Tullow Oil plc

2015 FULL YEAR RESULTS

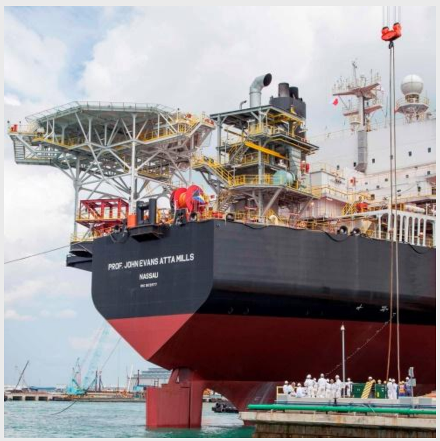
10 February 2016

Disclaimer

This presentation contains certain forward-looking statements that are subject to the usual risk factors and uncertainties associated with the oil and gas exploration and production business.

Whilst Tullow believes the expectations reflected herein to be reasonable in light of the information available to them at this time, the actual outcome may be materially different owing to factors beyond the Group’s control or within the Group’s control where, for example, the Group decides on a change of plan or strategy.

The Group undertakes no obligation to revise any such forward-looking statements to reflect any changes in the Group’s expectations or any change in circumstances, events or the Group’s plans and strategy. Accordingly no reliance may be placed on the figures contained in such forward looking statements.



TULLOW OIL PLC – 2015 FULL YEAR RESULTS

INTRODUCTION

AIDAN HEAVEY

Early actions taken to position Tullow for future growth

Decisive action taken

Re-set to deal with low oil prices:

Moved early and decisively; cut capex, costs, headcount, dividend

Focused on low cost West African production

Maintained strong hedging programme

Secured future liquidity and headroom

2014 / 15

Financial flexibility

Step change for Tullow with TEN first oil:

Increase in Group's oil production with TEN on track for first oil in Jul/Aug 2016

Significant capex drop after TEN first oil

Free cash flow generated from Q4 2016, even at low oil prices

Strategic portfolio management opportunities

2016

Fit for the future

Portfolio with major growth potential:

Young, low-cost assets in West Africa producing c.100k bopd

Targeting Ghana operating costs of c.$8/bbl in 2018

Exploration team assessing new acreage opportunities

Ability to further reduce capex to c.$300m if necessary

Pay down debt and de-lever

2017+

TULLOW OIL PLC – 2015 FULL YEAR RESULTS

FINANCE

IAN SPRINGETT

2015 Full Year Results summary

	2015 ($m)	2014 ($m)
Sales revenue	**1,607**	**2,213**
Gross profit	**591**	**1,096**
Administrative expenses	*(194)*	*(192)*
Restructuring costs	*(41)*	-
Loss on disposal	*(57)*	*(482)*
Goodwill impairment	*(54)*	*(133)*
Exploration costs written off[1]	*(749)*[2]	*(1,657)*
Impairment of property, plant and equipment	*(406)*	*(596)*
Provision for onerous contracts	*(186)*	-
Operating Loss	**(1,094)**	**(1,965)**
Loss before tax	**(1,297)**	**(2,047)**
Uganda CGT charge	(108)	-
Other tax credits	368	408
Loss after tax	**(1,037)**	**(1,639)**
Capital investment	**1,720**	**2,020**
Cash generated from operations[3]	**967**	**1,545**
Net debt[4]	**4,019**	**3,103**

[1] Before tax refunds. [2]Includes pre-tax write-offs from current year ($184m) and prior years ($565m) [3]Before working capital movements [4]Net debt is financial liabilities less cash and cash equivalents

Revenue and cash flow substantially underpinned by strong oil production and hedging. Significantly lower oil price results in impairments and write-offs

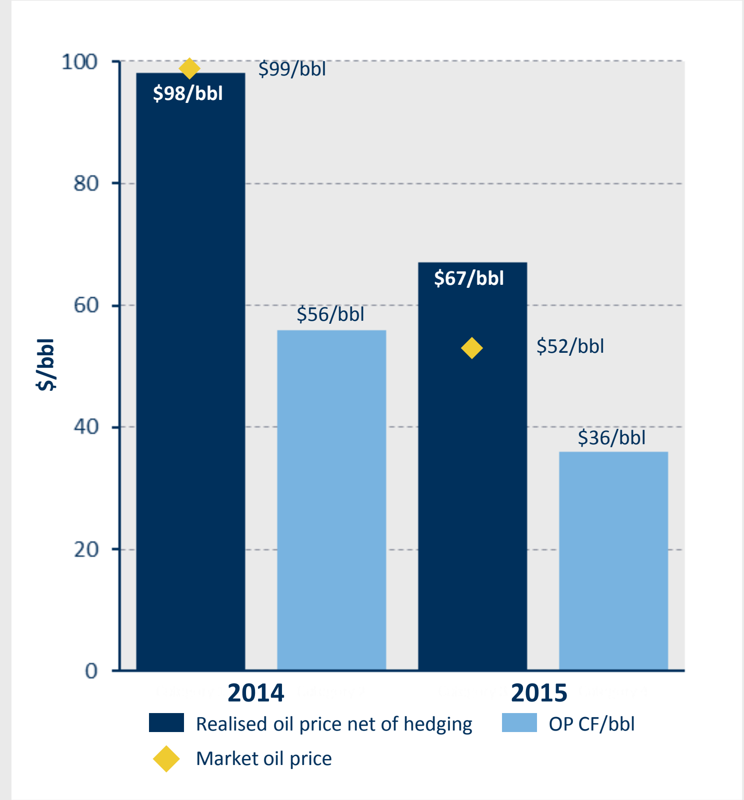
Early action mitigates impact of low oil prices

Strong focus on cash from operations

West African production	• Increased to 67 kbopd in 2015 • TEN to deliver growth to around 100 kbopd in 2017
Oil hedging	• Reaping benefits of long term hedging programme • $365m revenue benefit in 2015 • Mark-to-market position of $625m end 2015
Operating cash flow	• Low cost assets and hedges generated $1bn in 2015

Capex and liquidity management

Capex Flexibility	• 15% reduction in 2015 to $1.7bn • Focus on West Africa oil developments • c.70% reduction in E&A capex to $256m
Overheads	• Total headcount reduced by 37% • Gross G&A reduced by $164m • On track for $500m savings over three years
Bank facilities	• $450m increase in committed bank facilities • Relaxation of debt covenants • Successful redeterminations; debt capacity retained
Dividend	• Suspension of dividend



Decisive actions taken to maximise liquidity; Exited 2015 with headroom of $1.9bn

Industry leading hedge position

Hedge strategy

- Tullow has proactively hedged production to protect revenues for more than 10 years
- Significant liquidity benefit through protecting future revenues and generating RBL debt capacity
- Prudent during periods of higher development spend, allows business time to adjust to market volatility

Current Portfolio

- MTM value as at 31 January 2016: $668m
- 52% of 2016 oil entitlement volumes (64% post tax) hedged at c.$75/bbl
- Hedge by purchasing a mix of Dated Brent options (puts, collars, 3-way collars)
- Further differentiated by 2017 hedging position

Hedge Position (as at 31 Jan 2016)	2016	2017	2018
Oil Volume (bopd)	36,511	23,000	9,500
Average floor price protected ($/bbl)	75.14	72.94	62.09
MTM value at 31 January 2016 ($m)*	402	218	48

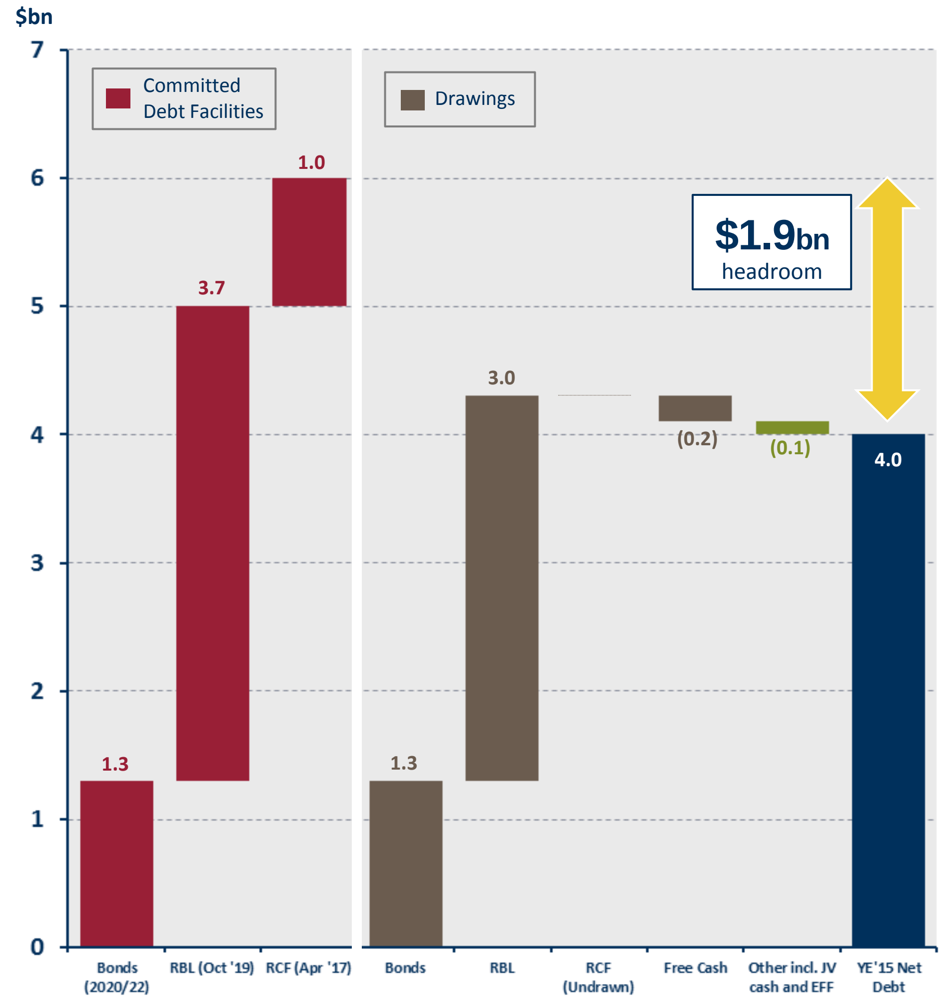
*Net of hedge premium, January 2016 receipts were circa $42m

