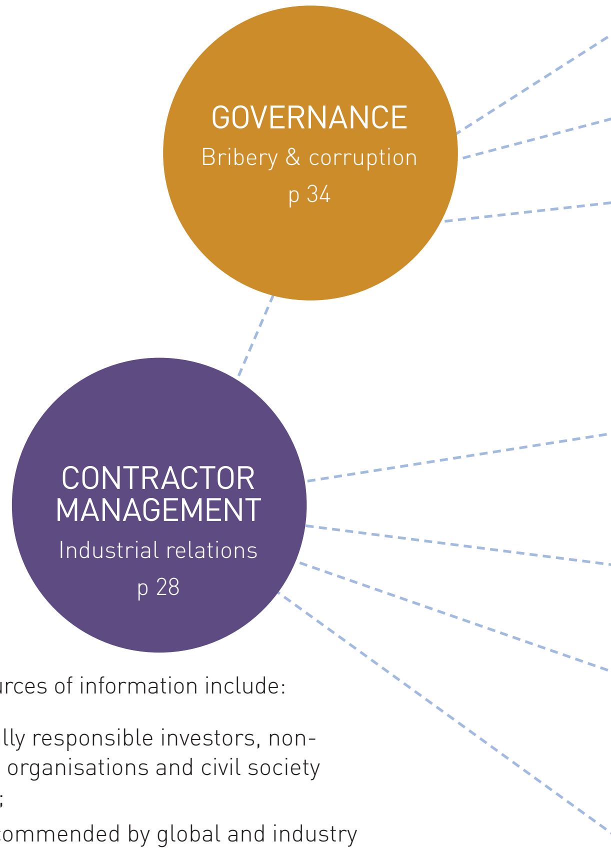
20-50 YEAR PERIOD

3-10 YEAR PERIOD

This is an indicative life cycle. Timings and values are generalised for illustration only.

MATERIAL ISSUES & STAKEHOLDER ENGAGEMENT

The frontier locations and nascent oil industries in which Tullow operates mean that we manage a large number of issues, which are material to our shareholders, host governments, neighbouring communities and employees.



We report on the issues that we believe are most important to our stakeholders and have the greatest potential to impact the delivery of our strategy and business plans. In determining which issues to include in the report, we consider whether it is likely to have a significant influence on people's view of Tullow and if its omission could mislead our readers' understanding of our business.

Effective stakeholder engagement is critical to the success of Tullow's operations. It is important in managing expectations and understanding the views, interests and concerns of our different audiences. Stakeholder engagement helps us to achieve our business goals, such as negotiating land access, gaining government approval on plans at project milestones and managing our contractor workforce. Our stakeholders include governments, investors, industry partners, communities, employees, non-governmental organisations, civil society organisations and the media. In 2014, the Board set itself an objective to engage with shareholders, politicians, Civil Society Organisations and other key stakeholders. For details on its performance against this objective, please refer to pages 74-75 of the 2014 Annual Report & Accounts.

In 2014, we developed a stakeholder engagement framework for the Tullow Kenya business unit which aimed to create a strategic approach to stakeholder engagement. The framework emphasises the importance of strong relationships created through regular dialogue and mutual trust. It provides tactical guidance on planning, co-ordination and execution of engagements, and includes tools such as a risk register, issues management plan and a governance process. The framework is being introduced to other business units in 2015 to align our engagement approach and to support the delivery of our business objectives.

As part of our materiality review, we look at a range of internal and external sources of information to validate our view of the current issues affecting our business. These include Tullow's governance structures, risk management processes and policy framework.

The external sources of information include:

- Views of socially responsible investors, non-governmental organisations and civil society organisations;
- Standards recommended by global and industry specific reporting bodies, such as IPIECA; the International Oil & Gas Producers (IOGP) and the Global Reporting Initiative (GRI);
- Media articles on Tullow and the industry;
- New and existing regulations; and
- Peer reporting.

The illustration above represents the issues we have assessed as being of high concern to stakeholders and of high significance for our Company in 2014. As well as highlighting the individual issues, the mind-map also shows how the areas that are most important to our business are interconnected. More detail on each of the issues in this map is provided in this report and on our website.

MATERIAL ISSUES

POLITICAL RISK
Contract sanctity
Stable fiscal and regulatory regime
Border disputes
p 35

PEOPLE
Talent retention
Employee engagement
Diversity
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SOCIAL IMPACT
Human Rights
Land access
Grievance management
Cultural preservation
Community consultation
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TRANSPARENCY
Payments to governments
Revenue sharing
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LOCAL PARTICIPATION
Local business opportunities
Local employment
Capacity building
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HEALTH
Ebola
Malaria
Please visit our website www.tullowoil.com

SAFETY
Road safety
Safe people, sites and assets
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SECURITY
Voluntary Principles on Security & Human Rights
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ENVIRONMENT
Water scarcity
Oil spills
Waste management
Climate change & flaring
Biodiversity
Stranded assets
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KEY
- **Shared Prosperity**
- **Organisation & Culture**
- **Governance & Risk Management**
- **Responsible Operations**

Stakeholder engagement
Set out on our website is a detailed overview of stakeholder engagement activities, covering which stakeholders we engage with and why; what engagement activities took place in 2014; what issues were raised through those engagements and how we responded. For more information go online to www.tullowoil.com/stakeholder-engagement.


Ghanaian nationals working at the FMC plant in Takoradi, Ghana

SUPPLY CH IN ACTION

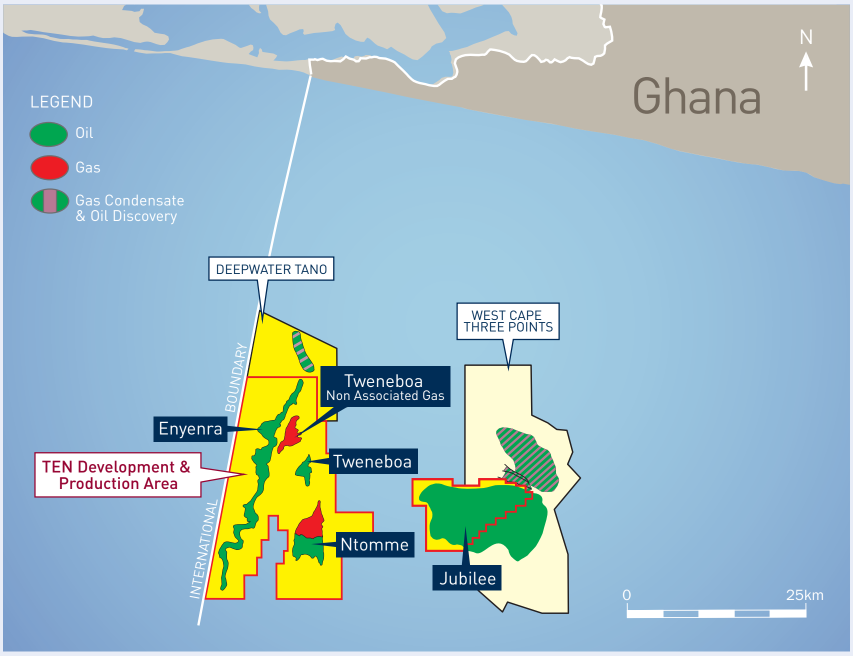
AIN

TEN project

Operated by Tullow, the TEN Project is Ghana's second major oil development. The project takes its name from the three offshore fields under development – **Tweneboa**, **Enyenra** and **Ntomme** – which are situated in the Deepwater Tano block, around 60 kilometres offshore Western Ghana.

SUPPLY CHAIN MANAGEMENT IN A GLOBAL OPERATION


TEN FPSO under construction in Singapore




Propeller of TEN FPSO during construction in Singapore

TEN is a truly international project, with major work being undertaken in Singapore, Malaysia, Thailand, France, Norway, the USA and Ghana.

Effective supply chain management plays a critical part in the delivery of the TEN Project. As a global project requiring contractor services from various parts of the world, supplier management is a core focus in order for our contractors to deliver the project in a safe, cost effective and sustainable manner.

The project is committed to maximising local content and all major contractors were required to submit local content development plans in their tenders. This has seen significant work completed in Ghana, including the construction of the FPSO's module support stools and mooring piles, the fabrication of subsea mud mats and the assembly of subsea christmas trees.

TEN partners

Tullow plc

GNPC

Anadarko Petroleum Corporation

PetroSA

KOSMOS ENERGY

COUNTRIES INVOLVED IN SUPPLYING INFRASTRUCTURE

UK – Main project team

USA – Christmas trees

Singapore – FPSO conversion, power generation and fabrication

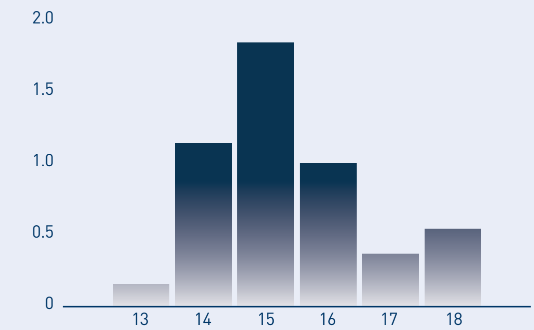
Ghana – In-country project team and numerous services from local suppliers

France/Norway – Subsea production equipment

Thailand – Gas compression

Malaysia –Laydown area and fabrication of pipe racks

FULL PROJECT CAPEX ($ BILLION)



BUILDING CAPACITY

GNPC SECONDEES

Tullow has an agreement with the Ghana National Petroleum Corporation to develop a number of GNPC employees through secondments at Tullow. Four GNPC engineers are seconded to the project team in London until first oil to gain experience of managing a major offshore development project. Three more GNPC secondees have joined the FPSO team in Singapore to gain experience of an FPSO conversion project.

SUPPLIER WORKSHOPS

In collaboration with the Ghana Petroleum Commission, Tullow Ghana is running a series of workshops for Ghanaian small and medium sized enterprises (SMEs) to learn more about accessing TEN Project contracts. Held at the Enterprise Development Centre in Takoradi, TEN contractors present their work package requirements and tendering process to the SME representatives and answer questions from suppliers. The workshops have received positive feedback from the attendees.

RESPONDING TO LEGISLATION

Ghana's local content and local participation law, passed in 2014, requires that Ghanaians are prioritised in terms of employment and local business opportunities in the petroleum industry. To achieve this objective, the local content legislation also outlines the support required by international companies to develop local capability through education, knowledge and skills transfer.

We began our commitment to the local sourcing of goods, services and expertise in 2008 when Tullow was designated field operator. In response to the new legislation, Tullow has focused on building local capacity so that Ghanaian businesses can bid successfully for contracts in the oil and gas industry. As a result, a number of local companies are now part of our supply chain.

GNPC engineers on secondment in Tullow's London office


Welding operations at Seaweld plant in Takoradi, Ghana

EHS IN THE TEN PROJECT

Tullow is committed to protecting the health and safety of its employees and contractors and manages the TEN Project's EHS performance through a comprehensive EHS management plan. Embedded in supplier contracts are Tullow's EHS standards which set out what we require of our major contractors and their sub-contractors. While Tullow does not have operational control at any of the TEN construction sites, we have a range of EHS initiatives to influence behaviours and ensure our standards are being upheld. One example of such an initiative is our "Behaviour is a Choice" programme that sets out practical advice on how to intervene on site and provide feedback on any 'at risk' behaviour observed. This was supported by the 'At Risk' behaviour pocket guide, which is available in seven languages and used by the workers on our sites across the globe.

In 2014, we achieved our Lost Time Injury Rate target of 0.7 (the number of Lost Time Injuries per million man hours worked) with a rate of 0.67. Nevertheless, we continue to review and incorporate learnings from each incident and circulate an 'EHS wake up call' presentation across all of our contractors on a monthly basis so they can learn from each incident.

CONTRACT MANAGEMENT CRITERIA

Technical & Operational
The operational performance of the contract and contractor's progress against their technical plan.

EHS
The contractor's EHS performance represented by Tullow's EHS scorecard, comprised of leading and lagging indicators.

Commercial
The commercial performance of the contract, including payment performance, cost recovery and commercial progress against plan/budget.

Local Content
The contractor's execution of their Local Content plans, including staff numbers, training and development, and procurement of local goods and services.

Compliance
The contractor's compliance with Tullow's Code of Business Conduct and Anti-Bribery and Corruption legislation, and its ability to demonstrate controls to that effect.

GLOBAL SUPPLY CHAIN FACTS

80%
of hours worked on Tullow projects completed by contractors.

$2 billion
Spent with suppliers.

2,240
suppliers working directly for Tullow in Uganda, Kenya and Ghana.

HOW WE RUN A SUSTAINABLE BUSINESS

PERFORMANCE

"Being a beneficiary of the Tullow Group Scholarship Scheme has helped me to advance my career and make a difference in my country."

NANA DENKYE APPIAH-NUAMAH

OUR 2014 PERFORMANCE SCORECARD

Below are the scorecards for the areas which have previously formed our approach to managing sustainability at Tullow. For 2015, we have described how we measure success for each of the four areas of how we run our business: Shared Prosperity, Organisation & Culture, Governance & Risk Management and Responsible Operations on pages 21, 27, 33 and 39 of this report. Our performance for each of the metrics can be found on the opening pages of each of these four areas. Our EHS scorecard, below, is part of our Group KPIs and accounts for 10% of Tullow's Incentive Plan (TIP) for Executive Remuneration.

