TEN Project in Ghana remains on schedule and on budget for first oil in mid-2016
Successful RBL Redetermination; debt capacity unchanged at $3.7bn
Business re-set to meet challenge of lower oil prices

11 November 2015 – Tullow Oil plc (Tullow) issues the following Trading Update for the period 30 July to 11 November 2015. The Group will publish a Trading Statement and Operational Update on 13 January 2016. Full Year Results for 2015 will be announced on 10 February 2016.

Highlights

- West African average oil production year-to-date is in line with guidance. Full year average West African oil production now expected to be 66-67,000 bopd. Jubilee expected to average around 100,000 bopd gross in line with previous guidance.
- TEN development project in Ghana is around 75% complete and on schedule and on budget to deliver first oil in mid-2016
- RBL debt capacity remains unchanged at $3.7 billion following the routine bi-annual redetermination in September; 2015 year-end facility headroom and free cash expected to be around $1.7 billion and net debt around $4.2 billion
- Full Year 2015 pre-tax operating cash flow before working capital is expected to be around $1.0 billion; Major Simplification Project remains on track to deliver cost savings of $500 million over the next three years
- The Group’s commodity hedge programme has a net positive mark to market value of approximately $450 million; 36,011 bopd of 2016 Group oil net entitlement volumes hedged with an average floor price protection of around $75.5/bbl
- Kenya and Uganda development plans progressing towards FID; South Lokichar appraisal activity close to completion with results to date in line with expectations, underpinning current resource estimates of around 600mmbo
- Kenya basin opening exploration drilling re-commenced with the spudding of Emesek-1 well (formerly Tausi) during October in the North Lokichar Basin; Cheptuket-1 well to spud in Q1 2016 following Etom-2 exploratory appraisal well
- Exploration prospect inventory being enhanced; successfully farming down for carries in our higher equity licences
- Full Year 2015 capex in line with current guidance at $1.9 billion; 2016 capex now expected to be approximately $1.2 billion

AIDAN HEAVEY, CHIEF EXECUTIVE OFFICER, TULLOW OIL PLC, COMMENTED TODAY:

“Whilst 2015 has been a difficult year across the industry, we have taken appropriate steps within our business to meet the challenges presented by lower oil prices. We have focused our resources on our West African oil assets which, by 2017 with TEN onstream, will be producing around 100,000 bopd net to Tullow. We are also focused on managing our costs and ensuring that we have sufficient funding to meet all our commitments. We expect to begin deleveraging our balance sheet with production from TEN and this project remains on time and on budget for mid-2016. Our East African developments are progressing steadily with FID for both Kenya and Uganda now expected in 2017. As we approach the end of the year, we are focused on our priorities of generating steady cashflow from our operations, completing TEN on schedule and on budget, ensuring we retain appropriate liquidity and building on our exciting exploration prospect inventory for the future.”
Operational update

WEST AFRICA

Ghana

Jubilee

Gross working interest oil production from the Jubilee field averaged 93,000 bopd (net: 33,000 bopd) in the third quarter of 2015. Unplanned downtime on an FPSO gas compressor temporarily restricted gas exports from early July to early August, which resulted in lower oil production during the period. Since successfully resolving the issue, normal operations have resumed and the Group remains on track to meet 2015 production guidance of approximately 100,000 bopd (net: 35,500 bopd).

Jubilee field well capacity is being enhanced with the completion of the final Phase 1A wells. One production well came on stream in September, a further production well is due on stream in December and a water injection well is due on line in early 2016. The Jubilee Partners also continue to work with the Government of Ghana with the aim of submitting a Greater Jubilee Full Field Development Plan, which will include the Mahogany and Teak discoveries, by the end of 2015.