Significantly mitigated the impact of lower oil prices during the TEN development

Managing balance sheet and liquidity

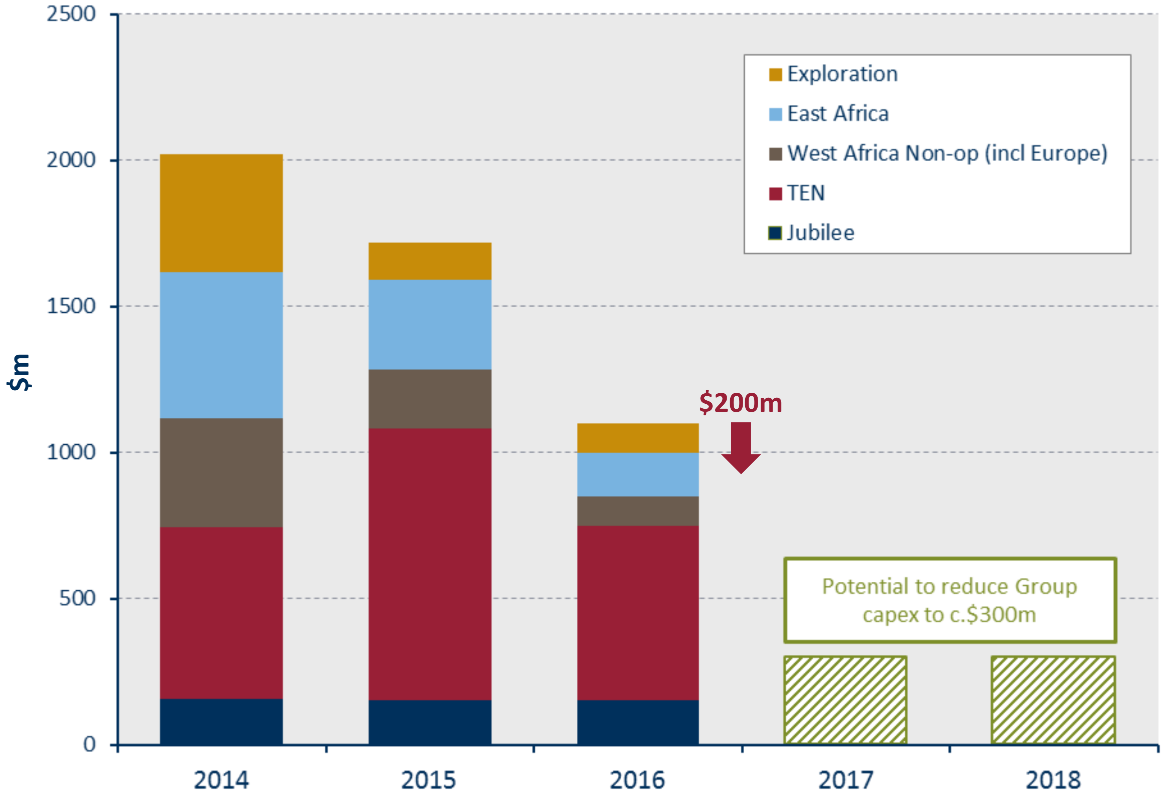
Overall liquidity	• $1.9 billion facility headroom and free cash at year-end 2015
RBL	• March 2016 semi-annual redetermination • Debt capacity determined by underlying Present Value (PV) of the assets at bank price deck • October 2016 $445 million commitment amortisation • Amortisation is a reduction in commitments, not a repayment • RBL refinancing expected ahead of further commitment amortisations in 2017
RCF	• Three year facility maturing in April 2017 • Maturity extension is being managed well ahead of final maturity

Balance sheet and liquidity underpinned by quality, low cost asset base, capital flexibility and hedged cash flow together with long-standing bank relationships



(1) Reserve Based Lend facility – 6 monthly amortisation from Oct 2016.
(2) Two High Yield Bonds each at $650m. Maturity in Nov 2020 and April 2022.

Potential to reduce capex to c.$300m at low oil prices



Notes:
i) Exploration expenditure is net of Norwegian tax refund
ii) Capital costs exclude decommissioning costs and onerous rig contracts

Major reduction in Capex

- Working to reduce 2016 capex to c.$900m
- Final year of committed TEN first oil capex fixed at $600m
- Potential to reduce Group capex from 2017 onwards to c.$300m

Incremental capex options from 2017

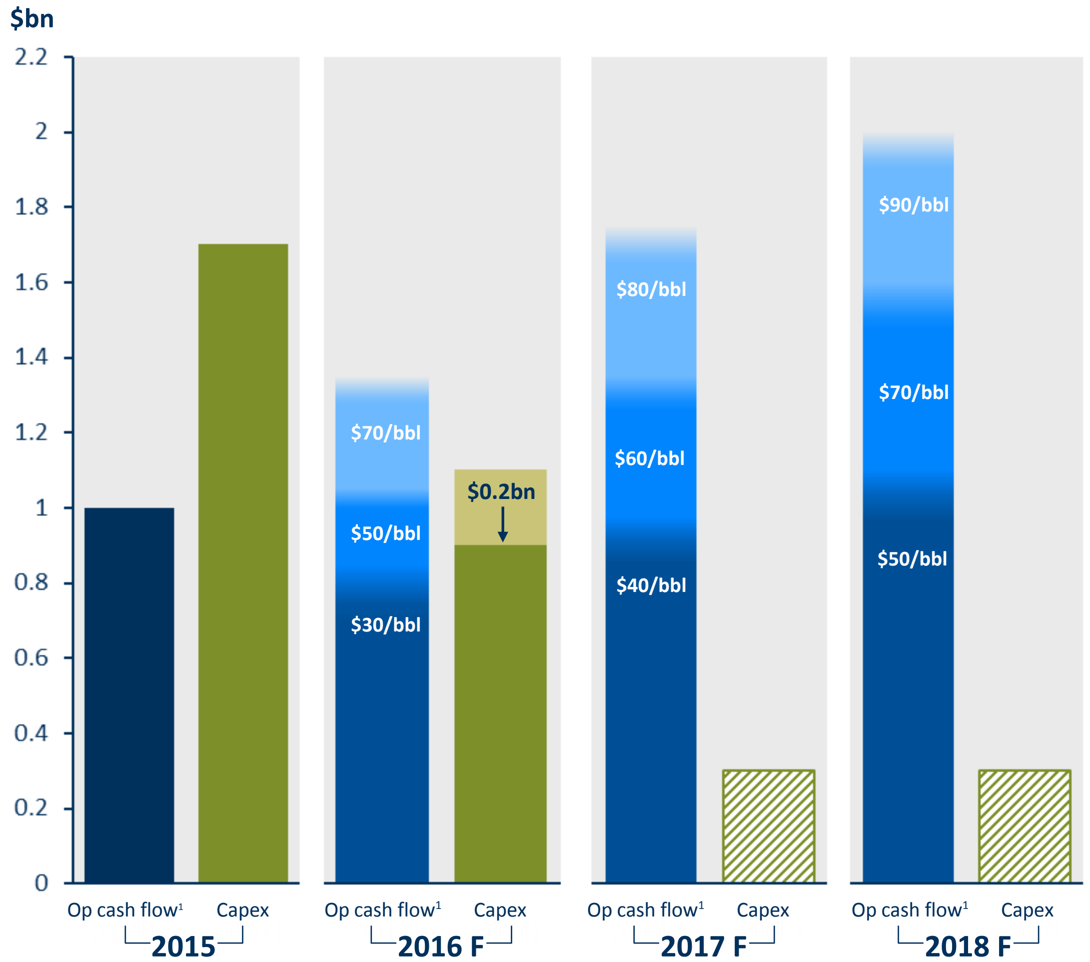
- Greater Jubilee Full Field Development
- TEN development infill wells
- East Africa exploration

Ability to adjust future capex to reflect oil price scenarios and market conditions

Capex flexibility and operating cash flow sensitivities

- Significant operating cash flow continues to be delivered at low oil prices; underpinned by hedges
- Capex flexibility creates surplus operating cash flow from fourth quarter 2016 enabling the Group to deleverage the balance sheet
- Further self help and strategic portfolio management accelerates deleveraging

Capex flexibility enables Tullow to generate significant free cash flow from Q4 2016



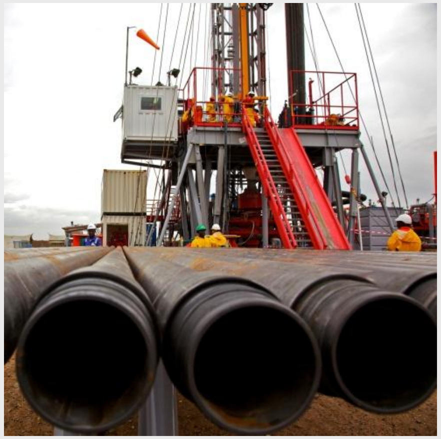
Note: Data provided for illustrative purposes only.
1) Operating cash flow before working capital movements including the impact of current hedges.