Local Content

2014 Targets	Progress	Performance
Achieve public assurance of our 2014 Local Content data	Failing to meet target	SAP was still being rolled out across the business, therefore Internal Audit provided internal assurance of our 2014 Local Content data
Complete alignment with LC legislation and complete a gap-fit assessment with IFC guidelines and Equator Principles	Within 10% of target or on track for delivery	A memorandum of understanding was signed with Ghana's Petroleum Commission to find a pragmatic way of introducing the LC legislation
Continue quarterly supplier forums	Meeting target	Quarterly supplier forums continued in Ghana and Kenya

Our People

2014 Targets	Progress	Performance
Maintain staff turnover below 5% per annum	Within 10% of target or on track for delivery	The proportion of voluntary leavers for the year was 5.2%
Act on feedback from employee engagement survey	Within 10% of target or on track for delivery	A major simplification project was initiated at the end of 2014 to address the structural inefficiencies in the organisation
Continue to monitor senior executive development plans to provide succession for all key positions	Within 10% of target or on track for delivery	Succession plan in place for all business critical roles
Support roll out of Integrated Management System to improve organisational effectiveness and business efficiency	Meeting target	The IMS is ready to be rolled out in 2015

Governance

2014 Targets	Progress	Performance
Focused training on our 'speaking up' processes	Meeting target	Achieved through town hall sessions and focused workshops, plus a new 'speaking up' video
Update of the Code of Business Conduct, which was first introduced in 2011	Within 10% of target or on track for delivery	New edition of the Code of Business Conduct drafted and ready for launch in 2015
Development and implementation of a mandatory bribery and corruption e-learning programme	Within 10% of target or on track for delivery	E-learning programme developed and will be implemented across the Group during 2015
Enhancement of our monitoring and reporting procedures to ensure that our anti-bribery and corruption programme is embedded and effective	Meeting target	Regular monitoring and reporting of compliance data to the Audit Committee and Compliance Committee, and relevant interventions where necessary
Further independent, external review of our anti-bribery and corruption programme by GoodCorporation	Meeting target	Re-assessment of adequate procedures conducted by GoodCorporation in May 2014

Meeting target · Within 10% of target or on track for delivery · Failing to meet target

Environment, Health & Safety

2014 leading EHS KPI	Progress	Performance
Ensure contracted drilling rigs operate under International Association of Drilling Contractors (IADC), or equivalent, Safety Case		Onshore rig contractors safety cases developed in adherence to IADC guidelines
Independently verify 100% of producing operated asset Safety Cases and selected rig Safety Cases		Jubilee Safety Case in place and independently reviewed by Chem-Risk Ltd & ERM
Tullow-operated new developments to have either a safety case or Control of Major Hazards (COMAH) before first oil		TEN Safety Case materially complete (first oil mid- 2016)
Conduct Land Transport (LT) Gap Analysis. LT Management Plans in place by end 2014		Gap Analysis completed. LT Management plans yet to be fully implemented
Executive assurance for all Environment Social Management Plans. ESMP commitments delivered		Assurance provided through internal review and audit
Instigate quarterly reviews of 'lessons learned' from Level 4 / 5 incidents		Chief Operating Officer reviewed lessons learned quarterly. All incidents reported to EHS Committee
Compliance with the Travel Fitness to work procedure		Fitness to Work portion of the Medical Fitness to Work Standard, which was launched in 2013

2014 lagging EHS KPI	Progress	Performance
Reduce spills by 20% from 2013 performance (0.47 spills per million man hours worked)		15 uncontrolled releases greater than 50 litres during the year (0.67). Majority were black water spills
100% closeout of all actual and potential Level 4 & 5 incidents		84% complete with no overdue investigations (21/25 completed). 25 incidents recorded (2013: 39)
100% closeout of all Lost Time Incidents (LTI)		77% complete with one overdue investigation (10/13 completed). 13 incidents recorded (2013: 17) as work related
20% reduction in LTIF from 2013 (0.81) as part of 5 year plan to achieve 1st quartile IOGP performance		2014 LTIF 0.58 (28% reduction on 2013)
Max 3 wells under construction operating under a formal policy dispensation for barrier related issues		Metrics achieved
Max 5% of production wells of well stock operating under a formal written well integrity dispensation		Metrics achieved

Social Performance

2014 Targets	Progress	Performance
Develop minimum requirements for grievance mechanisms in Tullow operated projects		Pilot grievance mechanisms implemented in Ghana, Kenya, Uganda and Suriname
Rank suppliers for Social Performance risks		Screening process conducted on high value contracts
Develop social impact KPIs for inclusion in impact assessments		Social impact indicators developed through the pilot Responsible Business Assessment
Pilot human rights assessment for Kenya		Responsible Business Assessment was completed
Embed Social Investment mandatory criteria and develop an assurance programme		The SI Mandatory criteria incorporated into an SI Standard, included in the Company's Integrated Management System (IMS)

Sustainable Supply Chain

2014 Targets	Progress	Performance
Further embed contract management procedures instigated in 2013 into business as usual activity		Contract management procedures embedded into high value and high risk contracts
Track progress against LC targets for each BU		LC targets achieved for Ghana, Kenya and Uganda
Delivery of SAP solution to aid improved transparency, efficiency and analysis of procurement data		Complete SAP roll out due for completion in mid-2015

SHARED PROSPERITY

As Africa's leading independent oil company we believe we have a significant role to play in creating a positive social and economic legacy. Key to this role is building transparent, accountable and mutually respectful relationships with all our stakeholders. Tullow seeks to share prosperity by paying the fair and appropriate amount of tax in our countries of operation, creating job and business opportunities within our host countries and providing discretionary investments in social projects which benefit our host communities and building capacity among the local workforce.

MATERIAL ISSUES

Transparency

- Payments to governments
- Revenue sharing

Local participation

- Local business opportunities
- Local employment
- Capacity building

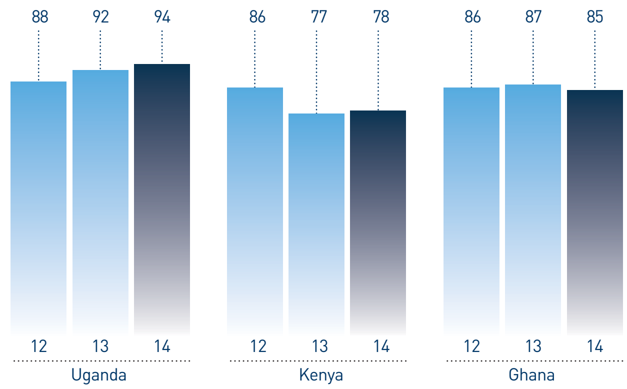
"GNPC has worked closely with Tullow and its other partners on Jubilee and TEN. I am proud of the success we have had so far and look forward to many years of close cooperation as we build Ghana's oil and gas sector together."

ALEX MOULD CEO, GHANA NATIONAL PETROLEUM CORPORATION (GNPC)

NATIONALS WORKING IN OUR KEY COUNTRIES OF OPERATION

Creating local employment in our host countries is an important issue for our stakeholders and one of the ways in which we work to create shared prosperity.

NATIONALS EMPLOYED (%)



CREATING SHARED VALUE

The ultimate aim of shared prosperity is to create a positive and lasting contribution to economic and social development in the communities and countries where we operate.

Strategy and management approach

We contribute to creating shared prosperity in the countries where we operate through foreign investment, local procurement, local employment, capacity building and complete transparency on payments to government.

We see these as mutually dependent and reinforcing, with fair and predictable tax policies encouraging investment in local supply chains which then create jobs.

Capacity building through targeted education and training helps to support the pipeline for both local employment and business development. Over time, a growing pipeline of skilled workers will build local and regional capabilities to supply goods and services to the sector.

International businesses invest significant capital in building a presence and this, combined with the availability of highly skilled international staff to transfer knowledge and experience, can help to increase the use of technologies and capabilities in the local economy. In contrast, limiting the use of expatriates and international business can reduce the participation of local people in the industry.

Aidan Heavey, Tullow's Chief Executive, is responsible for risks relating to Shared Prosperity and risk assurance is provided by the Executive Committee.

HOW WE MEASURE SUCCESS

$1.4 BILLION
total economic impact across our 22 countries of operation

83%
of staff are nationals in the African countries where we operate

$225 MILLION
spent with local suppliers across Ghana, Uganda and Kenya

"We believe it is important to understand and debate the role that international businesses can play in countries with nascent oil industries, through encouraging foreign direct investment and capacity building."

JIM WALSH
GROUP LOCAL CONTENT MANAGER

Key risks and opportunities

The most significant economic impact we have in our host countries comes from the taxes and oil production revenues. That means it is important that there is good tax governance and associated transparency by both industry and government to create a predictable environment. It is these foundations which facilitate the investment of billions of dollars required throughout the development and production of oil resources.

Our activities also present an opportunity to create jobs, develop capacity in parts of the national workforce, create local business opportunities and encourage foreign direct investment through our international supply chain. Developing these opportunities is an important part of our strategy and Tullow's way of doing business. We seek partnerships with local educational institutions and government to build capacity and provide a pipeline of skilled workers for the future.

These efforts include responding to the increasing regulation of employment and business opportunities for national workers in our host countries, sometimes known as local content participation. Complying with these rules potentially increases our costs in the short term, but we continue to build on a strong track record in this area and are determined to develop this work further to help to achieve long term shared prosperity.

Tax transparency

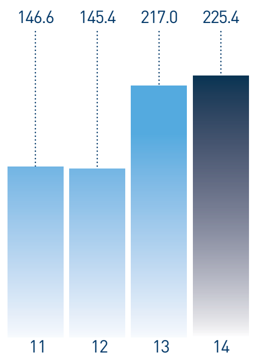
2014 is the third year we have reported payments to government in our countries of operation and the second year we have reported in line with the EU Accounting Directive.

Our payments to governments, including payments in kind, amounted to $518 million in 2014 (2013: $870 million). Payments to governments were lower in 2014 due to a reduction in payments in kind caused by lower production entitlements per barrel in West and North Africa and lower income taxes as a result of higher Norwegian tax rebates. Total payments to all major stakeholder groups including employees, suppliers and communities, as well as governments brought our total socio-economic contribution to $1.4 billion (2013: $1.6 billion). This included $225 million spent with local suppliers, $459 million in payroll globally and $10.6 million in discretionary spend on social projects.

Not included in this summary is the value of local employment or goods and services secured through our supply chain, or investments in social investment projects as part of our contractual obligations. For full disclosure of our 2014 payments to governments, go to page 50.

Tullow works to ensure that we pay our taxes in the jurisdictions in which our activities are undertaken in accordance with the domestic tax law and applicable production sharing agreements. Within this, we seek to benefit from incentives and reliefs offered by our host governments, enhancing our ability to generate value for all our stakeholders. We do not take an aggressive approach to the interpretation of tax legislation for tax planning purposes, nor do we use artificial tax avoidance schemes or tax havens to reduce the tax liabilities of the Group.

LOCAL CONTENT ($ MILLION)

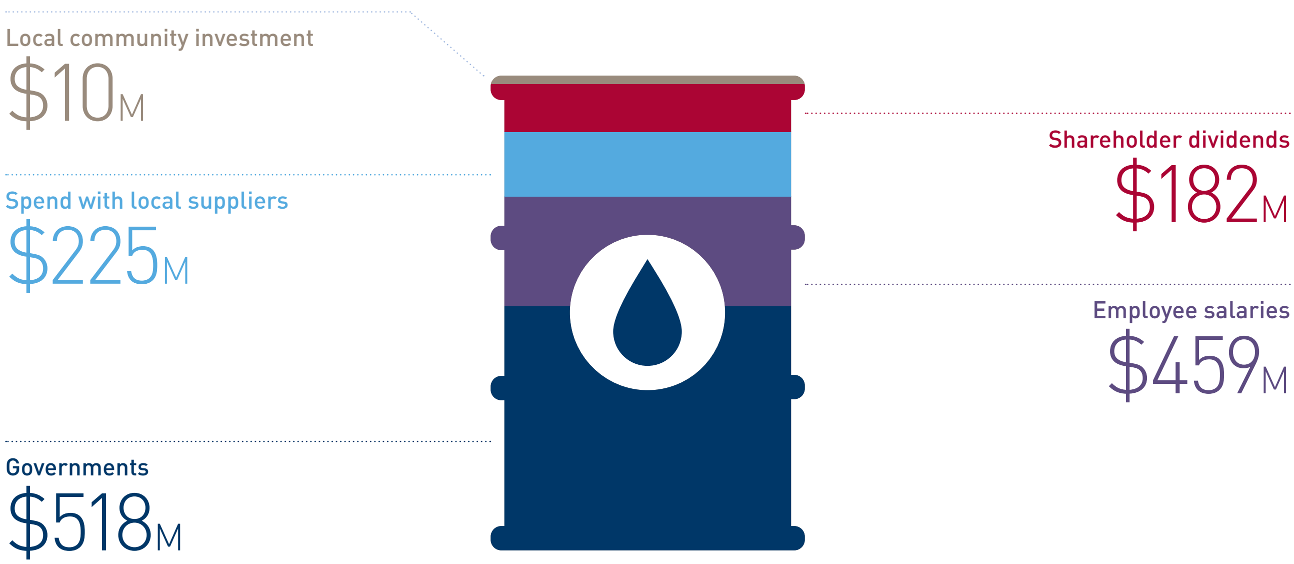


Supporting local business

We strive to maximise opportunities for local businesses and our local content strategy helps local businesses to develop so they can secure work from the wider industry. We reinforce this work through our contracting strategy which requires international suppliers to set out in their tender documents their commitment to developing local companies within their supply chain. In particular, we look for tangible evidence of a long-term commitment to investing in this area. We also require them to demonstrate how they will provide opportunities for local enterprises to supply goods and services, and provide a local content development plan.

It takes time and effort to build the necessary capabilities in local businesses for them to meet the international standards Tullow adopts in its work. We arrange supplier forums to provide the support to help them to become suppliers both to Tullow and the wider sector. In addition, we invest in facilities and equipment where this can help business development and look for ways to promote high environmental and safety standards.

2014 TOTAL ECONOMIC CONTRIBUTION



TAI ENTERPRISES – KENYA

As part of our commitment to promote local supplier participation, Tullow has been working with Tai Enterprises Limited, a Kenyan civil engineering firm, since February 2012. Tai Enterprises employs 165 people, 98% of whom are Kenyan and 73% of whom are from Turkana, where Tullow operates. This partnership has strengthened Tullow's relationship with the local district administration and has promoted capacity building.

Tai Enterprises has undertaken civil and structural construction work for Tullow, providing sewerage and waste water facilities, road construction, plumbing, bridges and footpaths. The company promotes local community involvement by hiring local equipment, such as light vehicles, trucks and construction materials. This greatly strengthened community relations and support for the sector's activities.

A CHAIRMAN'S PERSPECTIVE ON LOCAL CONTENT

"We have to be realistic about the scale of the opportunity that exists for local businesses but proactive in playing our part to build capacity."

SIMON THOMPSON CHAIRMAN

Tullow is committed to sourcing goods and services locally and we recognise that short supply lines are good for business. Nevertheless, nascent oil industries face capacity constraints. The sector is highly capital but technology intensive and creates relatively few jobs. Local businesses must meet the technical, environment, health and safety standards we require, and be reliable and cost competitive. We therefore have to be realistic about the scale of the opportunity that exists for local businesses but proactive in playing our part to build capacity.