TEN

The TEN Project continues to make excellent progress, is over 75% complete and remains on schedule and on budget for first oil in mid-2016. The FPSO is now mechanically complete and commissioning work is under way. The vessel is on track to sail away from Singapore in early January to arrive in Ghana in the first quarter 2016. The subsea fabrication work has completed and the subsea installation of this equipment is now approximately 60% complete. The completion of the start-up wells is progressing with the fourth of ten well completions currently being installed.

Gabon

In Gabon, Tullow has regained its 7.5% stake in the Onal Complex producing fields and the Ezanga block (formerly the Omoueyi exploration block). In addition, Tullow has been granted licence extensions in the Onal Complex fields until 2034 and has gained access to two small oil discoveries made within the Ezanga block in 2014. In return it has been agreed that the effective date of the new licence will be 1 August 2015.

European production

The West Africa Business Delivery Team also manages the Group’s European production and development operations. Year-to-date European average working interest gas production is in line with expectations and the full year forecast is around 7,000 boe/td.

EAST AFRICA

Kenya

During the period Tullow has continued to focus on appraisal of the South Lokichar basin to test the extent of the oil discoveries. The Ngamia, Amosing, Twiga, Eakes and Agete fields have all now been appraised and reservoir data for the field development plan is being evaluated. The work to date continues to support the South Lokichar Basin Fmean gross recoverable resource estimate of around 600 mmbo whilst additional prospective upside in the basin has also been identified.

In the third quarter of 2015, the Twiga-3 exploratory appraisal well in Block 13T encountered sands within the Lokone Shale sequence that are interpreted as good quality oil bearing reservoir over a gross interval of 120 metres. This result will be assessed in future exploration and appraisal activities, stepping out into the South Lokichar basin to further define this encouraging additional oil potential. The Amosing-5A exploratory appraisal well in Block 10BB was a bold step-out test of an undrilled fault block. The well encountered an estimated 15 to 28 metres of net oil pay in a downflank position and successfully proved a northern extension to the Amosing field.

The production phase of the Extended Well Testing (EWT) programme has been completed at the Amosing field and is ongoing at the Ngamia field. Pressure communication was observed during the Amosing EWT in all five reservoir zones tested over distances of approximately 330 to 450 metres. These results prove reservoir communication over distances suitable for field development. The production phase of the Ngamia field EWT commenced in September. Results to date indicate well productivity in line with expectations and proven communication in one zone to date.

Following completion of appraisal activities, the Marriott 46 is now drilling the Emesek-1 wildcat well, which will test the undrilled North Lokichar basin. The well was spudded on 15 October and drilling is ongoing. Following Emesek-1, the Marriott 46 will move to drill the exploratory Etom-2 well in an undrilled fault block adjacent to the Etom oil discovery. The rig will then move to drill the Cheptuket-1 exploration well in Block 12A and will test a basin bounding structural closure in the undrilled Kerio Valley Basin, in a similar structural setting to the successful Ngamia and Amosing discoveries.
Tullow has agreed to farm down 25% of its 65% operated working interest in Block 12A to Delonex for a carry. The agreement is subject to government consent.

**East Africa Development**

In Uganda, the Board of the National Petroleum Authority and National Oil Company were inaugurated on 23 October 2015 and the award of production licences is expected to follow soon now that the pre-requisite institutions are in place. In Kenya, discussions with the Government regarding the draft field development plan for the discoveries in the South Lokichar Basin continue positively, with targeted submission by year-end 2015. Preparation for FEED is also under way in both countries, and is expected to commence in 2016.

In August 2015, a bilateral agreement was reached between the Presidents of Uganda and Kenya adopting the Northern Kenya route for the regional crude oil pipeline, subject to certain conditions. Tullow is working with both governments to fulfil the conditions set in the agreement.

**NEW VENTURES**

Tullow continues to build on its exciting exploration prospect inventory for the future; replenishing and high-grading its exploration portfolio while actively managing its equity exposure to future seismic and drilling costs.