Tullow continues to be resilient to low oil prices

TULLOW OIL plc

Key differentiators

Growing oil production	Growing to c.100 kbopd in 2017; TEN onstream
Revenues protected	Significant hedging in place 2016 and 2017
Low cost operations	Continuing to drive down Opex & G&A
Capex flexibility	Potential to reduce Group capex to c.$300m in 2017
Free cash flow	Free cash flow positive from 2017
Portfolio Management	Strategic options across the portfolio
Liquidity	$1.9bn headroom end 2015, stress tested at low prices
Banking	Quality assets, relationships, balance sheet flexibility



TULLOW OIL PLC – 2015 FULL YEAR RESULTS

DEVELOPMENT & OPERATIONS

PAUL McDADE

Strong delivery across West Africa production portfolio

Strong **FY 2015** West Africa oil production:

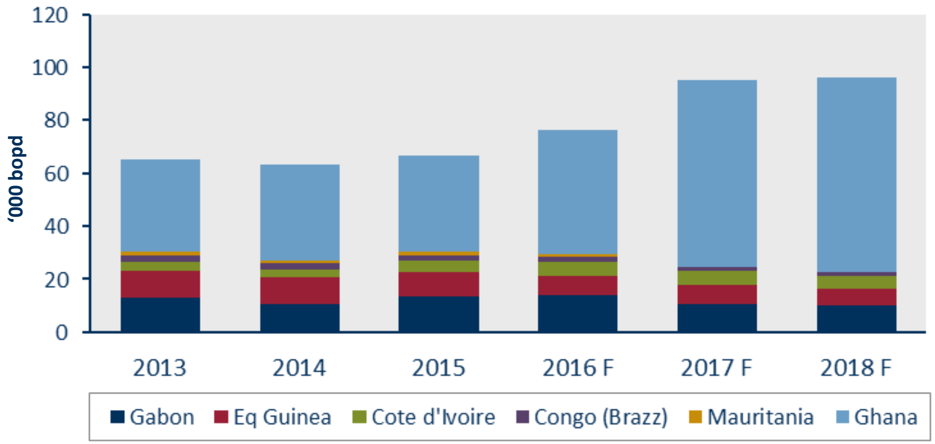
66,600 bopd

FY 2016 West Africa oil production guidance:

73-80,000 bopd

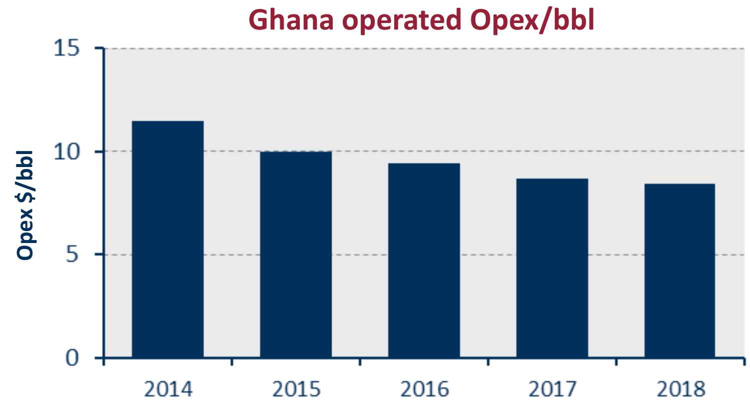
2017 West Africa oil production growing to around:

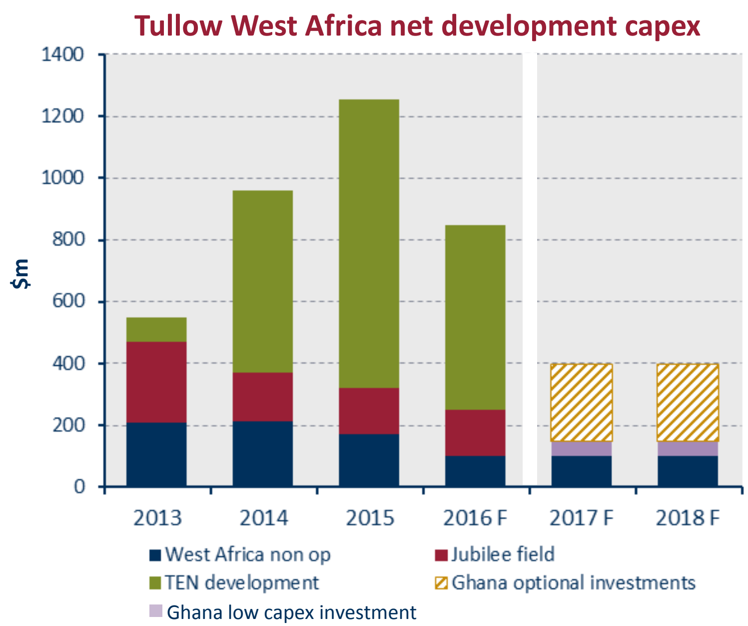
100,000 bopd



- **FY 2015** Europe actual gas production: 6,800 boepd
- **FY 2016** Europe gas production guidance: 5-7,000 boepd

Low cost West Africa portfolio to deliver c.100,000 bopd





Material reduction in Ghana Opex

- Realising synergies from operating Jubilee & TEN in Ghana
- Reducing per barrel Opex to around $8/bbl

Reaping the reward of historical investments

- Historical investment supports long life low cost oil production across the portfolio
- Reduced 2016 capex in non-op portfolio by 50%
- On track to deliver c.100,000 bopd in 2017

Significant capex flexibility 2017+

- Major capex investment period at TEN complete
- Ability to reduce non-op capex below $100m per annum
- Ghana short term capex could be reduced to $50m per annum
- Flexibility on future timings of Ghana (Jubilee & TEN) optional investments averaging c.$250m per annum

Reaping the reward of historical West Africa investment

Jubilee - long term asset with flexible investment opportunities

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Strong performance continues in 2016

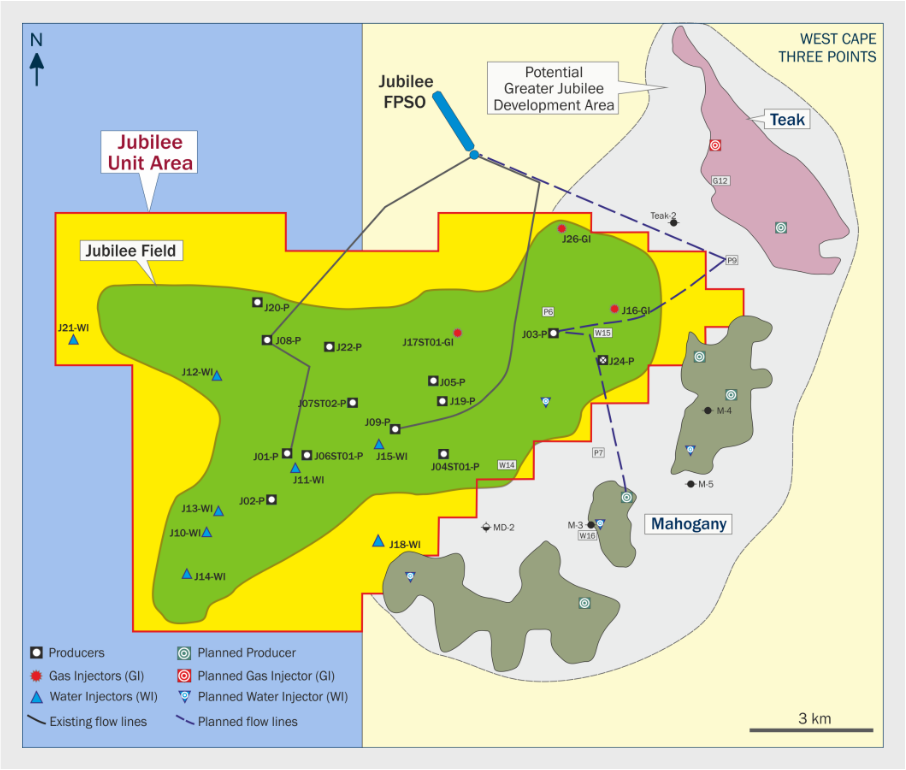
- FY15 average gross production: 103 kbopd
- FY16 guidance: 101 kbopd
- Gas export system operating reliably
- Water injection system upgrades ongoing
- Planned 2 week FPSO maintenance shut in - March