There is an opportunity for Africa to develop a sizeable oil services industry over the coming decades. However, the opportunity each African country alone can offer is not enough. National companies will remain sub-scale if they are not given the opportunity to export goods and services to their neighbouring countries and to the rest of the world.

Another unintended consequence of local content policies that are too restrictive is that countries will increase their resource dependency. Then once oil has been depleted from a country, the businesses that served it will cease to have a market.

So instead of putting up protectionist barriers around the oil services industry, the top priority of any new oil province should be to use revenues to diversify their economies, and build the education and infrastructure they need for a better future.

Local jobs

Our localisation policy, introduced in 2012, includes detailed performance indicators which help us monitor the number of local people employed across our operations. We also work closely with our host governments to ensure that their expectations around skills localisation are balanced with operational and labour market realities. In 2014, nationals made up 83% of our permanent staff based in Africa (2013: 85%). This ratio will change over time as our onshore projects move into the development phase and the number of people working on site will increase significantly. Additionally, we continue to employ expatriate staff to support the transfer of technical skills to local hires.

While the number of direct jobs we create is limited, there are more employment opportunities in our supply chain. In Kenya, for instance, at the height of activities, the early exploration and appraisal phase provided over 2,000 jobs in the field where we operate in Turkana.

Challenging market conditions

While we remain committed to maximising opportunities for local jobs and local businesses for the long-term, the drop in oil price in the second half of the year and into 2015 will present us with challenges as to the scale of the opportunity that can be created. We will continue to favour local suppliers, subject to their meeting our requirement for performance, reliability, safety, sustainability and cost competitiveness.

Investing in local talent

Each year, Tullow makes discretionary investments in projects which benefit the communities we operate among. Our discretionary investment in social projects decreased to $10.6 million (2013: $17.4 million) as a number of infrastructure projects have been postponed until 2015.

One of the biggest challenges in securing further local participation in oil and gas projects lies in increasing the number of workers with the skills we need. In 2014, the Tullow Group Scholarship Scheme (TGSS), which was its fourth year, focused on addressing this challenge. We sponsor students to take postgraduate degrees in subjects

GROWING LOCAL PARTICIPATION THROUGH INTERNATIONAL BUSINESS

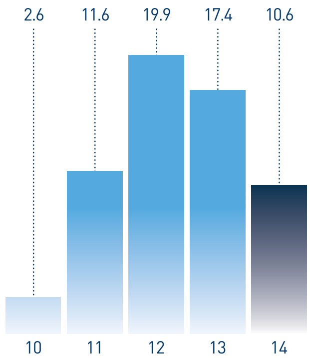
Expro, an international oilfield services company, was awarded a three year contract with Tullow Ghana, to provide technical services for the Jubilee field operations and the Tweneboa-Enyenra-Ntomme (TEN) development project. Expro provides technical services, which includes completions on new wells for Jubilee, as well as interventions and remedial work.

As part of its contract with Tullow, Expro has delivered a local content development plan, creating opportunities for Ghanaian businesses and local talent. Since Expro began working in Ghana in 2008, they have invested $1 million in the company's 8,300m^2 world class operating facility in Takoradi. They spent on average $8 million per year procuring goods and services from Ghanaian companies. Over 70% of Expro's in-country workforce is Ghanaian, and the company invested $3 million in the past five years on the training and development of its staff.

"We are proud to be working with international businesses like Expro, who have invested significant capital in infrastructure as well as training and developing the local workforce. Expro's highly skilled international staff is also transferring technology and capability to local businesses."

CHARLES DARKU
GENERAL MANAGER, TULLOW GHANA

SOCIAL INVESTMENT SPEND – GROUP ($ MILLION)



related to the sector at leading international universities. Since the scheme launched in 2011, Tullow has sponsored over 340 students from Ghana, Uganda, Kenya, Mauritania, Côte d'Ivoire, Gabon, Suriname, Guyana, Uruguay and Ethiopia. This year, we invested $4.6 million in the scholarship scheme, bringing the total expenditure to approximately $19 million since it began.

In response to stakeholder feedback, we are working to identify more universities and polytechnics in students' home countries where they can take courses relevant to the oil and gas industry. To help us do this, we have contracted an educational consultancy to research the landscape of internationally recognised and accredited qualifications for the oil and gas industry in Kenya, Uganda and Ghana. The research will develop a database of institutions that provide relevant internationally accredited courses to the oil and gas industry. In this way, we can also support investment in African based educational institutions.

Stakeholders have also challenged us to divert some of our investment into vocational skills, which are as much in demand by the industry as academic disciplines. In response, we have allocated ten of the Ghana TGSS places on next year's scheme to the Jubilee Technical Training Centre (JTTC). The JTTC is funded by the joint venture partners and provides internationally accredited vocational courses by TTE, the globally recognised Technical Training Group. Funding students at the centre will help to bolster the numbers, which have been lower than expected, largely due to the high price of the courses. In 2014, the JTTC certified 40 technicians and engineers in National Vocational Qualification Level 2. In addition, 15 trainees received the National Examination Board in Occupational Safety & Health (NEBOSH) certification.

However, the JTTC has under utilised capacity. The price of the courses offered by the JTTC is one of the challenges that the centre faces in order to protect its long-term viability. Other fundamental challenges include its location, which is perceived by potential corporate sponsors as being too far from the capital. In addition, the centre needs other partners to come on board to use the facilities, but also to support the ongoing management. Tullow is seeking to address these challenges in the coming year.

A VIRTUAL MARKETPLACE

Invest in Africa

In 2012, Tullow helped launch and provided the initial investment for Invest in Africa (IIA), a not-for-profit organisation representing a consortium of companies working together to address the common challenges of working in Africa. Since that time, IIA has created an online business directory called the African Partner Pool (APP) that aims to make it easier for large international and domestic companies to find and work with local suppliers in Ghana.

The APP is a virtual marketplace where companies such as Tullow can connect with registered local suppliers to help them meet their business needs. The APP allows businesses in Ghana to promote their products and services to international and domestic buyers across sectors; while IIA's independent validation of these local suppliers gives buyers the confidence to do business with them.

Through the APP, Ghanaian small to medium sized enterprises (SMEs) can view tender opportunities from multiple buyers. The platform will also support the development of local suppliers through the 'Business Growth Hub'. The hub is an online library where SMEs can access best practice guides written by influential partners, successful business leaders and industry experts.

IIA has also recently signed a partnership with the African Development Bank to create a business skills training programme aimed at supporting the growth of SMEs in Ghana. The partners will be working to increase the capacity and raise the standards of SMEs, helping them to be more competitive. The training programme, which provides management and technical expertise, aims to engage 120 Ghanaian businesses over a three-year period.

ORGANISATION & CULTURE

The strategic objective of Organisation & Culture is to build a strong unified team with excellent commercial, technical and financial skills. Tullow's success depends upon the adaptive and entrepreneurial nature of our culture, which is reflected in our core values. Our culture is part of our competitive advantage.

MATERIAL ISSUES

People
- Talent retention
- Employee engagement
- Diversity

Contractor management
- Industrial relations

TULLOW VALUES

- Focus on results
- Act with integrity and respect
- Commitment to Tullow and each other
- Entrepreneurial spirit and initiative

TRAINING & DEVELOPMENT

$8 MILLION

invested in our employees' training and development

- 16 employees graduated this year from our successful Well Engineering graduate training programme;
- 16 employees from our countries of operation are currently on our Production Technician & Supervisors Training Programmes;
- 25 employees from our countries of operation are on international development secondments.

WE VALUE OUR PEOPLE

Our people are the key to our success. Through their actions and behaviour, they are responsible for delivering our projects safely and upholding Tullow's values and reputation in the countries where we operate.

Strategy and management approach
We work to build a strong and unified organisation and attract, develop and retain talented people who uphold our Company values and behaviours.

Our management focus is on employee engagement, learning and development, performance management and reward. These elements combined help us to deliver highly complex projects in remote and sensitive environments.

During 2014, we continued to identify and develop successors to all business critical roles to prevent disruption to our operations. As a result of this exercise, we now have a better understanding of our people's career aspirations, strengths and competencies and can track their development through the organisation.

The Company is also responsive to strategic changes to our business. Year-end challenges due to low oil prices and other factors have led to the launch of a major simplification project to help best position Tullow for future success. The results of this effort are being put into action in the first half of 2015.

Graham Martin, our Executive Director & Company Secretary, is responsible for risks relating to our Organisation & Culture, and risk assurance is provided by the Executive Committee.

HOW WE MEASURE SUCCESS

72%

employee engagement score, as measured by our independent survey

90%

of all senior roles have named succession options

45%

of 2014 job vacancies were filled internally

"While the majority of our people are proud to work for Tullow, less than half of staff are satisfied with the Company's operational efficiency, something we plan to address."

GRAHAM MARTIN
EXECUTIVE DIRECTOR & COMPANY SECRETARY

Key risks and opportunities
Working in countries where the oil and gas industry is still developing creates an opportunity to make a positive and lasting contribution to our host countries' national economic and social development.

The challenge we face in achieving that is in making sure that both government and community expectations around the potential benefits of the projects we deliver are balanced with operational and labour market realities.

Ultimately, our success in finding and producing oil depends on the skills of our employees, contractors and suppliers and their ability to work together.

Recent work force challenges in North West Kenya relating to the cyclical nature of employment in exploration activities and other concerns have demonstrated the importance of effective contractor management in mitigating the risks of delays to our projects and damage to Tullow's reputation.

The loss of key staff members and succession planning are two of the long-term performance risks for the business. See page 37 for more information on how we mitigate this risk.

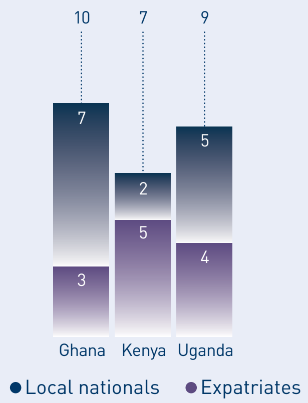
DIVERSITY

We aim to create a working environment in which all individuals are treated fairly and respectfully and have equal access to opportunities. We are proud to employ 61 nationalities across 24 countries. Women continued to make up 29% (583/2,042) of our total workforce in 2014. In addition, 8% (4/53) of our senior management and 17% (2/12) of our Board Directors are female.

While each of our key African business units is headed by African nationals, only 19% (10/53) of our senior management is represented by African nationals, something we are working to improve through our long-term development assignments. Nevertheless, the percentage of nationals in our country leadership in Ghana and Kenya has increased.

During December 2014, the Board reviewed our diversity policy and noted the need to set very clear and measurable diversity targets following the conclusion of the simplification project, and to put in place an action orientated plan to improve our diversity measures in a sustainable way. The Board also requested that the simplification project team should consider diversity in determining the shape of the new organisation.

NATIONALS IN COUNTRY LEADERSHIP TEAMS



Positioning the Company for future success

In light of current oil and gas sector challenges, including the oil price environment, Tullow has reviewed our planned capital expenditure and our cost base to ensure that we are well-positioned for future success. In 2015, we will focus our capital spend on producing and developing assets, particularly in West Africa. Exploration spend will be reduced significantly and will focus primarily on East Africa where we have major basin-opening potential.

In addition, the Company will continue to maintain a conservative financial framework and concentrate on a rigorous approach to both capital allocation and cost control across the Group. With less activity in the portfolio, there will be resourcing changes and this will lead to redeployment and reduced resourcing levels involving redundancies. This review will include our organisational approach, designed to simplify and improve Tullow's operational efficiency.

We are committed to treating our people with dignity and respect through this challenging period and intend to emerge from this as a stronger company and one that is able to seize the opportunities the market will present.

Tullow's total workforce in 2014 was 2,042 (2013: 2,034) with 1,595 permanent staff (2013: 1,553) and 447 contractors (2013: 481). Tullow's turnover of staff was 5.2% (2013: 4.5%).

Contractor management

Work carried out by contractors and sub-contractors directly involved in Tullow projects accounted for almost 80% of the hours worked.

In August 2014, some of our sub-contractors staged a protest about wages and benefits in Kenya. This led to a slow-down in activity at some of our sites. These events demonstrated that we needed to work more closely with our suppliers to ensure that the same types of jobs receive the same level of wage. A meeting was set up with the Ministry of Energy & Petroleum and the Ministry of Energy, County leaders, our suppliers and their employees which led to an agreement on wages and benefits and marked the start of wage review.

As we are currently at the exploration and appraisal stage of our operations in North West Kenya, rigs move from one location to another after only a few months. This means that the majority of employment opportunities that Tullow and our contractors are able to offer to local people are short-term. Local workers are aware from the outset that they are employed on short-term contracts.

As drilling operations are completed and rigs are moved, the contracts of contractors and employees come to an end. In September, this led the Turkana employees of some of our suppliers to protest against the end of their contracts and again resulted in a slow-down in activity at some of our sites.

As a responsible business, we always operate within the national labour laws of our host countries. In this case, our suppliers provided employees with all the statutory notices and benefits required by Kenya's national employment laws. We resolved all issues through discussions and negotiations with the Ministry of Energy & Petroleum, Ministry of Labour, the County leaders and our suppliers.

We remain committed to using as many local workers and local services as possible. In our Kenyan operations in 2014, two-thirds of the sub-contractors were from the Turkana region.

Talent retention and succession

The retention and succession of staff for critical roles remains a long-term risk that we manage proactively to minimise impact to business performance and continuity. We continue to make good progress in this area with 90% of all senior roles having named succession options. Of our 2014 job vacancies, 45% were filled internally, indicating a strengthened internal talent pipeline.

A more consistent approach to talent management has helped us get a better understanding and transparency of people's career aspirations, strengths and competencies. As our approach further matures and in order to ensure the long-term sustainability of our business, we will bring greater focus to core and critical skills development, diversity and future leadership capability.

Talent retention is also an important part of building a sustainable business and we combine competitive and fair reward packages; training and career development opportunities; effective performance management; and engagement strategies to help our people remain motivated and committed to Tullow and each other.

Reward

Tullow is committed to building a culture where employees are rewarded for their contribution to the business. Our integrated reward strategy is linked to our performance management process and drives employee engagement. In 2014 we introduced a new Employee Share Award Plan and Employee Bonus Plan to strengthen the link between reward and performance management. All permanent employees have the opportunity to earn a bonus and a share award based on how well they perform against their individual objectives over the year. The share award is intended to provide employees with a longer-term stake in the success of the business. Our aim is for our reward package to be competitive in each of the markets we operate in and to achieve this we undertake periodic external benchmarking.