In Suriname a 4,000 sq km 3D seismic programme of the Tullow-operated offshore Block 54 was completed in September 2015. This was followed by a 20% farm out of Block 54 in October 2015 to Noble for a carry, leaving Tullow with a 30% interest and retained operatorship. Tullow and its partners are reviewing the results of the recent seismic programme ahead of selecting future drilling prospects. Initial indications suggest that the Araku prospect has significant potential.

In Jamaica, Tullow has awarded a 2D acquisition contract to cover the Walton Mourant basin after the successful bathymetry and drop core survey completed earlier in the year.

In Norway, the Group farmed out its remaining 20% interest in the unsuccessful Hagar well in PL650, ahead of drilling. Tullow farmed out a 10% interest to both VNG and Pure Energy in July and August respectively.

The Kup-1 well in Pakistan, in which Tullow has a 30% non-operated stake, is currently drilling with a result expected towards the end of 2015.

**Financial update**

Year to date revenue and cost of sales are in line with expectations. Forecast capital expenditure for 2015 currently remains unchanged at around $1.9 billion and the Group expects 2016 capital expenditure to be approximately $1.2 billion. On 30 September 2015, Tullow completed its RBL re-determination process, resulting in no change to debt draw capacity at $3.7 billion. The available amount under the corporate facility remains $1 billion. The business remains well funded with unutilised debt capacity and free cash expected to be approximately $1.7 billion at the year end. The Group expects to generate pre-tax operating cash flow before working capital in 2015 of around $1.0 billion and exit the year with net debt at around $4.2 billion. The Group’s Major Simplification Project is on track and will deliver cost savings over three years of around $500 million. A one-off restructuring charge for this project of approximately $40 million is expected in 2015, with $25 million having already been recorded in first half 2015.

**Derivative instruments update**

Tullow continues to undertake hedging activities as part of the ongoing management of its business risk to protect against commodity price volatility and to ensure the availability of cash flow for reinvestment in capital programmes that are driving business growth. The volumes hedged and derivative products entered into are governed by risk management policies.

As at 30 October 2015, the Group’s oil hedge position to the end of 2018 was as follows:

<table>
<thead>
<tr>
<th>Hedge position</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil hedges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Volume (bopd)</td>
<td>34,500</td>
<td>36,011</td>
<td>22,500</td>
<td>9,000</td>
</tr>
<tr>
<td>Average floor price protected ($/bbl)</td>
<td>85.98</td>
<td>75.45</td>
<td>73.44</td>
<td>62.67</td>
</tr>
</tbody>
</table>

As at 30 October 2015, the Group’s commodity derivative instruments had a net positive mark to market value of approximately $450 million, inclusive of deferred premium.
Notes to Editors
Tullow is a leading independent oil & gas, exploration and production group, quoted on the London, Irish and Ghanaian stock exchanges (symbol: TLW). The Group has interests in over 120 exploration and production licences across 22 countries which are managed as three business delivery teams: West Africa, East Africa and New Ventures.

FOR FURTHER INFORMATION CONTACT:

<table>
<thead>
<tr>
<th>Tullow Oil plc</th>
<th>Citigate Dewe Rogerson</th>
<th>Murray Consultants</th>
</tr>
</thead>
<tbody>
<tr>
<td>(+44 20 3249 9000)</td>
<td>(+44 207 638 9571)</td>
<td>(+353 1 498 0300)</td>
</tr>
<tr>
<td>Chris Perry – Investor Relations</td>
<td>Martin Jackson</td>
<td>Pat Walsh</td>
</tr>
<tr>
<td>James Arnold – Investor Relations</td>
<td>George Cazenove – Media Relations</td>
<td>Joe Heron</td>
</tr>
</tbody>
</table>

For further information please refer to our website at www.tullowoil.com.

Follow Tullow on:
Twitter: www.twitter.com/TullowOilplc
You Tube: www.youtube.com/TullowOilplc
Facebook: www.facebook.com/TullowOilplc
LinkedIn: www.linkedin.com/company/Tullow-Oil

ENDS