Strong focus on cost management

- FY15 average Jubilee opex/bbl: $10.0/bbl
- FY16 target Ghana opex/bbl: c.$9.5/bbl
- Targeting Ghana opex of c.$8/bbl in 2018
- Opportunity to benefit from synergies of 2 fields

Greater Jubilee Full Field Development

- Development plan redesigned for low oil price
  - Reduced capex and increased flexibility
  - Optimally integrates Mahogany and Teak
  - Flexible long term infill drilling plan
  - Extends production plateau beyond 2020
  - Increased commercial reserves
- Revised Plan submitted to Government in Dec 2015 and entered discussions



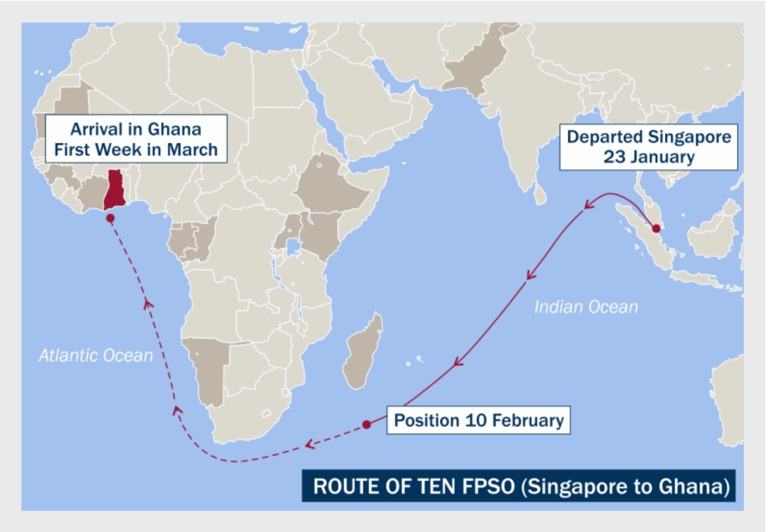
TEN on schedule to deliver first oil - July/August 2016

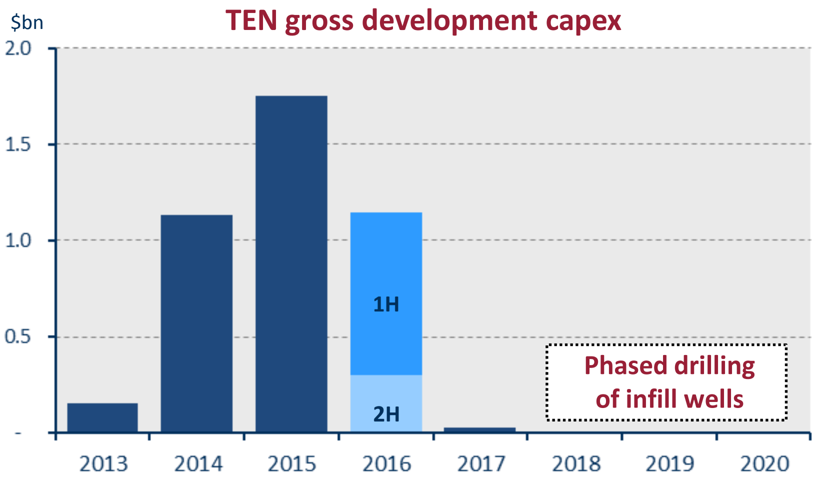
TULLOW plc

Project over 85% complete

- FPSO conversion complete
  - FPSO sailed 23 January 2016; "zero" carry over
  - Arrival offshore Ghana early March 2016
  - Mooring piles and lines pre-installed for FPSO arrival
- Subsea Fabrication (99%) & Installation (68%)
  - All major fabrication complete
  - Subsea installation progressing to schedule
  - Pre commissioning testing has commenced
  - 7 of 10 subsea trees installed
- Drilling (100%) and Completions (50%)
  - 11 wells drilled (5 producers & 6 injectors)
  - 5 of 11 well completions installed; 6th underway
  - Gradual production ramp up in 2H 2016

Successfully delivering our 2nd major operated deepwater development





East Africa development making steady progress

2015 activities underpin Kenya development resource base

- 9 appraisal wells drilled; 2 EWTs completed
- Significant result at Etom-2 using new 3D seismic
- Success to date supports gross recoverable resource base of 600mmbo
- Upside resources identified - basin potential of 1bn barrels of oil

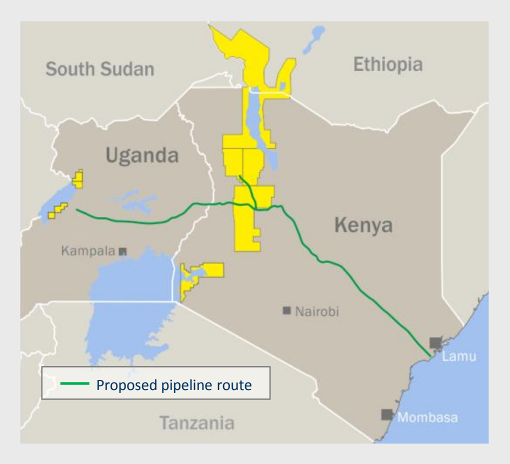
Upstream developments progressing towards FEED

- Field development plans submitted to both Governments
- Studies indicate low full cycle cost c.$25/bbl (capex, opex & tariff)
- Pre-development environmental studies underway
- Significant progress made on Uganda fiscal matters

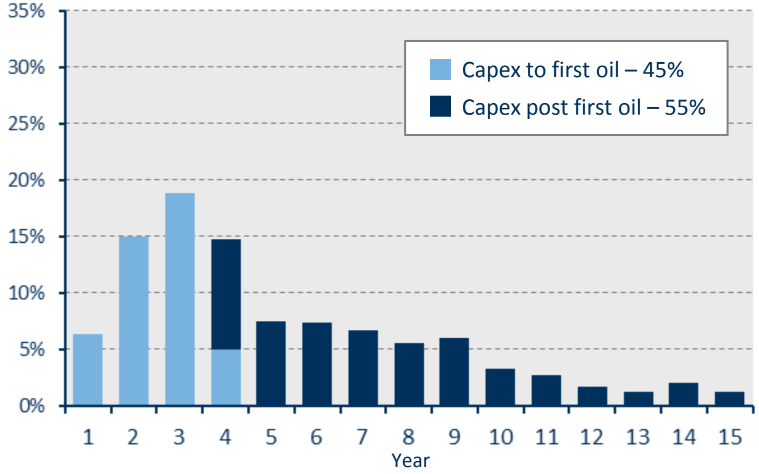
Integrated regional pipeline

- Bilateral agreement between GoK & GoU adopted Northern Kenya route
  - Conditions of agreement being worked on by both governments
- Ugandan government focussed on ensuring lowest cost export option
- ESIA submitted to regulatory authorities in Dec 15

Low cost per barrel project with gross recoverable resource base of c.2.3bn barrels of oil

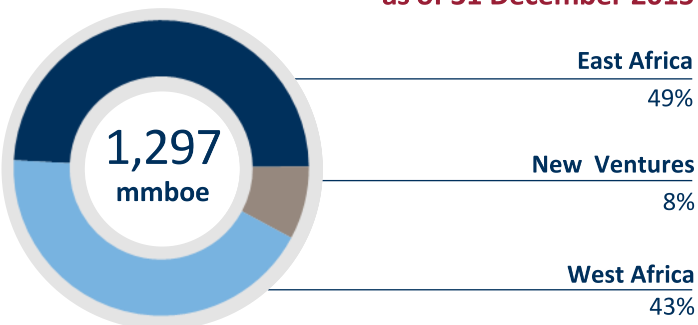


Annual percentage life of field capex of East Africa upstream development

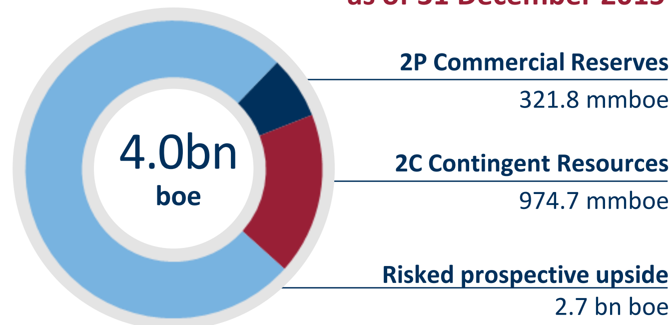


Growing portfolio of low cost oil

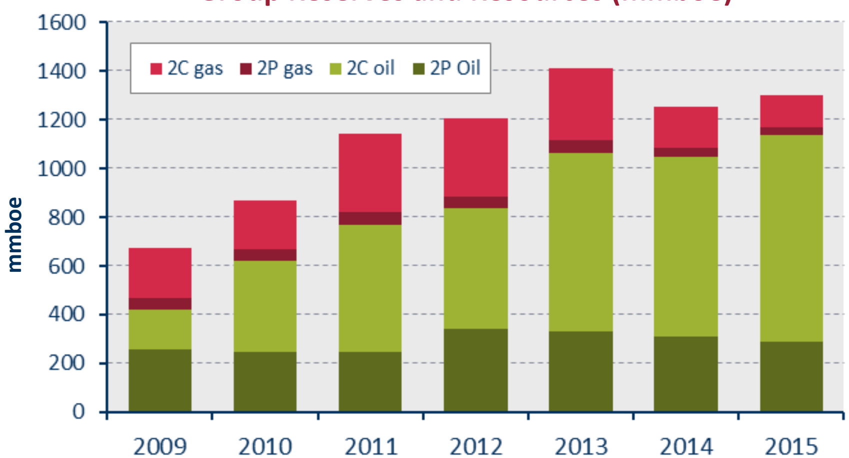
2P Commercial Reserves and 2C Contingent Resources as of 31 December 2015



Total Resource Potential as of 31 December 2015



Group Reserves and Resources (mmboe)*



Focus on commercialising discovered resources

- 111mmboe contingent resources added in 2015
  - 102mmbo added from East Africa
- Oil is 87% of 2015 reserves and contingent resources
- Over 200mmboe (1.2TCF) of low value gas managed out of the portfolio since 2013
- Medium term focus on:
  - Converting West Africa upside potential into 2P reserves
  - Commercialising East African resources through portfolio management and development
  - Increasing and high grading prospective resource base

* 2009-11 YE contingent resources restated following Uganda sale of 66.67% Equity across Lake Albert licence in 2012 – 604mmboe.