Employee engagement

Building a strong base of engaged employees is a key objective for the Company. We want everyone to have a stake in the business and an opportunity to have their say.

In 2013, we made a number of changes to our engagement with employees. We asked employees to give us their feedback on working at Tullow through 'engageTullow', our new engagement survey, and through a series of Executive Roadshows that were held across the world.

Together, these initiatives highlighted people's pride in Tullow along with their commitment to our values and what we stand for as a company. They also identified areas where we needed to improve. Some areas for improvement focused on processes, such as making our organisational structures more efficient. Some focused on behaviours, such as being more cost conscious and accountable for our actions. In addition, employees wanted the business to find a way to translate our long-term Company strategy into key milestones and medium-term deliverables so they could track our progress more easily.

To start the process, the Executive Committee is working with the Board, our Business Units and functions to:

- Manage the delivery of the budget and business plan;
- Ensure effective integration and consistent messaging across the business;
- Drive cost and organisational efficiency throughout Tullow;
- Provide support on strategic planning, policy, investment and risk; and,
- Execute, monitor and evaluate both existing and new initiatives.

We then increased the frequency of the engagement survey – moving it from every two years to every 12 months. This helps us to measure those areas where we need to sharpen our focus. The survey is run by an independent organisation and all responses are anonymous. All permanent employees and Tullow contractors are invited to respond.

Participation in the survey was better than in previous years, with 85% of Tullow employees and full-time contractors taking part (2013: 82%) and nearly 69% letting us know what they liked most about the Company and what they would like to improve (2013: 69%). Despite this increased participation, engagement scores of 72% were down on the previous year (2013: 77%); a trend which is disappointing and one that we will look to reverse.

Engagement survey results

	2014	2013
Overall engagement score	**72%**	77%
I am proud to work for Tullow	**81%**	86%
I would recommend Tullow as a good place to work	**73%**	79%
Safety and Responsibility	**88%**	89%
Tullow actively seeks to keep its people healthy & safe	**93%**	94%
Tullow has a responsible attitude towards the environment	**91%**	93%
Tullow positively contributes to the host countries and communities in which it operates	**89%**	90%

Areas that employees would like to see improve in 2015

	2014	2013
Improving collaboration	**67%**	66%
Tullow is effective at communicating with its people on matters that affect you	**57%**	67%
Fair treatment	**64%**	64%
Operational efficiency	**49%**	49%

While the survey highlighted that the significant majority of our people are proud to work for Tullow and would recommend Tullow as a good place to work, the scores for these indicators were down on the previous year's survey results.

The survey highlighted areas for improvement which were consistent with those raised in last year's survey, including organisational efficiency, collaboration and effective communications.

The new Integrated Management System (IMS) will aim to help Tullow become a more efficient organisation, and is ready to be rolled out in 2015. It sets out minimum expectations for business delivery across Tullow and provides a systematic approach for managing all business activity throughout the organisation. It is applicable across all our activities and to everyone working to deliver our vision and strategy. The new design and system architecture of the IMS will help simplify our business processes and improve our organisational efficiency by combining existing management practices to significantly reduce the number of existing Policies, Standards and Guidelines.

People development

In 2014, we spent over $8 million on training for our employees through on-the-job development, externally sourced courses and in-house programmes. We look for international opportunities for staff across the spectrum that best suit their skills and offer further opportunities for growth.

LONG-TERM DEVELOPMENT PROGRAMME

Tullow offers long-term development assignments to talented employees to facilitate career growth and international experience. The assignments provide employees with the opportunity to acquire new skills, gain diverse working experiences and enhance personal development.

The dynamic nature of our business over the last three years has allowed us to assign people across functions and locations at entry, mid-career and senior leadership levels.

In 2014, we had 25 employees from our countries of operation on international development secondments. Six of our assignees are featured below from various functions and disciplines across the business:

1. Deev Sachdev (Kenya) Graduate Petroleum Engineer seconded from our Kenya business unit to our Petroleum Engineering team in London.

2. Cathy Adengo (Uganda) Corporate Affairs Advisor seconded from our Uganda business unit to the Investor Relations and Communications team in London.

3. Wilka Boudiala (Gabon) Graduate Geologist seconded from our Gabon business unit to the Exploration team in Cape Town.

4. Halima Besisira (Uganda) Business Analyst seconded from our Uganda business unit to the Corporate Planning team in London.

5. William Asamoah (Ghana) Operations Process Engineer from our Ghana business unit seconded to our Operations team in London.

6. Philip Amoah (Ghana) Project Controls Engineer seconded from our Ghana Business Unit to the Project Management and Engineering team in London.

1

4

5

The dynamic nature of our business over the last three years has allowed us to assign people across functions and locations at entry, mid-career and senior leadership levels.

Developing good leaders

We know that good leaders are the key to a successful business which is why building the right leadership culture and capability is a key part of our people development strategy. In 2014, we created a two-day development programme for all managers and supervisors. 'Passport to Manage' was successfully piloted and rolled out in Uganda, Kenya, Ghana, South Africa, the UK and Ireland and will be repeated across the Company where needed in 2015. This forms part of the leadership development strategy that will be further expanded in 2015.

2

3

6

Part of our leadership development strategy will be the launch of a feedback and coaching framework to support the development of senior leaders. The new framework was peer reviewed by coaching specialists and industry leaders and piloted during 2014. It will enable leaders to focus on developing the immediate aspects of their leadership practice.

Highlights from our 2014 development programmes

Our development programmes continue to evolve and progress:

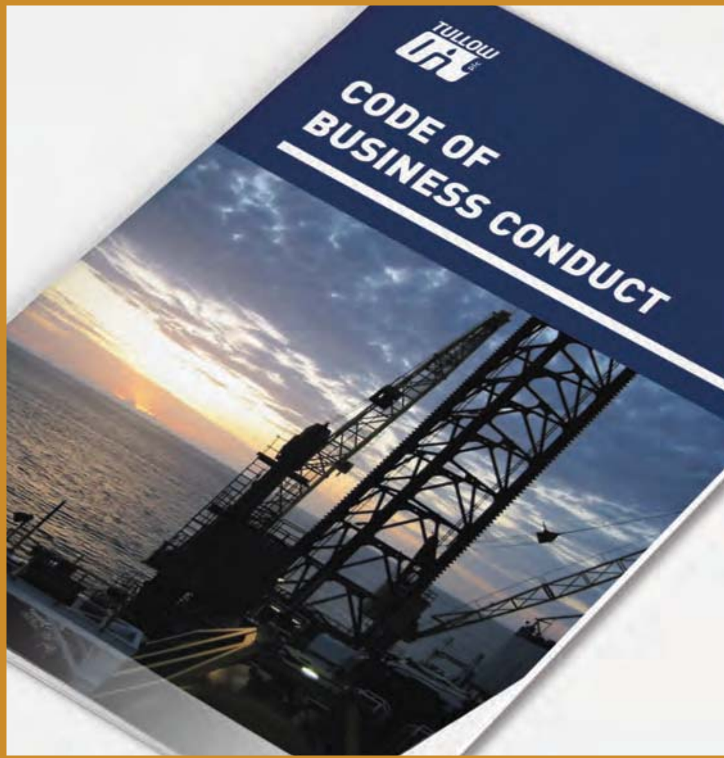
- We invested over $8 million in training and development which represents an average investment of $5,000 per person (2013: $5,000) across the Company;
- 16 employees graduated this year from our successful Well Engineering graduate training programme;
- 16 employees from our countries of operation are currently on our Production Technician & Supervisors Training Programmes;
- 25 employees from our countries of operation are on international development secondments;
- 45% of permanent vacancies were filled internally;
- 95 people were given feedback through personality profiling; and
- 113 people managers attended a management training programme.

Over the last three years we have invested significantly in training focused on two key demographics: young people and mature hires. The purpose was to more quickly equip those people new to the sector with industry knowledge and experience by utilising the skills of our mature hires. Unfortunately, the structure of the training in some cases has not been clear enough which meant that its effectiveness in closing the gaps has been difficult to measure.

To improve this situation and to make sure that we get value for money from our people development initiatives, we have introduced new competency frameworks that demonstrate the technical and non-technical knowledge, skills and attributes that people need to perform effectively at Tullow, and the skills they need to acquire for future jobs.

We use these frameworks to create a more consistent approach when we need to:

- Recruit and select new staff;
- Evaluate performance and development needs;
- Identify skill and competency gaps;
- Provide needs-based training and professional development; and
- Create effective resourcing, succession and localisation plans.



GOVERNANCE & RISK MANAGEMENT

Our strategic objective is to achieve strong governance across all Tullow activities; to continue to build trust and reputation with all stakeholders and to deliver substantial returns to shareholders. Our approach ensures the right structures, processes, standards and people are in place. Our integrated governance and risk framework, on page 36 of this section, demonstrates the key risks associated with each of our strategic priorities and how they could impact our performance.

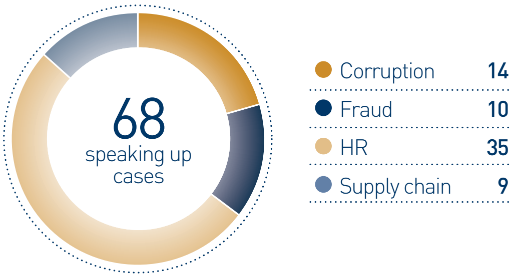
MATERIAL ISSUES

Governance
- Bribery & corruption

Political risk
- Sanctity of contract
- Stable fiscal and regulatory regimes
- Maritime boundary dispute

SPEAKING UP

Tullow works to create an environment where people can speak up about any issues in confidence and without concern of retaliation. The pie chart below shows how the concerns raised by employees were split by category in 2014.



"In 2014, Tullow was benchmarked in the top quartile of all assessments performed by GoodCorporation"

LEO MARTIN
DIRECTOR, GOODCORPORATION

goodcorporation

GOOD GOVERNANCE

We manage the key risks that could impact the delivery of our strategic priorities. We aim to ensure that we apply the highest standards of corporate governance in accordance with our Code of Business Conduct and the UK Corporate Governance Code.

Strategy and management approach

Strong and effective risk management is central to how we run our business and supports the delivery of our strategic objectives. It also helps us ensure that we apply high ethical standards across our business activities and are accountable for what we do.

Our integrated governance and risk framework demonstrates the key risks associated with each of our strategic priorities and how they could impact our performance.

The Board is collectively responsible for risk management and each of our Executive Directors, is responsible for designated strategic risks. Our Executive Committee which was formed in early 2014, assists the Executive Directors in running the business and risk management. Risk assurance for our anti-bribery and corruption programme is provided by the Compliance Committee. Full details of the Board's risk management approach are set out in our 2014 Annual Report & Accounts.

The reputation of the Company depends on the day-to-day behaviour and values of every employee and contractor. Our Code of Business Conduct and our zero tolerance of bribery and corruption are central to the way we do business.

HOW WE MEASURE SUCCESS

100%
TRANSPARENCY
as assessed by Transparency International in reporting on our anti-corruption programme

94%
of workforce attended Code of Business Conduct awareness sessions

26
staff leaving the organisation due to breaches of the Code of Business Conduct

"Tullow is proud to have been independently assessed as having complete transparency in reporting on our anti-corruption programme."

GRAHAM MARTIN
EXECUTIVE DIRECTOR & COMPANY SECRETARY

Risks and opportunities

The Board have identified 14 principal risks to our longer-term performance and strategic delivery. These range from our strategy failing to meet shareholder objectives and operational failure, from oil and gas price volatility to loss of key staff. The long-term risks which are most relevant to 'how we run our business' are set out on page 37.

Our long-term risks are supplemented by shorter and medium-term risks that are specifically associated with the delivery of our business plan, which are set out on page 15 of our 2014 Annual Report & Accounts. We believe these risks could potentially adversely impact our employees, operations, performance and assets. We have a number of controls, processes and activities in place to help us manage them effectively.

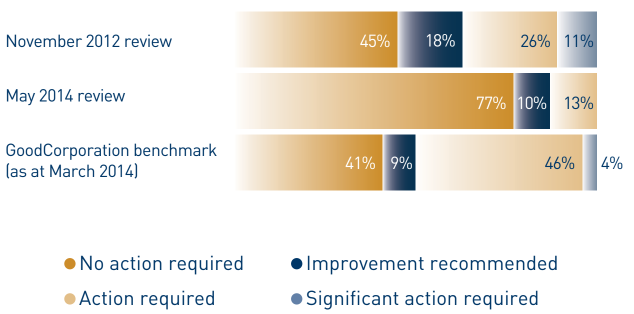
Management and mitigation of our operational and financial risks are covered in our 2014 Annual Report & Accounts. Risks relating to our environmental, health, safety, security, social performance and people are covered in the Responsible Operations, Organisation & Culture and Shared Prosperity chapters of this report. This chapter looks specifically at the governance, legal and bribery and corruption risks facing the Company.

High ethical standards

We recognise that compliance and high ethical standards are critical to good corporate governance and we work to achieve this through our Code of Business Conduct. During 2014 we continued to promote awareness of the Code to our staff and business partners and introduced further standards, procedures and guidelines. For an overview of our Code of Business Conduct, go online to www.tullowoil.com/code.

We also have a strong anti-bribery and corruption programme that contributes to good internal controls and good corporate governance. Our programme is based on the six principles of the UK Ministry of Justice's adequate procedures guidance. In May 2014, we commissioned an independent review of our performance against these adequate procedures principles. The review was conducted by GoodCorporation, an external provider of anti-corruption assessments, and showed a significant improvement in the areas identified as requiring action in the last review in November 2012. We were also benchmarked in the top quartile. Our anti-bribery and corruption programme is designed to maintain these standards and to continually address areas requiring improvement.

GOODCORPORATION 'ADEQUATE PROCEDURES PRINCIPLES' REVIEW



Raising awareness

We know that it is vital that all our staff and those we work with are aware of the Code and its requirements. We constantly look for ways to increase that awareness and at the end of December 2014, 1,928 members of staff, representing 94% of the workforce had attended a three-hour awareness programme. We also raised awareness of our compliance and ethics requirements at supplier forums.

Code certification

The annual Code of Business Conduct certification process was endorsed by the Compliance Committee and all staff successfully completed the process. Graham Martin, Executive Director and the Chair of the Compliance Committee, signed off the certification on behalf of the Group.

Maintaining transparency

We are committed to transparency in the way we run our business as we know this is a key element in generating trust and in driving good practice. To help us meet this commitment, we are part of the Business Integrity Forum of Transparency International, a global civil society organisation leading the fight against corruption. In 2014, Transparency International assessed the level of transparency in corporate reporting of 60 companies from the FTSE 100 index.

Tullow was ranked 7th from the top on the UK list, ahead of our oil and gas sector peers, and was amongst the only four companies with 100% transparent reporting of their anti-corruption programme.

We require our staff to declare any conflicts of interest and to register any gifts or hospitality exchanged with third parties. We also work to ensure that we are transparent in our dealings with host country stakeholders. This includes addressing the issue of 'per diem' allowances which we are sometimes required to pay to community members who attend our meetings and events. We have updated and launched our per diems Standard which sets out clearly the rules, pre-approval and payment processes, as well as the recording requirements for these allowances.

In order to increase the transparency of other expenditures related to government officials, we have launched an Expenditure related to a Public Official Standard. This requires the completion of a request form and approval from an appropriate Tullow manager.

Monitoring and reporting

Our Group Compliance function oversees our anti-bribery and corruption programme. It also monitors key control areas and compiles status reports on investigations, business units' compliance performance, gifts and hospitality, and conflicts of interest. In addition, it oversees the implementation of mitigation actions identified in corruption risk assessments. A report on progress on these issues is provided to the Compliance Committee three times a year and status reports are also presented to the Audit Committee and the Board.

'Speaking Up'

We encourage our staff and business partners to raise concerns they have about actual or potential breaches of our Code of Business Conduct. Staff can do this through our 'Speaking Up' channels either internally via their line manager or HR, or externally via Safecall, our independent reporting line. In 2014, we undertook a number of measures to raise awareness and increase trust in these mechanisms. These included:

- Launching a video on our reporting line, Safecall;
- Feedback to managers on lessons learned following investigations;
- Speaking at town hall meetings to remind staff of the importance of speaking up and the avenues available to them; and
- Formally communicating to all staff a summary of investigations conducted and subsequent consequences.

As a result, we have seen an increase in the number of Speaking Up concerns submitted both internally and externally via Safecall. Of the 68 concerns raised in 2014, 20 were submitted via Safecall. Following investigations, four staff left the Group and 22 contract staff did not have their contracts renewed due to breaches of our Code of Business Conduct.

In 2014, we developed a Misconduct and Loss Reporting Standard which sets out which concerns or issues should be reported immediately to Group Compliance. Issues of less severity are reported to Group Compliance on a quarterly basis. We have also formalised our investigation procedure to ensure that investigations are conducted in a consistent manner and are aligned with our disciplinary procedures. The standard was tested and applied in 2014 and will be formally launched in 2015. In Ghana, we have set up a country Compliance Committee to provide particular support to the business unit in responding to and managing investigations.

Business ethics through the supply chain

As well as ensuring that our own operations comply with our Code we apply the same standards to our suppliers. We carry out robust risk-based due diligence on new suppliers and potential joint venture partners who are working on medium or higher-risk activities. We also raise awareness of our Code with suppliers through meetings that are held before contracts are awarded.

We make sure all suppliers have an equal opportunity to tender to supply to Tullow by providing:

- Advance notice of tenders;
- An overview of the standards potential suppliers are required to meet; and
- Feedback to all unsuccessful companies on why they were not selected.

At the beginning of 2014, we updated and launched a Supply Chain Anti-Corruption Due Diligence Evaluation Procedure and have since delivered workshops and training to over 200 staff involved in contract management. We undertake risk-based due diligence on prospective suppliers to ensure that they are able to deliver our work in a manner that is consistent with our Code of Business Conduct and free from bribery and corruption. This involves the completion of a questionnaire and screening against international sanctions, watch lists and adverse media coverage.

Stronger due diligence systems and controls

During the year, we strengthened our management system and formalised a number of standards, procedures and guidelines. These changes were in response to the GoodCorporation review and the risks identified by our corruption risk assessments conducted in the previous year. In accordance with our strategy, we carried out anti-corruption due diligence in the six key areas of our business that are set out in the adjacent diagram.

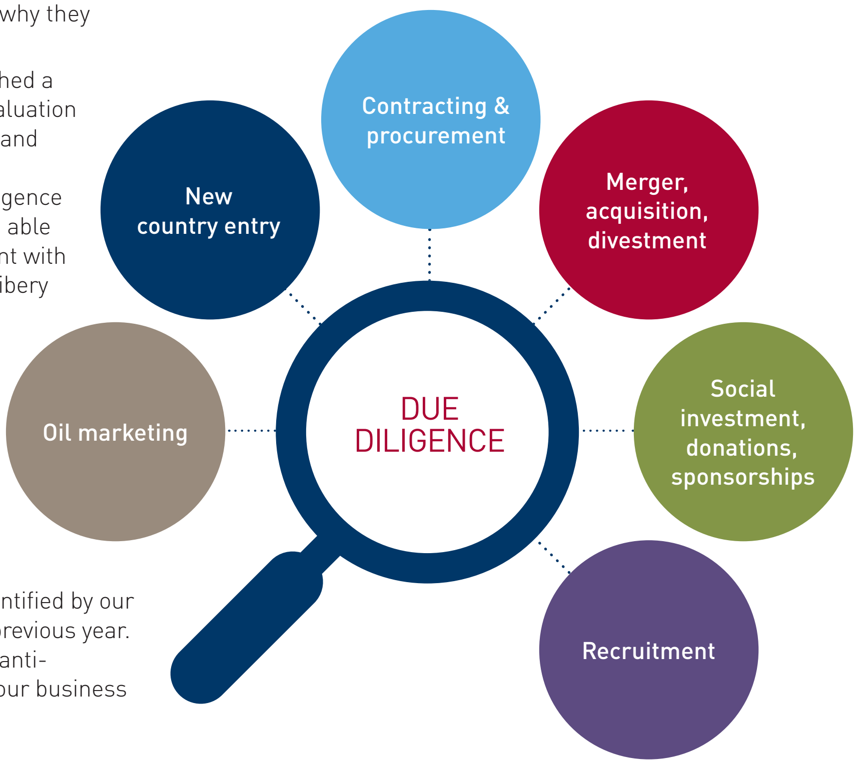
Political risk monitoring

As part of our business risk management strategy, we undertake regular political risk monitoring across our countries of operation in order to provide the Board and Executive Committee with insights into the political developments in our countries of operation. We monitor the external political, economic and regulatory developments that have the potential to impact Tullow's risk profile and affect our ability to deliver on the Company's strategy, plan and budget. The monitoring complements the operational risk management strategy by supporting critical business decisions on our future outlook and strategy.

Maritime boundary dispute

In 2014, Ghana initiated arbitration proceedings against Côte d'Ivoire under the UN Convention on the Law of the Sea in order to resolve a dispute regarding the maritime boundary between the two countries. The TEN project, which Tullow operates, is located in the disputed maritime area. The dispute is being heard before a Special Chamber of the International Tribunal of the Law of the Sea (ITLOS). In February 2015, Côte d'Ivoire applied to ITLOS for provisional measures to order Ghana to suspend ongoing operations in the disputed area. ITLOS is expected to give a decision on the application for provisional measures at the end of April 2015. The full determination on the merits of the dispute is expected to be made by ITLOS towards the end of 2017. The ITLOS proceedings have the potential to affect the schedule and cost of the TEN project.

DUE DILIGENCE SYSTEMS AND CONTROL



OUR INTEGRATED GOVERNANCE & RISK FRAMEWORK

Our integrated governance and risk framework demonstrates the key risks associated with the strategic priorities relating to 'how we run our business'. The framework also identifies the Executive Directors that have overall responsibility for each risk and the internal committees that are responsible for the ongoing management and monitoring of our risk exposure. For an overview of the risks associated with the 'how we create value' component of our business model, go to pages 8 and 9 of our 2014 Annual Report & Accounts. Tullow has identified a number of risks to our longer-term performance and strategic delivery, in addition to the short-to-medium term risks specifically associated with the delivery of our business plan, which can be found on page 14 of our 2014 Annual Report & Accounts. Each year we review the risks Tullow faces and refresh these to reflect the changes in our business and operational profile. The table opposite presents the Board and Management's view of the most material non-operational, non-technical and non-financial long-term performance risks to Tullow. These represent seven of the 14 long-term risks we track on an ongoing basis. The other seven risks can be found on pages 62-64 of our 2014 Annual Report & Accounts. A wider number of risks again are identified, assessed, managed and monitored at Executive, Business Unit, project or functional levels.

RISK MANAGEMENT

The Board is collectively responsible for risk management and each Executive Director is responsible for designated strategic risks. The Executive Committee assists the Executive Directors in running the business. The Vice Presidents and Business Unit leadership teams manage the delivery of the Group's business plan and day-to-day operations. Corporate functions manage designated Group-wide corporate risks and assurance of Business Unit activities and operational and financial performance.

BOARD OF DIRECTORS

- 12 members
- Five Executive Directors
- Seven non-executive Directors
- Four Board Committees

EXECUTIVE COMMITTEE

Includes the Executive Directors and regional business and corporate function leaders

REGIONAL & BUSINESS UNITS

CORPORATE FUNCTIONS

Business model component	Key risks to performance	Risk owner	Risk assurance
Responsible Operations	• Safety failure or environmental or security incident • Failure to manage social impacts • Supply chain failure	**Paul McDade** Chief Operating Officer	• Board EHS Committee
Governance & Risk Management	• Bribery and corruption internally, with suppliers and externally • Governance and legal risk • Information and cyber security	**Graham Martin** Executive Director & Company Secretary **Angus McCoss** Exploration Director	• Board • Compliance Committee • Executive Committee • Information systems leadership group
Organisation & Culture	• Loss of key staff and succession planning	**Graham Martin** Executive Director & Company Secretary	• Executive Committee
Shared Prosperity	• Failure to manage socio-economic impacts • Failure to build local employment and supplier base	**Aidan Heavey** Chief Executive Officer	• Executive Committee

Summary of key corporate risks

	Performance indicator	Impact	Risk mitigation in 2014
Governance & legal risk	• No material issues or claims arising	Contractual or other liability claims cause unplanned financial, reputational or operational impact on business continuity, ultimately eroding shareholder value.	• Established relationships with experienced local and international external counsel
Bribery & Corruption	• No active bribery cases and any known or suspected cases of passive bribery investigated and appropriate action taken	Corrupt actions or practices in the Group's activities leading to investigations or prosecution which would impact the Group's reputation and lead to loss of shareholder value.	• GoodCorporation compliance review recommendations implemented; further review carried out to assess Tullow as upper quartile • An enhanced anti-corruption due diligence evaluation procedure developed and implemented • Enhanced investigation resources and capability • Bribery and corruption risk management process implemented
Political risk	• Unscheduled non-production time due to work stoppage, disturbances, border disputes or force majeure events • Degree of conformance with internationally recognised conventions such as VPSHR	Political factors can lead to re-negotiation of licence and agreement terms, delays in grants of licensees, or approval of agreements, and/or other state action.	• Early identification and monitoring of political risks and opportunities • Management plans addressing political impacts associated with existing or planned operations
Loss of key staff & succession planning	• Staff turnover • Recruitment for key roles • Localisation	The loss of key staff and a lack of internal succession planning for key roles within the Group causes short and medium-term business disruption.	• Succession planning • Training and development capability strengthened • Annual staff engagement survey • Revised reward policy
Adverse environmental impact, safety or security incident	• Environmental, Health and Safety (EHS) elements of corporate scorecard, tied to executive remuneration, including quantitative targets and qualitative delivery targets such as delivery of Transport Safety Plans in each Business Unit	Major event from exploration, development or production operations may impact staff, contractors, communities or the environment, leading to increased costs, loss of reputation, revenue and shareholder value.	• Integrated management of non-technical risks • Improved measurement of non-technical risks in the scorecard • EHS Standards implemented and conformance assured via independent Group audits
Social risk	• Unscheduled non-production time due to work disturbances or force majeure events • Social performance elements of corporate scorecard, tied to executive remuneration • Social performance KPIs in business unit scorecards	Reduced value of projects, possible disruptions, delays in project schedules and increased project costs. Impacts to stakeholders include effect on traditional livelihoods, local employment and business opportunities, land acquisition and resettlement.	• Social investment projects targeted at managing social risks and maximising business benefits • World Heritage 'no go' policy • Community engagement and grievance management processes • Proactive land acquisition and relocation procedures
Supply chain failure	• Performance indicator • Timeliness and completion of deliveries • Contract management scorecard • Local content expenditure	A delay in delivery of products or services results in value erosion and project delivery delays, causing financial penalties, increased costs and a loss of reputation. Insufficient local content breaches legislation in some countries.	• Independent review of all suppliers Revised supplier risk assessment and due diligence process • Supply chain management scorecard • Local content reporting

RESPONSIBLE OPERATIONS

Our goal is to manage our people and assets safely and sustainably, minimising our environmental and social impacts, and achieving the highest standards of health and safety. This involves protecting the natural and cultural environments we operate in, and maintaining the health, safety and security of our employees, contractors and communities, as well as respecting the human rights of people who might be impacted by our activities.

MATERIAL ISSUES

Environment
- Impact on water and biodiversity
- Emergency preparedness: oil spill response
- Waste management
- Climate change, flaring
- Stranded assets

Health & Safety
- Road safety
- Safe people, sites and assets
- Ebola
- Malaria

Security
- Voluntary Principles on Security & Human Rights

Social impact
- Land access
- Grievance management
- Community benefits
- Cultural preservation
- Community consultation

KEY RISKS TO PERFORMANCE

- Safety failure or environmental or security incident
- Failure to manage social impacts
- Supply chain failure

PRIORITISING SUSTAINABILITY

For Tullow, being a Responsible Operator involves placing equal importance on above and below ground risks, and embedding this into our operational planning and delivery.

Strategy and management approach

Tullow places equal importance on managing risks above the ground as it does below the ground. This means delivering our environmental, social, safety, health and security performance objectives is as important as achieving our operational targets.

We work to accomplish this by combining the management of all above ground risks into a single Safety, Sustainability and External Affairs (SSEA) organisation which operates across the business.

The SSEA organisation provides functional leadership, technical excellence, and develops requirements through Group Standards. It also provides guidance to the business units and structured assurance, through audits and reviews, to ensure we deliver on our commitments.

The organisation designs and drives improved performance through an increasingly robust suite of Key Performance Indicators, including targets for improvement.