Business differentiated by strong delivery and quality assets

TULLOW plc

Key differentiators

Delivery

Production	West Africa on track to deliver c.100k bopd in 2017
Operating costs	Reducing Opex per barrel in Ghana
Incremental capex options	Significant future flexibility in timing of investments
Organisation	Strong operational performance despite G&A reduction

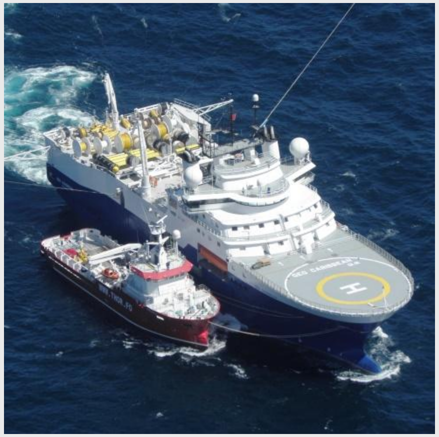
Quality assets

TEN development	Material oil development with significant upside
Jubilee field	Low cost production asset with long life potential
West Africa non-op	Resilient portfolio of mature oil assets
East Africa	World class oil province resilient to low oil prices

TULLOW OIL PLC – 2015 FULL YEAR RESULTS

EXPLORATION & APPRAISAL

ANGUS McCOSS



Sustaining exploration upside at low cost

Material acreage access – building & rejuvenating

- Focus on low-cost material oil plays in Africa & Latin America
- Entry with partners for collaboration, risk-sharing & cost-sharing
- Seeking better terms & extensions through government relations

Prospect inventory progress – finding oil in our data

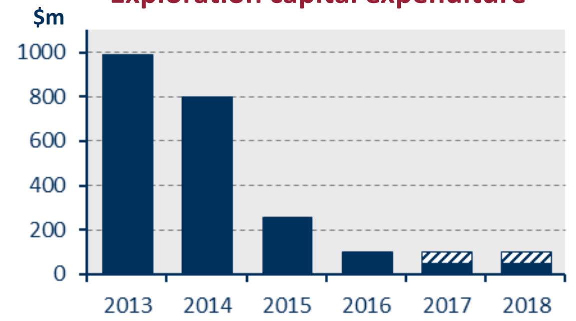
- Building our high-graded portfolio with leading-edge geophysics
- Generating high-impact drillable prospects for future growth
- Preparing material long options for drilling in West Africa & LatAm

Limited drilling activities – highly focused

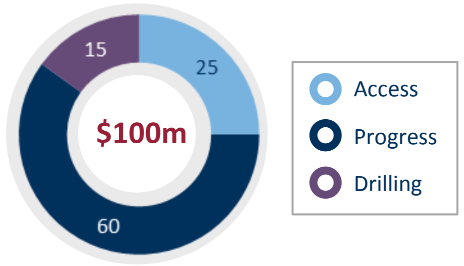
- Farming-down for carries, converting licence equities into funding
- Near-term focus on high-ranking prospects in East Africa

Leveraging minimal spend for maximum impact

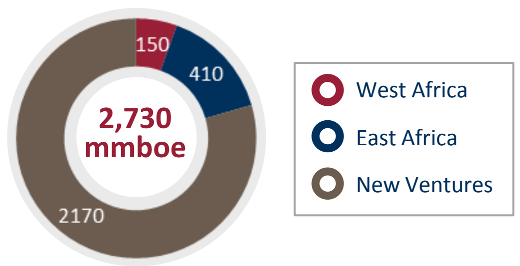
Exploration capital expenditure



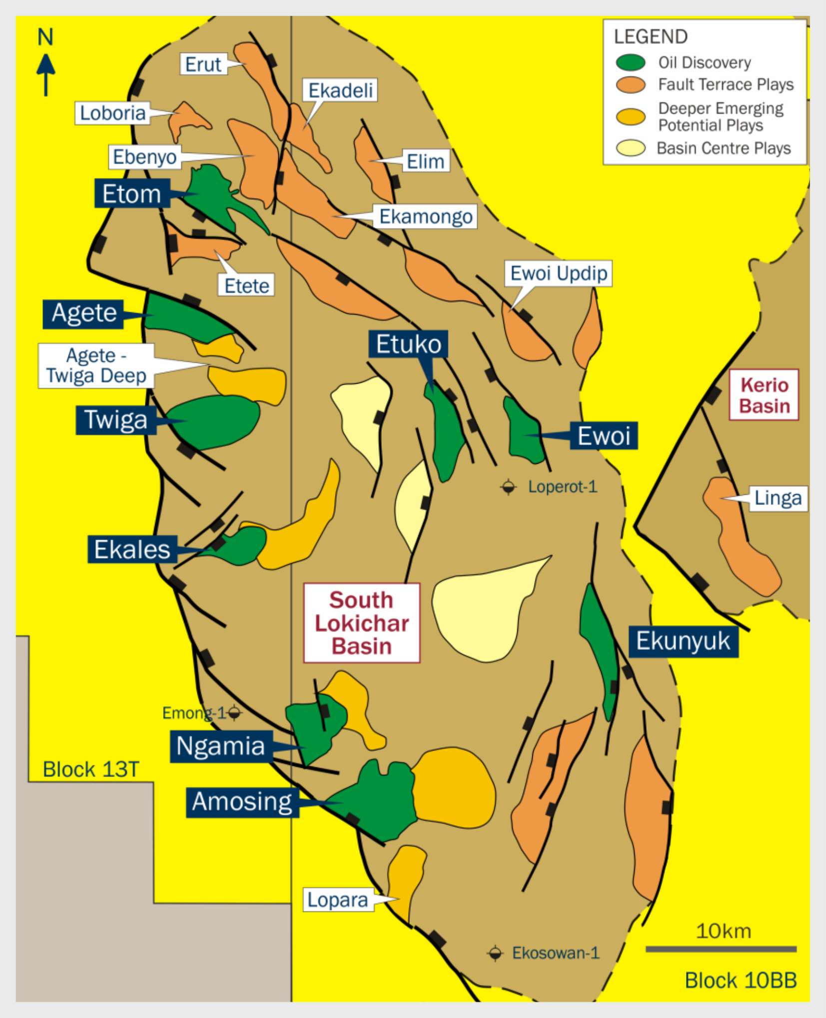
2016 Exploration capital split



Risked Prospective Upside



Kenya: Identifying upside in South Lokichar Basin



Material proven oil basin

- 9 oil accumulations discovered
- 600mmbo resource base confirmed by tests

Significant upside potential

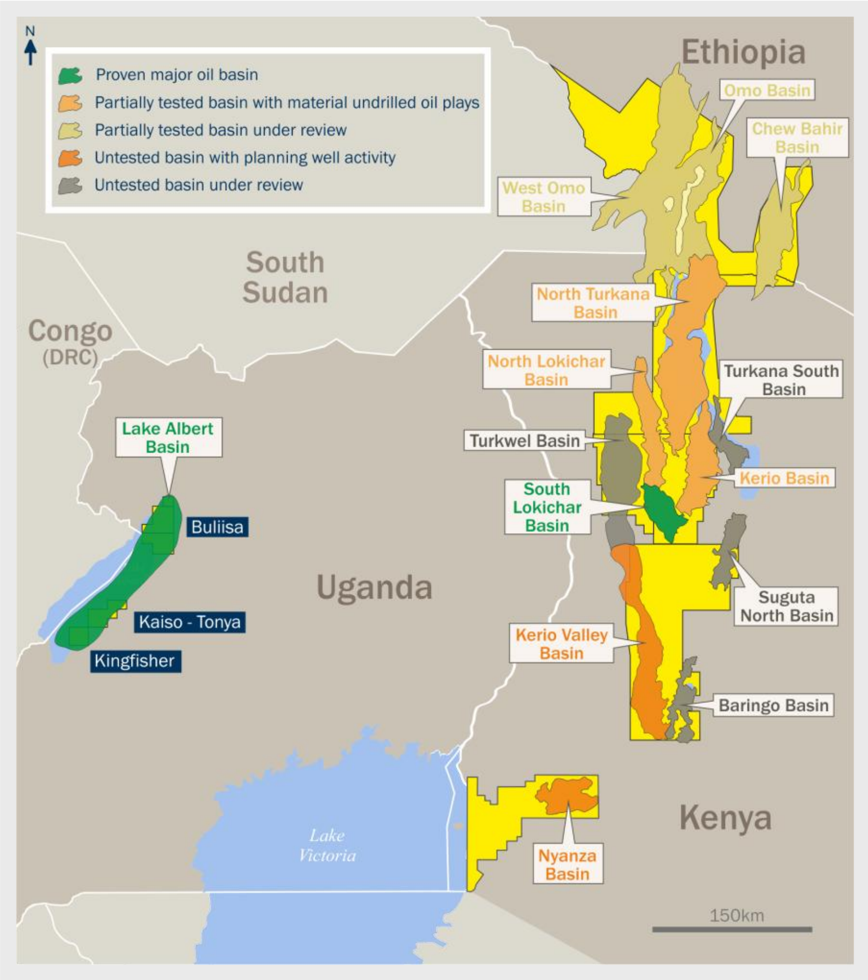
- 20 oil prospects & leads yet to drill
- Further new plays being studied

Good geology: value at low-cost

- World class oil source rock – rich & very thick
- Recent wells target & hit reservoir fairways
- Reservoirs flow naturally (tested 4,300 bopd)

Billion barrel basin potential

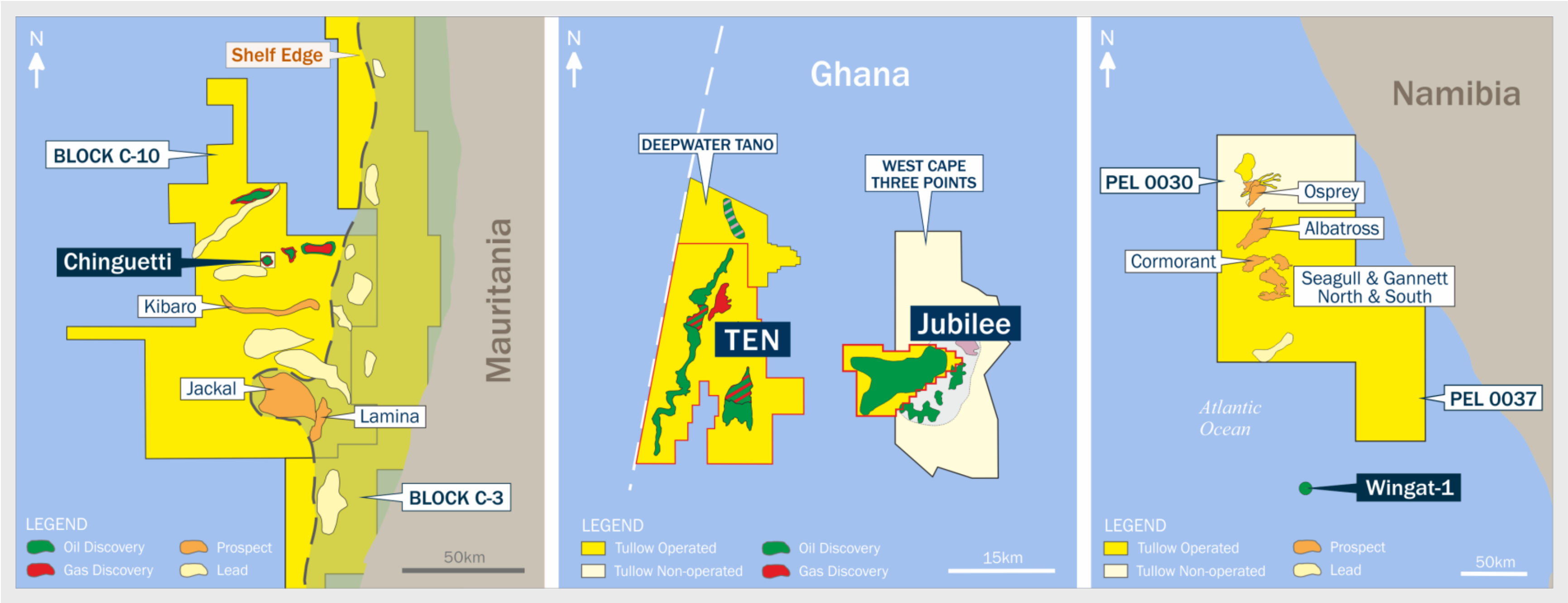
Onshore East Africa: Finding low-cost oil



Location	Activity
Uganda	
Lake Albert Basin	• 17+ oil fields discovered (90% success) • 1.7 billion barrels of oil discovered
Kenya	
North Turkana Basin	• Basin margin play unsuccessful at Engomo-1 • Independent plays away from basin margin untested
North Lokichar Basin	• No commercial accumulation at Emesek-1 • Post well analysis in progress
South Lokichar Basin	• 10/12 wildcat oil discoveries (600 mmbo 2C) • + 2 technical discoveries (tight oil plays) • 1 billion barrel upside potential in basin • New oil play domain established by Etom-2 • Additional plays & prospects still to be tested
Kerio Basin	• Basin margin play unsuccessful at Kodos-1 • Epir-1 established a working oil system • Independent plays in main basin untested
New basin testing wildcats	
Kerio Valley Basin	• Cheptuket currently drilling
Nyanza basin	• Still to be tested. FTG planned.

Two oil basins opened – opportunity to open additional basins

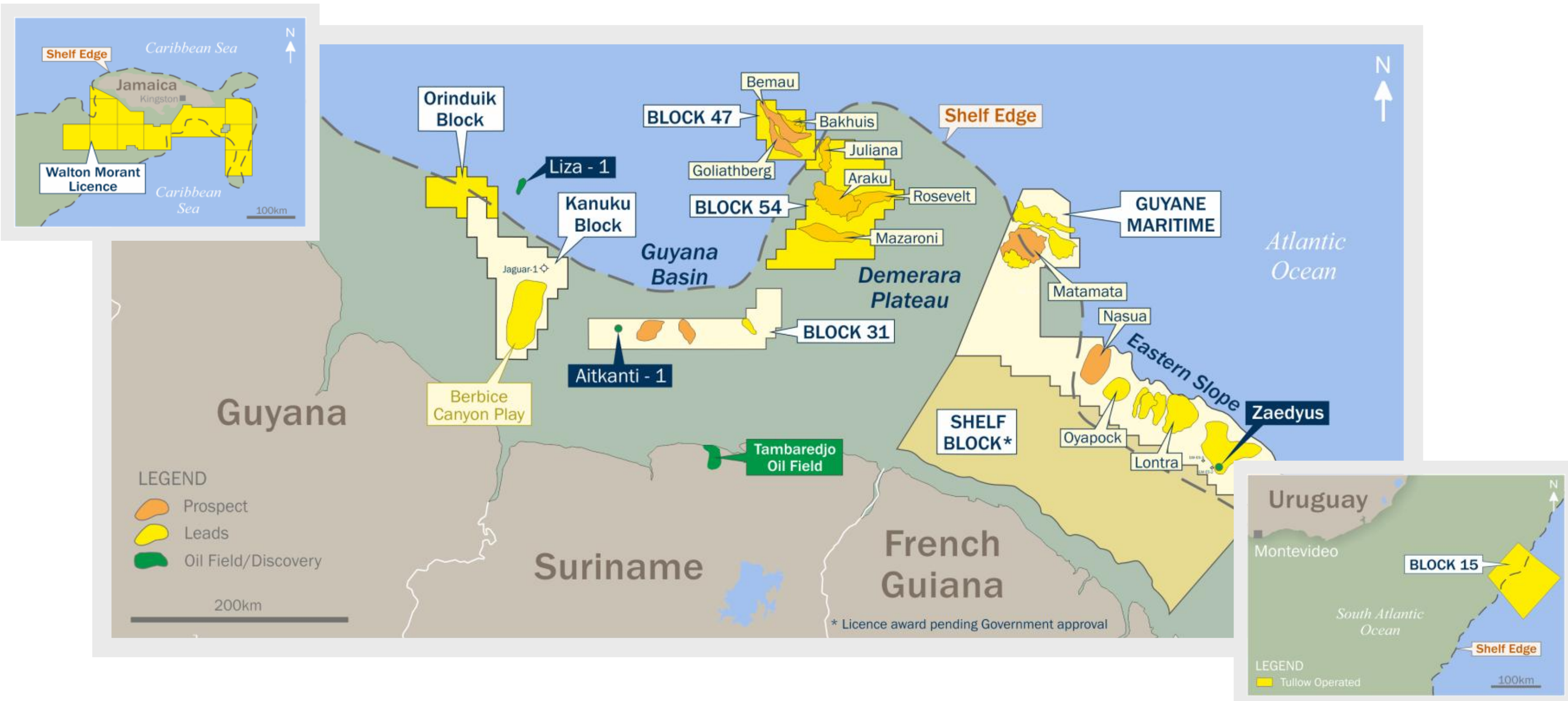
West Africa: Long-term future upside



- Near field upside in Ghana: 3D/4D seismic, quantitative interpretations & reservoir modelling
- Major basins with proven oil systems & shelf edge plays – lower cost to develop
- Seismic evaluation ongoing to high-grade prospects for future selective drilling