As part of the new SSEA organisation, a number of experienced staff and functional leaders have moved into the business units. This has allowed us to more effectively integrate SSEA requirements into business plans and activities.

HOW WE MEASURE SUCCESS

41/48

result for EHS scorecard, which represents 10% of Tullow's Incentive Plan (TIP) for Executive Remuneration

28%

Improvement in Lost Time Injury Frequency (LTIF)

"Our priority is safe and sustainable operations while protecting the wellbeing of our staff, contractors and neighbouring communities."

SANDY STASH
VP SAFETY, SUSTAINABILITY & EXTERNAL AFFAIRS

Risks and opportunities

Effective management of our environmental, social, health, safety and security risks is key to sustainable operations. Failure to manage these non-technical risks effectively may result in delays, potential disruptions, increased costs and a reduction in the value of our projects.

Environmental, health, safety and security issues that we manage include:

- waste and water management;
- environmentally sensitive areas;
- gas flaring and oil spill response preparedness; and
- the safety and security of our people, contractors, communities and assets.

Socio-economic issues that we manage include:

- traditional community livelihoods;
- socio-economic impacts;
- culturally significant areas;
- land acquisition and resettlement;
- protection of human rights;
- grievance management; and
- community engagement.

There are clear risks involved in not managing these impacts well. Eroding relationships with local communities, governments and anyone with a stake in our operating environment can cause delays and disruptions. As a result, managing non-technical risks is critical to all aspects of our operations.

EHS Scorecard

Our EHS scorecard is part of our Group KPIs and accounts for 10% of Tullow's Incentive Plan (TIP) for Executive Remuneration. The scorecard comprises 16 leading and lagging indicators, which are actively monitored at all levels of the business, from operational to the Board. Each indicator has a potential value of three points, depending on whether it is fully, partially or not achieved. In 2014, we fully achieved 13/16 indicators which translates to a score of 41/48. This reflects 8.5% of a potential 10% award in the overall TIP awards for the year. This section summarises some of the year's most noteworthy developments as well as issues material for our business and stakeholders. Our full EHS scorecard can be found on page 19 of this report.

East Africa Occupational Safety performance

In early 2014, we had safety performance issues, which were largely driven by our East Africa start up operations in both Kenya and Ethiopia. We therefore initiated a critical review of how Group Safety Standards were being applied in Kenya and Ethiopia and how we were organised in the field to assure line accountability for the delivery of safe operations. A detailed gap analysis of our safety management identified three areas for improvement: leadership and clarity of accountability; contractor management and behavioural safety.

During the year, we established a strategy to improve our safety performance. This involved increased management focus and additional KPIs to track performance.

We also introduced five changes to our operations to drive consistency in performance:

- Organised field operations under a single Area Field Manager and made them accountable for safe delivery of all field activities;
- Ensured better systems are in place when operations 'start up' to assure ourselves that our equipment, people and processes are ready and fit for purpose;
- Delivered a mandatory training course on Safety Leadership, aligned with IOGP best practice;
- Measured all managers and supervisors on their Safety Leadership competency; and
- Developed a safety observation and hazard awareness training course, implemented through a train the trainer approach. To date, over 3,000 employees and contractors have received training that encourages safe work practices and discourages at-risk work practices.

The interventions allowed us to improve our performance during the year. Our occupational safety performance as measured by Lost Time Injury Frequency (LTIF) of 0.58 improved by 28%, exceeding our 2014 target of 0.64. Whilst we still lag some of our industry peers, 2014 was a year of progress towards our five year target of achieving top quartile industry performance.

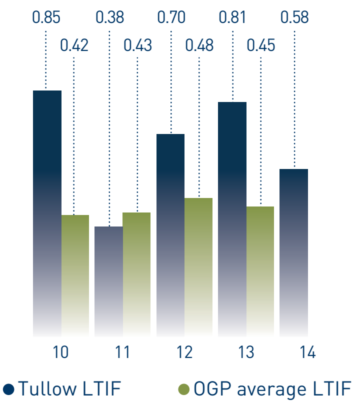
Jubilee Recovery Plan

In November 2013, a contractor working on the FPSO received an electric shock when carrying out test activities on a high voltage switchboard. He sustained significant injuries but has since made a full recovery. Following the incident, an investigation was conducted with Board-level oversight. The investigation revealed that there had been a tendency to under-report incidents, and it revealed a somewhat casual compliance to our permit to work and isolation procedures. Some of these issues were systemic and were a legacy of the poor transition of management of the FPSO between MODEC and Tullow in 2011.

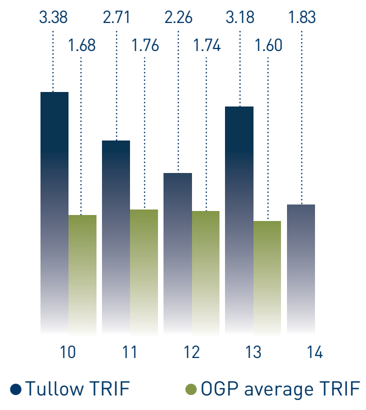
In March 2014, a Jubilee Recovery Plan was initiated and implemented over the course of the year. The learnings and actions from the electric shock incident formed one important area of focus within this plan. The plan also focused on many important key operational practices including improving and assuring competencies; improving the quality of risk assessments; providing hazard awareness training; introducing a new operations management system; and introducing zero tolerance for non-compliance to Tullow procedures.

In parallel with the Recovery plan, we have introduced key operating disciplines and principles, which our operations leadership has accountability for implementing. This ensures that all activities are properly planned, risk assessed and conducted by competent personnel.

LOST TIME INJURY FREQUENCY (LTIF) RATES



TOTAL RECORDABLE INJURY FREQUENCY (TRIF) RATES



The results over the last eight months have been encouraging. There have been no significant incidents or injuries to personnel on the facility. Our renewed commitment to high EHS and operating standards involved proactive action against non-compliances, resulting in a number of people leaving the organisation. The increase in reporting of near misses is an indication of the teams' improved understanding of risk.

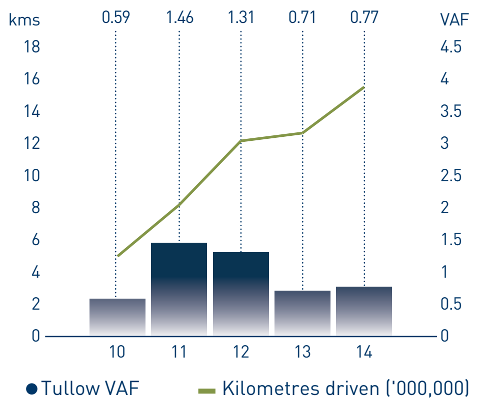
Land transport safety

Land transport safety continues to represent one of the most significant safety risks to our onshore operations, particularly in Kenya. Vehicle Accident Frequency rates increased from 0.71 in 2013 to 0.77 in 2014. Progress in the implementation of the Group Land Transport Standard was monitored by leadership and the Board, but a number of actions remained work in progress at the end of the year. We regret to report the tragic death of a Kenyan Police Reservist as a result of a road traffic accident. An investigation into the causes of the incident was completed and a land transport improvement plan has been initiated by the Kenya team. The plan includes reorganisation of core accountabilities; revision and roll out of the Light Vehicle Standard including assurance of contractor data; greater monitoring of vehicles, with non-compliant vehicles taken off the road; and stronger contractor management with compulsory contractor forums focused on improving driver and passenger behaviour.

Emergency preparedness

In 2014, we focused on continuing to improve our established crisis and emergency management programme, ensuring alignment with industry best practice. We conducted a number of risk-based exercises, culminating in a major subsea containment blowout scenario in November, designed to test our response capability at all levels in the organisation. Our revised Oil Spill Preparedness and Planning Standard will help ensure Tullow Oil is suitably prepared, resourced and equipped to respond effectively to oil spills and mitigate impacts on people, the environment, assets and reputation. Guidance documents and practical toolkits were also developed to aid the business with implementation.

VEHICLE ACCIDENT FREQUENCY (VAF) RATES



GHANA EMERGENCY PREPAREDNESS

To test their oil spill emergency response capability, Tullow Ghana carried out a major emergency simulation exercise in real-time in late 2014. Offshore equipment deployment and aerial response was tested, followed by the subsequent deployment of shoreline response equipment. Ghana's Environmental Protection Agency, Petroleum Commission and National Disaster Management Organisation (NADMO) and JV partners, Ghana National Petroleum Commission (GNPC) and KOSMOS were involved in the exercise.

The exercise used a scenario where a tanker taking oil off the FPSO had an incident whilst product was being transferred. For the scenario, the spill was large enough to incorporate tier 2 and tier 3 oil spill response interactions, both with local contractors and international resources, including those from Oil Spill Response Limited (OSRL) in Southampton, UK. This was a realistic scenario and is consistent with Tullow's current risk profile. All equipment movements during the two days were conducted live by the offshore and onshore response teams.

Environmental and social challenges – Kenya

The complexity of our operating environment in Kenya presents a number of challenges. One of the greatest of these is the high expectations local communities have about the benefits our operations can bring. Our challenge is managing those expectations together with complex social and environmental issues including land rights, water scarcity and security and human rights. An additional challenge is the recent devolution of powers from central government to County level, and the fact that the implementation of this constitutional change is still work-in-progress and local governance structures are embryonic. Security concerns and political tensions remain a significant issue in Kenya. Conflict between the Turkana and the Pokot people over the control of scarce resources has been the main cause of the recent escalation in tension in Northern Kenya. Although this pre-dates Tullow's work in the region, undoubtedly oil exploration is raising the stakes as individuals and groups seek to gain from the benefits created by increased investment and economic activity.

Security and human rights in Kenya

We conduct our own security risk assessments and use these to develop security plans that align with the guidance established by the Voluntary Principles on Security and Human Rights (VPSHR). Alignment with the VPs presents Tullow Kenya with an opportunity to reduce conflict by involving communities in the design and delivery of private security operations. As part of our security and human rights management plans and strategy in Kenya we have:

- Asked for input on our approach from the Government of Kenya, Institute for Human Rights and Business (IHRB) the Kenya Oil and Gas Association Security Committee and the British Deputy High Commissioner;
- Assessed our operational activity against the UN Guiding Principles on Business and Human Rights and International Finance Corporation (IFC) Performance Standards to inform a revised Human Rights Policy which will be released in 2015;
- Enhanced our grievance management processes to better manage allegations of human rights abuse by public/private security forces; and
- Prioritised private security providers which are signatories of the International Code of Conduct, balanced against local content objectives.

In 2014, Tullow received criticism that our operations caused a shortage of critical public security forces to manage conflicts not associated with our operations. In response to these concerns, we have reduced reliance on public security personnel from 332 to 181, a reduction of 45%. Additional reductions are planned.

Water use

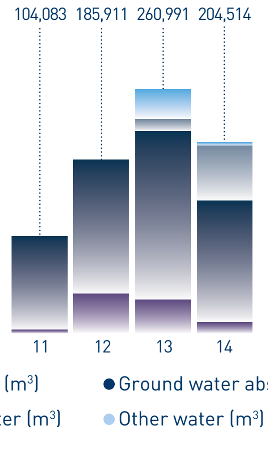
While our operations in Kenya represent the highest risk in terms of water usage, 98% of Group water usage is currently seawater used for reservoir injection in Ghana (2014: 9,872,189 m^3). Fresh and brackish water usage represented 2% of our total water usage. Our operations in Kenya are located in remote and arid areas that are often afflicted by drought. Our field operations in Turkana require water for exploration and appraisal drilling; road and well pad construction; field camps; and community water programmes. Total current demand is about 670 m^3 per day.

A groundwater development programme is well underway which is achieving high success rates for operational water needs. We have targeted shallow aquifers which follow the river valleys and the edge of the volcanics. All water production boreholes are licensed by the Water Resources Management Authority, the government's regulatory agency for water resources. The licencing process includes a requirement for a hydrogeological impact assessment.

Local groundwater sources will comfortably meet the short-term operational demand for water, but other sources need to be found for reservoir injection water when our operations reach the development phase. It is unlikely that the higher demand can be met from local groundwater sources within the area of our operations. Therefore, a strategic water supply must be found.

On the basis of a hydrological and hydrogeological review of potential sources across the whole of Kenya, a number of options are being considered, including both surface water and groundwater. An initial options analysis has been carried out, and a methodology developed to reduce the options to a short-list for more detailed study.

FRESH AND BRACKISH WATER USAGE



A wide range of factors have been considered in the analysis, including technical feasibility; regulatory approvals; stakeholder acceptability; social and environmental impact; security implications; and cost. Key stakeholders are being consulted and will continue to be included in discussions so that they can contribute to the decision-making process.

Spills and uncontrolled releases

We failed to meet our target of reducing spills by 20%, with no more than 0.47 spills per million man hours worked. We had 15 uncontrolled releases of over 50 litres during the year (0.67). The volume of materials spilled increased significantly on the prior year (2013: 23 tonnes; 2014: 716 tonnes). The majority of spills (10) involved black and grey waste water spilled from camps supporting our Kenyan operations. The increase was because of one large spill of 702,000 litres in Turkana, involving a septic tank leaking into a storm water pit, which then subsequently escaped into the surrounding area. Performance issues led to management intervention to address the waste water management with contractors in Kenya.

Land access

Given the importance of land to Turkana and to pastoralism, Tullow aims to minimise the impact of its activities by keeping our well pads, camps and other infrastructure located away from settlements, sensitive environments, or areas of cultural heritage.

To ensure that we avoid these areas, we conduct Site Specific Assessments. These assessments are conducted with local community members, representatives from the National Museum of Kenya and Turkana Basin Institute and Tullow staff from various functions, with the aim of identifying and where possible avoiding potential social, environment and cultural heritage impacts. During these assessments, if settlements are identified or if large trees have to be felled or if areas of cultural importance are likely to be disturbed, Tullow will try to move the site so as to avoid these impacts.

To access the land, we secure agreement through lease permits from the Turkana County Government. These leases are renewed annually. We also seek community agreement which typically involves some form of community benefit, in recognition of the status of Turkana lands as community land. To manage any grievances arising as a result of our activities, we have implemented a project based Community Grievance Mechanism (GMs) which is managed by our Community Liaison Officers. All grievances, concerns and demands are recorded and responded to within a maximum period of 30 days.

Top: Aerial view of Ekales-1 rig site, Kenya

Above: Community Campaigns Officer at community engagement, Lokichar, Kenya

Ghana flaring

Group greenhouse gas (GHG) emissions increased by 11% largely due to temporary gas flaring at the Jubilee FPSO in Ghana. Tullow had made a commitment to the Government of Ghana and our investors to offtake the gas to the Ghana National Gas Corporation (GNGC) gas processing plant, however, the completion of the plant took three years longer than originally planned by GNGC. Tullow avoided the need to flare for most of this period by re-injecting additional gas, but as delays continued, the reservoir re-injection capacity became depleted and we flared in order to maintain production. Although flaring across the Group is 46% higher than 2013, increased emissions from flaring were offset by reduced drilling activity and the sale of the UK and Bangladesh assets. The Ghana processing plant is now operational and the need to flare gas should cease, assuming GNGC can continue to offtake gas to their plant.

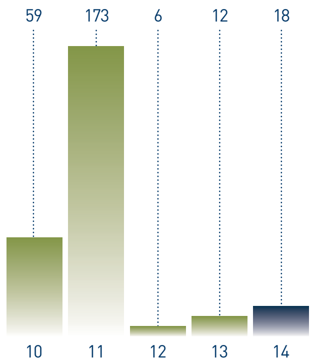
Although the FPSO is 60km off the coast, in order to understand the potential impacts of increased flaring on the ambient air quality at the Ghana shoreline, emissions modelling was carried out. This work demonstrated that dispersion was extremely effective and impacts upon coastal air quality were negligible. Emissions were fully reduced within a 5-10km radius of the FPSO. Ambient air quality sampling was carried out on the FPSO to verify that there were no adverse impacts to operators. This showed that both Ghana and USA Environmental Protection Agency (EPA) limits were not exceeded for nitrogen oxides (NOx), sulphur dioxide (SO^2) and ozone. The onshore gas processing facility was completed in November 2014, allowing gas to be exported to the plant and plant commissioning to commence. We anticipate this will reduce the need to flare substantially in 2015, but we may be forced to resume flaring if there are process upsets or if the gas plant cannot accept the gas. Learning lessons from the Jubilee project, the TEN development project underwent a Best Available Techniques (BAT) assessment to determine the most appropriate environmental controls. As a result of this approach, it was determined that TEN can operate a closed flare system whereby flaring only occurs during process upset conditions. Additionally, a Vapour Recovery Unit (VRU) will recover gas from the cargo storage and offloading systems so that there will be no direct hydrocarbon venting. Fugitive emissions from gases leaking from pressurised equipment on the FPSO will be reduced by having double mechanical seals on all hydrocarbon systems equipment. The TEN FPSO will come on stream in 2016.

Tullow's Group total scope 1 emissions, which in 2014 included gas and diesel from our offices as well as emissions from our operations, were 764,700 tonnes CO_2e (2013: 686,996 tonnes CO_2e)[1] and 118 tonnes of CO_2e per 1,000 tonnes of hydrocarbon produced (2013: 100 tonnes CO_2e). Total scope 2 emissions[2] were 4,179 tonnes of CO_2 (2013: 6,174 tonnes of CO_2e) and 0.64 tonnes of CO_2 per 1,000 tonnes of hydrocarbon produced (2013: 0.89). Full details of our Basis of Reporting can be found online.

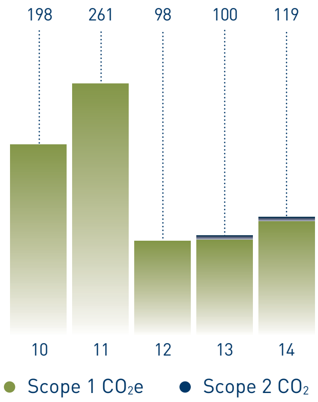
Climate change and stranded assets

Tullow acknowledges the climate change science that demonstrates global warming is occurring and that further controls will be introduced in the coming years to reduce emissions of GHGs. We recognise that as an oil company our activities and product contribute to global warming and our business will be impacted by increasing greenhouse gas controls. We understand that as global citizens we have a role to play by reducing our GHG emissions as far as is reasonably practical. How we position Tullow to remain successful and profitable in a lower carbon economy is

TOTAL HYDROCARBON FLARED BY PRODUCTION (TONNES PER THOUSAND TONNES HYDROCARBON PRODUCED)



CO_2e EMISSIONS PER 1,000 TONNES OF HYDROCARBON PRODUCED



1 Group CO_2e between 2012-2013 have been restated because of a previously overstated proportion of methane in vented gas from the Jubilee FPSO.

2 Group 2014 scope 2 emissions are reported in CO_2 instead of CO_2e, as recommended by DEFRA.

something that is already on the Board and EHS Committee agenda. In 2015, Tullow will develop its greenhouse gas strategy which shall be approved by the Tullow Board and identify what will be done to reduce its current and forecast GHG emissions.

Stranded assets have become a major topic for discussion in the oil and gas industry. It has been suggested that, as governments adopt stricter climate change policies, the majority of coal, oil and gas deposits will remain undeveloped as investment in alternative energy sources grows. Climate change legislation is going to become an increasingly important factor in determining the price of all fossil fuels. Some resources may become uneconomic over time and, in the much longer term, oil and gas may have a diminishing role in the overall energy mix. Tullow recognises the potential risk in light of this issue, but is confident there will be a continuing role for the conventional oil and gas industry for decades to come. Even if governments around the world take decisive action now, it would take years of investment to replace the installed base of assets consuming fossil fuel, at a time when energy demand is forecast to continue to grow significantly.

Operating in sensitive areas

In 2014, the Board took the decision that the Company would not explore or exploit oil in World Heritage Sites. While this is an important decision, it does not significantly impact our planned activity today. Our onshore exploration portfolio totals some 121,000 square kilometres, of which approximately 1.5% is inscribed on the World Heritage List. This proportion drops to 0.5% when offshore acreage is also taken into account. Tullow is not active in any of the exploration blocks that infringe on World Heritage Sites. Our updated Environmental and Social Performance Standard, which reflects the Board's decision, will be operationalised in 2015.

In 2014, the Board, Executive Committee and EHS Board Committee also approved a new Protected Areas Management Process. Four percent of Tullow's total acreage includes international protected or sensitive areas within the block boundary limits. This process enhances our approach to screening for environmentally sensitive areas by ensuring decisions to work in sensitive areas are only made at the highest levels of the Company.

We have identified legally protected and high biodiversity value areas using the Integrated Biodiversity Assessment Tool (IBAT) developed by Birdlife International, Conservation International, the International Union for Conservation of Nature (IUCN) and the United Nations Environment Programme World Conservation Monitoring Centre. We use IBAT to screen prospective areas and identify potential biodiversity and conservation risks and concerns prior to taking decisions to explore. We also carry out independent environmental and social assessment (ESIA) studies to define and understand ecosystems and habitats in and around all our activities, even when not required by law.

We are working to improve our biodiversity performance through ongoing participation in industry initiatives. Tullow is a member of IPIECA's Biodiversity and Ecosystems working group. We are also members of the Cross Sector Biodiversity Initiative (CSBI), which was established in 2013 to address biodiversity loss and ecosystem degradation related to extractive industries. The initiative encourages the development of scientifically valid and practical applications of the mitigation hierarchy – a model designed to assist with approaches to limit the impacts on biodiversity. CSBI also provides a forum to members to share tools, best practice and experiences on all aspects of management of biodiversity and ecosystem services impacts.

Top: Onshore Gas Plant & Processing Facilities, Ghana

Above: Murchison Falls, Uganda

MEASURING WHAT MATTERS

SUPPLEMENTARY INFORMATION

"Tullow has supported local business participation in the oil and gas sector"

DAVID KIPKETER SAMOE

INDEPENDENT ASSURANCE STATEMENT ON SELECTED SUBJECT MATTER IN THE TULLOW OIL PLC 2014 CORPORATE RESPONSIBILITY REPORT ("THE REPORT")

What we looked at: scope of our work

We have been engaged by Tullow Group Services Limited ("Tullow") to perform a limited assurance engagement on the head office aggregation, consolidation and reporting of the following selected sustainability performance indicators for the financial year ended 31 December 2014.

- Total greenhouse gas emissions (scope 1 & 2) (tonnes of CO_2e)
- Lost time injury frequency rate

What standards we used: basis of our work, criteria used and level of assurance

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE 3000) Assurance Engagements other than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with the independence and ethical requirements and to plan and perform our assurance engagement to obtain sufficient appropriate evidence on which to base our limited assurance conclusion. Our team consisted of a combination of assurance, environmental, health & safety subject matter specialists including many years' experience in providing corporate responsibility report assurance. The above subject matter has been assessed against the definitions and approaches in the Basis of Reporting ("Tullow's Reporting Criteria"), available on Tullow's website [http://www.tullowoil.com/BoR] or on application. The evidence gathering procedures for a limited assurance engagement are more limited than for a reasonable assurance engagement which is akin to a financial audit, and therefore less assurance is obtained than a reasonable assurance engagement.

What we did: key assurance procedures

Our procedures, for limited assurance on the aggregation, consolidation and reporting of the selected subject matter, included primarily:

- Making enquiries of management to obtain an understanding of the overall internal control environment, risk assessment processes and information management systems relevant to the management and reporting of sustainability issues and selected performance indicators at Tullow's head office.
- Evaluating the design of controls of the Group sustainability information management and reporting database at a corporate level.
- Conducting detailed testing of the consolidation process, analytical procedures and other procedures to confirm our limited assurance conclusion of the aggregated information of operations not subject to detailed assurance procedures.

We believe that our evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Roles and responsibilities

The Directors are responsible for the preparation of the sustainability information and statements contained within the Tullow Corporate Responsibility Report 2014. They are responsible for determining Tullow's sustainability objectives and for establishing and maintaining appropriate performance management and internal control systems from which the reported information is derived. Our responsibility is to express a conclusion on the selected key performance indicators based on our procedures. We performed the engagement in accordance with Deloitte's independence policies, which cover all of the requirements of the International Federation of Accountants' Code of Ethics and in some areas are more restrictive.

What we found: our assurance conclusion

Based on our procedures described in this report, nothing has come to our attention that causes us to believe that the selected sustainability performance indicators, stated above and on pages 53-54 of the Report, for the year ended 31 December 2014 have not been prepared, in all material respects, in accordance with Tullow's Reporting Criteria.

Limitations

Inherent limitations exist in all assurance engagements due to the selective testing of the information being examined. Therefore fraud, error or non-compliance may occur and not be detected. Additionally non-financial information, such as that included in Tullow Oil plc's Report, is subject to more inherent limitations than financial information, given the nature and methods used for determining, calculating and sampling or estimating such information. Our work has been undertaken so that we might state to the Company those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Tullow Group Services Limited for our work, for this report, or for the conclusions we have formed.

Deloitte LLP
London

25 March 2015

Deloitte.

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 have an effective date of 1 January 2015, but Tullow were early adopters of the EU Directive and published our tax payments to governments in full, in its 2013 Annual Report and Accounts. The 2014 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 the 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 22. Detailed disclosure on our 2014 tax payments can be found on pages 50-51.

Production entitlements in barrels This 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 2014 average realised oil price $97.5/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.

	European transparency directive disclosure							
	Production entitlements	Production entitlements	Income taxes	Royalties (cash only)	Dividends	Bonus payments	Licence fees	Infrastructure improvement payments
Licence / Company level	bbls (000)	US$ (000)	US$ (000)	US$ (000)	US$ (000)	US$ (000)	US$ (000)	US$ (000)
M'Boundi	282	–	–	–	–	–	–	–
Total Congo	282	–	–	–	–	–	–	–
CI-103	–	–	–	–	–	–	–	256
CI-26 Espoir	203	15,112	–	–	–	–	–	–
Corporate	–	–	–	–	–	–	–	207
Total Côte d'Ivoire	203	15,112	–	–	–	–	–	463
Ceiba	230	–	–	–	–	–	–	–
Okume Complex	521	–	–	–	–	–	–	–
Corporate	–	–	43,659	–	–	–	–	–
Total Equatorial Guinea	751	–	43,659	–	–	–	–	–
Echira	–	–	–	2,166	–	–	–	–
Etame	–	–	–	5,612	–	–	–	–
Limande	–	–	–	7,157	–	–	–	–
Niungo	–	–	–	5,404	–	–	–	–
Tchatamba	–	–	–	13,315	–	–	–	–
Turnix	–	–	–	1,333	–	–	–	–
Corporate – Tullow Oil Gabon SA	–	–	44,184	–	–	–	34	–
Oba	–	–	–	1,946	–	–	–	–
Corporate – Tulipe Oil SA	–	–	5,071	–	–	–	–	–
Total Gabon	–	–	49,255	36,933	–	–	34	–
Jubilee	658	–	–	–	–	–	–	1,649
Company level	–	–	114,988	–	–	–	52	524
Total Ghana	658	–	114,988	–	–	–	52	2,173
Company level	–	–	–	–	–	–	–	43
Total Guinea	–	–	–	–	–	–	–	43
Block C-6	–	–	–	–	–	8,800	–	–
Block C-10	–	–	–	–	–	4,929	–	–
PSC B (Chinguetti EEA)	61	–	–	–	–	–	–	–
Corporate	–	–	–	–	–	–	51	–
Total Mauritania	61	–	–	–	–	13,729	51	–
South Omo	–	–	–	–	–	–	176	262
Corporate	–	–	–	–	–	–	–	64
Total Ethiopia	–	–	–	–	–	–	176	326
Corporate	–		–	–	–	–	158	732
Total Kenya	–	–	–	–	–	–	158	732
Block 3111	–	–	–	–	–	–	150	–
Corporate	–	–	–	–	–	–	15	–
Total Madagascar	–	–	–	–	–	–	165	–
Corporate	–	–	1	–	–	–	–	–
Total Mozambique	–	–	1	–	–	–	–	–
Corporate	–	–	–	–	–	–	100	50
Total Namibia	–		–	–	–	–	100	50
Corporate	–	–	670	–	–	–	–	–
Total South Africa	–		670	–	–	–	–	–
Corporate	–	–	–	–	–	–	11	–
Total Uganda	–	–	–	–	–	–	11	–
Corporate	–	–	–	–	–	–	–	–
Total Canada	–	–	–	–	–	–	–	–
Corporate	–		–	–	–	–	–	–
Total Ireland	–	–	–	–	–	–	–	–
Walton Morant	–	–	–	–	–	–	128	–
Corporate	–	–	–	–	–	–	–	–
Total Jamaica	–	–	–	–	–	–	128	–
Corporate	–	–	6,157	–	–	–	654	–
Total Netherlands	–	–	6,157	–	–	–	654	–
Corporate	–		(198,764)	–	–	–	–	–
Total Norway	–	–	(198,764)	–	–	–	–	–
Corporate	–	–	–	–	–	–	20	14
Total Pakistan	–	–	–	–	–	–	20	14
Corporate	–	–	–	–	–	–	–	–
Total Suriname	–	–	–	–	–	–	–	–
Murdoch	–	–	–	–	–	–	275	–
Ketch	–	–	–	–	–	–	763	–
Schooner	–	–	–	–	–	–	1,002	–
Corporate	–	–	6,369	–	–	–	571	–
Total UK	–	–	6,369	–	–	–	2,611	–
Corporate	–	–	–	–	–	–	–	–
Total Uruguay	–	–	–	–	–	–	–	–
TOTAL	**1,955**	**15,112**	**22,335**	**36,933**	**–**	**13,729**	**4,160**	**3,801**