Material acreage positions in well-known heartlands

Latin America: Long-term future upside



- Basins with proven oil systems & shelf edge plays – lower cost to develop
- Seismic evaluation ongoing to high-grade prospects for future selective drilling
- Pursuing alternative funding including strategic farm-downs

Strong acreage positions in new industry hot spot

TULLOW OIL PLC – 2015 FULL YEAR RESULTS

CONCLUSIONS

AIDAN HEAVEY

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TULLOW plc

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Exploration team assessing new acreage opportunities

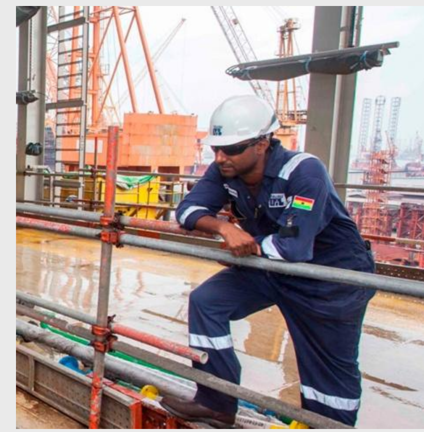
Ability to further reduce capex to c.$300m if necessary

Pay down debt and de-lever

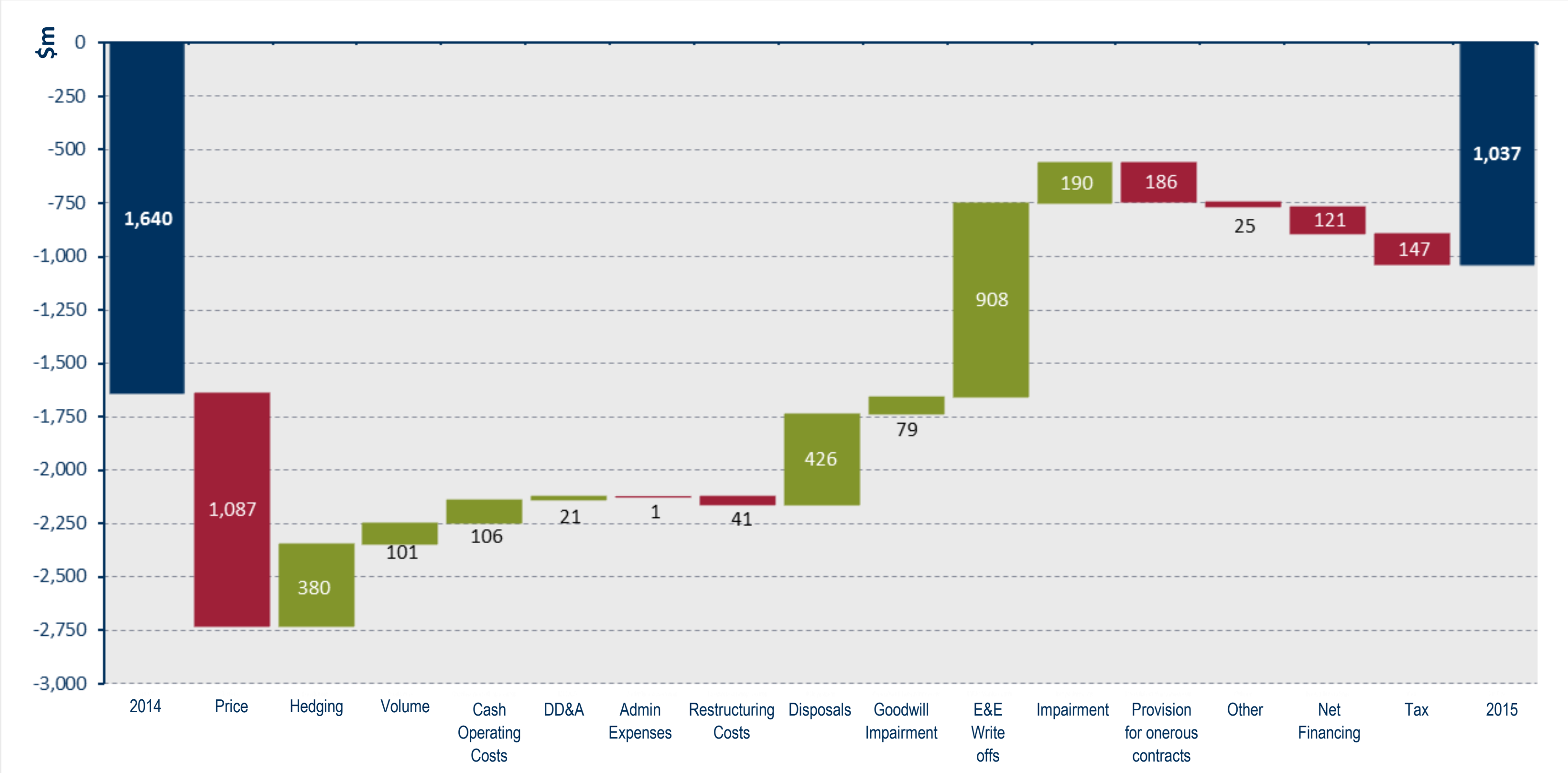
2017+

TULLOW OIL PLC – 2015 FULL YEAR RESULTS

APPENDIX



Net income 2015 v 2014



Lower realised oil and gas prices, provision for onerous contracts and Uganda CGT settlement more than offset by hedging, oil volumes, and decreased loss on disposals, exploration write-offs and impairments.

Sources and uses of funds

Cash inflow $2,388m

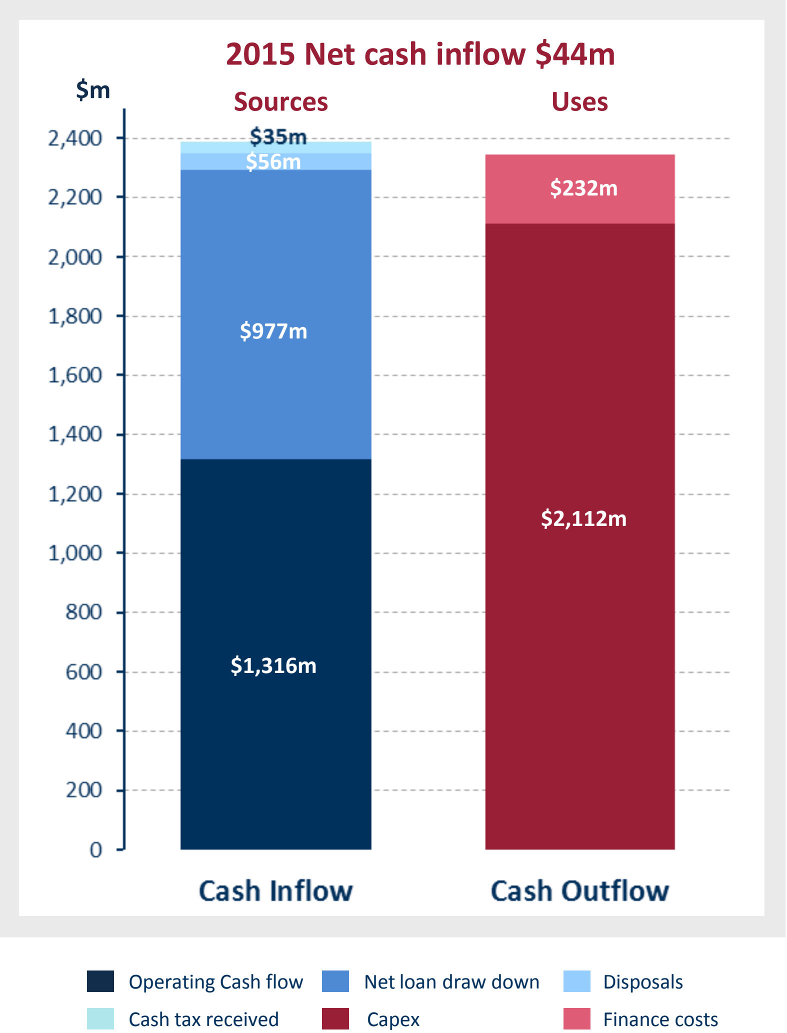
- Operating cash flow $1,316m* (2014:$1,516m*)
- Net loan draw down $977m (2014:$1,198m)
- Disposals $56m (2014:$21m)
- Cash tax received $35m (2014: $34m, cash tax paid)
- Share proceeds $4m (2014:$3m)

Cash outflow $2,344m

- Cash Capex $2,112m (2014:$2,353m)
- Finance Costs & fees $232m (2014:$389m, including dividends)