Voluntary disclosure								
VAT	Stamp duty	Withholding tax	PAYE & national insurance	Carried interests	Customs duties	Training allowances	TOTAL	TOTAL
US$(000)	US$ (000)	US$ (000)	US$ (000)	US$ (000)	US$ (000)	US$(000)	US$ (000)	bbls (000)
–	–	–	–	–	–	–	–	282
–	–	–	–	–	–	–	–	282
–	–	–	–	–	–	–	256	–
–	–	–	–	–	–	–	15,112	203
–	–	723	826	43	–	–	1,799	–
–	–	723	826	43	–	–	17,167	203
–	–	–	–	–	–	–	–	230
–	–	–	–	–	–	–	–	521
–	–	–	–	–	–	–	43,659	–
–	–	–	–	–	–	–	43,659	751
–	–	–	–	–	–	–	2,166	–
–	–	–	–	–	–	–	5,612	–
–	–	–	–	–	–	–	7,157	–
–	–	–	–	–	–	–	5,404	–
–	–	–	–	–	–	–	13,315	–
–	–	–	–	–	–	–	1,333	–
–	–	330	474	–	–	13	45,035	–
–	–	–	–	–	–	–	1,946	–
–	–	7	3	–	–	–	5,081	–
–	–	337	477	–	–	13	87,049	–
–	–	–	–	–	–	–	1,649	658
3,859	–	43,465	16,265	63,684	4,626	250	247,713	–
3,859	–	43,465	16,265	63,684	4,626	250	249,362	658
–	–	–	4	–	–	–	47	–
–	–	–	4	–	–	–	47	–
–	–	–	–	–	–	–	8,800	–
–	–	–	–	–	–	–	4,929	–
–	–	–	–	–	–	–	–	61
–	–	5,636	430	–	–	938	7,055	–
–	–	5,636	430	–	–	938	20,784	61
–	–	–	–	–	–	–	438	–
(885)	–	529	190	–	–	150	48	–
(885)	–	529	190	–	–	150	486	–
198	–	17,989	21,235	–	817	321	41,450	–
198	–	17,989	21,235	–	817	321	41,450	–
–	–	–	–	–	–	–	150	–
–	–	–	3	–	–	–	18	–
–	–	–	3	–	–	–	168	–
–	–	–	–	–	–	–	1	–
–	–	–	–	–	–	–	1	–
–	–	–	220	–	–	13	383	–
–	–	–	220	–	–	13	383	–
(851)	–	–	6,518	–	–	–	6,337	–
(851)	–	–	6,518	–	–	–	6,337	–
1,370	2,653	1,900	10,155	–	–	50	16,139	–
1,370	2,653	1,900	10,155	–	–	50	16,139	–
(162)	–	–	–	–	–	–	(162)	–
(162)	–	–	–	–	–	–	(162)	–
(1,958)	–	–	8,818	–	–	–	6,860	–
(1,958)	–	–	8,818	–	–	–	6,860	–
–	–	–	–	–	–	–	128	–
–	–	–	–	–	–	100	100	–
–	–	–	–	–	–	100	228	–
117	–	–	573	–	–	–	7,501	–
117	–	–	573	–	–	–	7,501	–
5,201	–	–	8,309	–	392	–	(184,862)	–
5,201	–	–	8,309	–	392	–	(184,862)	–
–	–	313	–	–	–	7	354	–
–	–	313	–	–	–	7	354	–
–	–	–	317	–	–	–	317	–
–	–	–	317	–	–	–	317	–
–	–	–	–	–	–	–	275	–
–	–	–	–	–	–	–	763	–
–	–	–	–	–	–	–	1,002	–
(10,755)	–	–	15,752	–	–	–	11,937	–
(10,755)	–	–	15,752	–	–	–	13,977	–
(14)	–	–	30	–	–	100	116	–
(14)	–	–	30	–	–	100	116	–
(3,880)	**2,653**	**70,648**	**90,122**	**63,727**	**5,835**	**1,942**	**327,361**	**1,955**
							Payments in kind in USD	190,582
							TOTAL	**517,943**

SOCIAL PERFORMANCE

	2010	2011	2012	2013	2014
Discretionary social investment ($000s)	2,578	11,569	19,914	17,402	**10,639**

LOCAL CONTENT

	2011	2012	2013	2014
Local supplier spend ($ million)	146.6	145.4	217.0	**225.4**

By Country	2012	2013	2014
Ethiopia		14.4	
Ghana	69.2	128.0	**123.6**
Kenya	28.7	48.0	**81.5**
Mauritania		7.0	
Uganda	47.5	19.6	**20.3**
Total	**145.4**	**217.0**	**225.4**

OUR PEOPLE

	2010	2011	2012	2013	2014
Number of employees	935	1,207	1,415	1,553	**1,595**
Number of contractors	297	341	363	481	**447**
Number of expatriates	247	329	347	446	**448**
Total workforce	1,232	1,548	1,778	2,034	**2,042**
Number of females in the workforce	307	412	511	582	**583**
Number of female managers	24	46	73	85	**90**
Number of managers		273	379	433	**442**
Number of female senior managers				6	**4**
Number of senior managers				49	**53**
Number of female Board members				2	**2**
Number of Board members				12	**12**

Nationals in host countries

By Country	2014
Côte d'Ivoire	**1**
Ethiopia	**17**
Gabon	**14**
Ghana	**264**
Guinea	**2**
Ireland	**97**
Kenya	**172**
Madagascar	**3**
Mauritania	**8**
Namibia	**1**
Netherlands	**2**
Norway	**55**
Pakistan	**8**
South Africa	**105**
Suriname	**2**
Uganda	**106**
United Kingdom	**376**
Total	**1,233**

HEALTH & SAFETY

	2010	2011	2012	2013	**2014**
Hours worked (million)	8.3	13.3	18.6	21.1	**22.4**
Number of employee fatalities	–	–	–	–	**–**
Number of contractor fatalities	–	1	–	–	**–**
Number of third-party fatalities involving members of the public	–	–	2	1	**1**
Lost Time Injuries (LTIs)	7	5	13	17	**13**
Lost Time Injuries Frequency Rate (LTIF)	0.85	0.38	0.70	0.81	**0.58**[1]
OGP LTIF	0.42	0.43	0.48	0.45	**n/a**
Total Recordable Injuries (TRI)	28	36	42	67	**41**
Total Recordable Injuries Frequency Rate (TRIF)	3.38	2.71	2.26	3.18	**1.83**
OGP TRIF	1.68	1.76	1.74	1.60	**n/a**
High Potential Incidents (HiPos)	11	12	44	39	**25**
High Potential Incident Frequency Rate (HiPoF)	1.33	0.9	2.37	1.85	**1.11**
Malaria frequency rate		0.34	0.06	0.01	**0.03**
Kilometres driven ('000,000)	5	8.2	12.2	12.7	**15.5**
Vehicle Accident Frequency Rate (VAFR)	0.59	1.46	1.31	0.71	**0.77**

1 Indicates data reviewed by Deloitte as part of their assurance work. See page 48 for the independent assurance report.

ENVIRONMENT

	2010	2011	2012	2013	**2014**
Atmospherics					
Total air emissions (Scope 1 & 2, tonnes of CO_2e)	294,732	1,376,590	537,040[2]	693,170[2]	**768,879[1]**
Scope 1 total air emissions (tonnes of CO_2e)				686,996[2]	**764,700**
Scope 2 total air emissions (tonnes of CO_2e)				6,174	**4,179[3]**
Total air emissions by production (tonnes of CO_2e) per thousand tonnes hydrocarbon produced	197.6	260.93	98.21	99.78	**118.32**
Scope 2 total air emissions by production (tonnes of CO_2e) per thousand tonnes hydrocarbon produced				0.89	**0.64**
Scope 1 CO_2 emissions (tonnes)	265,437	1,223,983	464,844	587,909	**685,204**
CH_4 emissions (tonnes)	1,395	7,267	1,931	2,578	**2,191**
N_2O emissions (tonnes)			33.76	43.75	**44.67**
CO_2 emissions (tonnes) per thousand tonnes of HC produced	178	232	85	85	**105**
CH_4 emissions (tonnes) per thousand tonnes of HC produced	0.93	1.38	0.04	0.04	**0.00**
N_2O emissions (tonnes) per thousand tonnes of HC produced			0.01	0.01	**0.69**
Flaring					
Total hydrocarbon flared (tonnes)	88,719	911,665	30,246	80,695	**117,537**
Total hydrocarbon flared by production (tonnes per thousand tonnes hydrocarbon produced)	59.36	172.91	5.53	11.62	**18.09**
Water usage					
Fresh water (m^3)			42,342	35,900	**11,695**
Metered water (m^3)				13,013	**59,220**
Seawater (m^3)			11,430,092	7,295,571	**9,885,133**
Ground water (m^3)			143,569	180,337	**129,956**
Other water (m^3)			58,291	31,740	**3,643**
Total water usage (m^3) – all operational sites	107,423	10,408,240	11,674,294	7,556,562	**10,089,647**
Recycled water (m^3)				21,567	**11,250**
Total water from sustainable sources (m^3)				21,567	**11,250**
Waste					
Total waste disposed (tonnes)		32,707	54,692	34,157	**75,799**
Waste Recycled / Re-used / Treated (%)		84.29	72.15	83.38	**63.82**
Waste Recycled / Re-used / Treated (tonnes)		27,569	39,460	28,480	**48,375**
Hazardous waste disposed (tonnes)				29,572	**45,822**
Hazardous waste Recycled / Re-used / Treated (%)				87.00	**98.89**
Non-hazardous waste disposed (tonnes)				4,584	**29,917**
Non-hazardous waste Recycled / Re-used / Treated (%)				51.75	**10.03**
Uncontrolled releases					
Oil & Chemical spills (#)	4	14	5	10	**15**
Oil & Chemical spills (tonnes)	4.59	311	38.86	23.29	**715.85**
Energy use					
Total operations indirect and direct energy use (GJ)				5,757,479	**5,345,442**
Total indirect and direct energy use (GJ)			5,685,961	5,798,539	**5,375,402**
Total indirect and direct energy use by production (GL per thousand tonnes hydrocarbon produced)			1,040	829	**827**
Fines and sanctions			0	0	**0[4]**

1 Indicates data reviewed by Deloitte as part of their assurance work. See page 48 for the independent assurance report.

2 Group CO_2e between 2012-2013 have been restated because of a previously overstated proportion of methane in vented gas from the Jubilee FPSO.

3 Group 2014 Scope 2 emissions are reported in CO_2 instead of CO_2e as recommended by the Department for Environment, Food and Rural Affairs (DEFRA).

4 While no fines were received for environmental non-compliance during the reporting period, in 2014, Tullow Ghana paid a $80,000 levy approved by the Environmental Protection Agency (EPA) for exceeding the 3% Oil on Cuttings (OoC) limit for its drilling programme as part of the Jubilee project. Ghana's waste disposal infrastructure is relatively under-developed and as part of Production Agreement, the Ghanaian Government has made a provision for companies exceeding OoC limits through a surcharge, until they have adequate onshore waste solutions.

ABC	Anti-Bribery and Corruption programme
boe	Barrels of oil equivalent
boepd	Barrels of oil equivalent per day
BU	Business Unit
CH4	Methane
CLO	Community Liaison Officer
CO_2	Carbon Dioxide
CO_2e	CO_2 equivalent
CR	Corporate Responsibility
CSP	Creating Shared Prosperity
D&O	Development and Operations
E&A	Exploration & Appraisal
EHS	Environment, Health & Safety
EITI	Extractive Industries Transparency Initiative
ESIA	Environmental and Social Impact Assessment
ESMP	Environmental and Social Management Plan
FPSO	Floating Production Storage and Offloading vessel
FSEO	Field Stakeholder Engagement Officer
GDP	Gross Domestic Product
GHG	Greenhouse Gases
GIS	Geographic Information System
GRI	Global Reporting Initiative
HiPo	High Potential Incident
HiPoF	HiPo Frequency measured in HiPos per million hours worked
HR	Human Resources
IADC	International Association of Drilling Contractors
IFC	International Finance Corporation
IIA	Invest in Africa
IPIECA	International Petroleum Industry Environmental Conservation Association
ISO	International Organization for Standardization
km	Kilometres
KPI	Key Performance Indicator
LC	Local content
LT	Land Transport
LTI	Lost Time Injury

LTIF	LTI Frequency measured in LTIs per million hours worked
m^3	Cubic metres
MAFR	Malaria case Frequency Rate
mmboe	Million barrels of oil equivalent
MVC	Motor Vehicle Collisions
NGO	Non-Governmental Organisation
OECD	Organisation for Economic Cooperation and Development
OPG	International Association of Oil and Gas Producers (IOGP)
P90	Proven reserves that have a 90% certainty of being produced
PAYE	Pay as you earn
PDD	Plan of Development
Q&A	Questions & Answers
Safecall	Independent company operating Tullow's confidential reporting line
SI	Social Investment
SCM	Supply chain management
SME	Small-to-medium sized enterprises
SP	Social Performance
Sq km	Square kilometres
SRI	Socially Responsible Investors
SSEA	Safety, Sustainability and External Affairs
TEN	Tweneboa – Enyenra – Ntomme
TGSS	Tullow Group Scholarship Scheme
TRI	Total Recordable Injuries
TRIF	TRI Frequency measured in TRIs per million hours worked
VAFR	Vehicle Accident Frequency Rate
VAT	Value Added Tax
VPSHR	Voluntary Principles on Security and Human Rights

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