Net cash inflow $44m

- Increase in cash balances



* After working capital

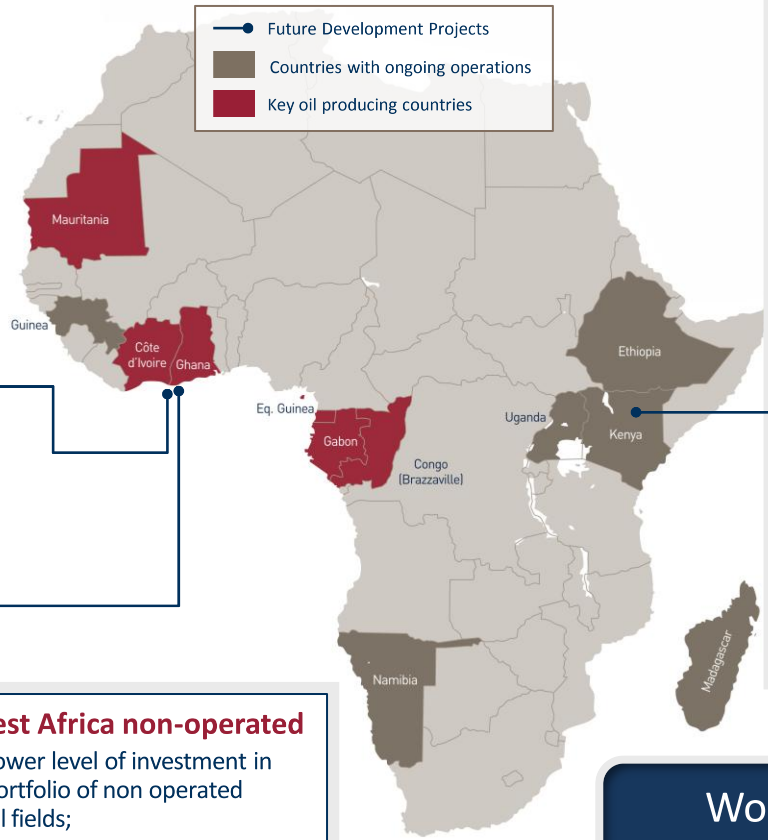
Future project pipeline making significant progress

TEN Development

- >85% project completed
- On track for first oil Jul/Aug16;
- FPSO gross capacity of 80,000 bopd **(net WI ~35,000 bopd)**.

Greater Jubilee

- Greater Jubilee Full Field Development Plan submitted by year end 2015;
- Potential to sustain production (**net WI ~40,000 bopd**) through 2020+



West Africa non-operated

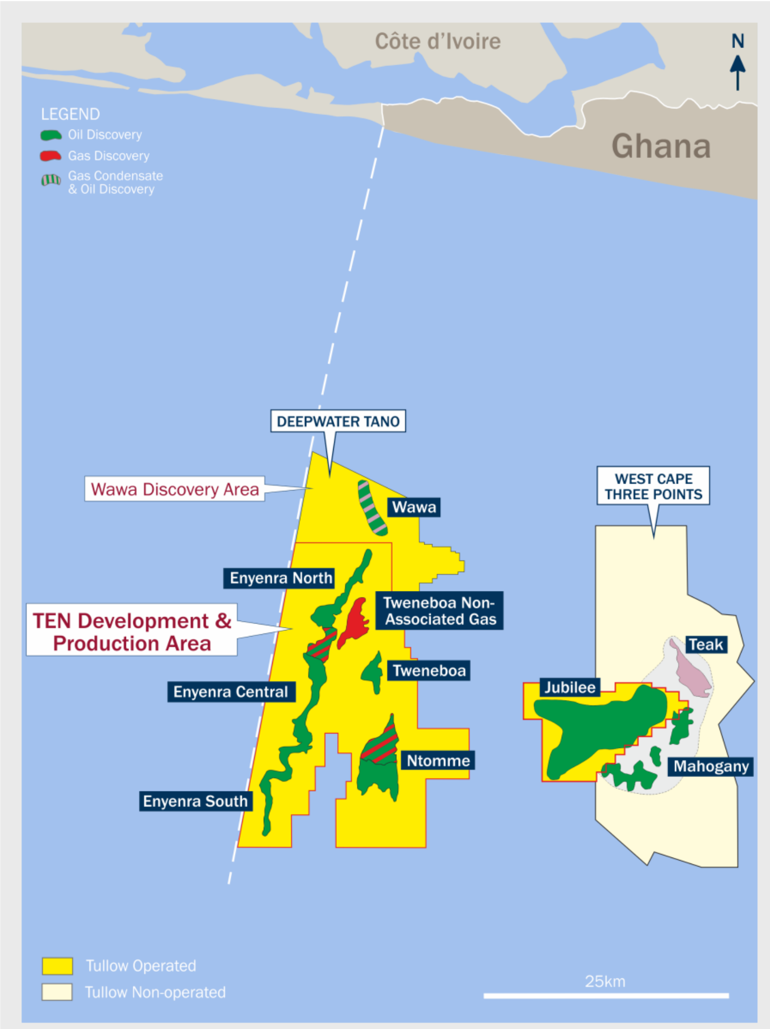
- Lower level of investment in portfolio of non operated oil fields;
- Low operating costs and break-even per barrel;
- Potential to sustain production (**net WI ~30,000 bopd**) with incremental investments.

East Africa Development

- Kenya appraisal programme complete;
- Uganda Field Development Plans submitted; Kenya draft plan submitted by year end 2015;
- Integrated pipeline being progressed following decision on route;
- Gross production ~300,000 bopd (**net WI ~100,000 bopd**).

World-class assets with c.200k bopd potential provide significant portfolio opportunities

TEN to deliver significant Group cash flow from 2H 2016



Base case development

- 300 mmboe reserves being developed - 80% oil
- 24 well development
- Gross development capex of c.$5 billion
- Leased FPSO, facility capacity of 80,000 bopd

Significant progress towards first oil

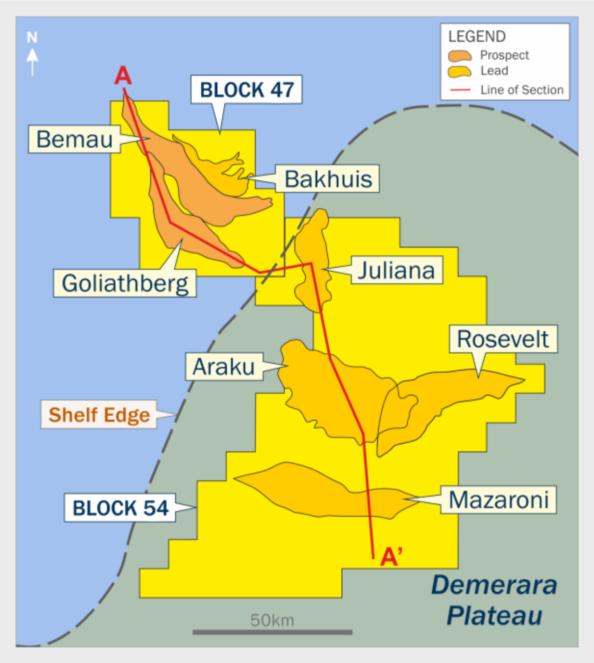
- ITLOS ruling clears the way towards first oil in Jul/Aug 2016
- 11 wells drilled; 6th completion underway
- Well results to date underpin resource estimates
- Project over 85% complete, on schedule & within budget

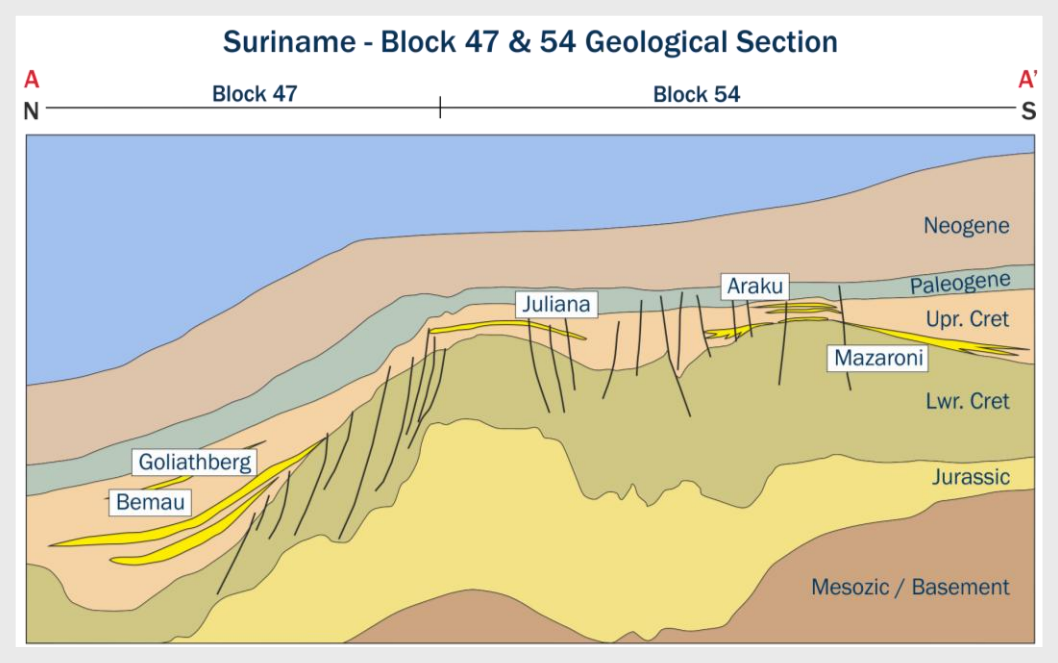
Post first oil

- Ramp up production in 2H16 towards plateau
- 2nd Ghana operated field results in opex synergies
- Initiate export of gas mid-2017 at 30mmscfd
- Plan to deliver upside resources

**TEN development over 85% complete;
on-track for first oil in Jul/Aug 2016**

Suriname: Exciting material prospects in Blocks 47 & 54





- Block 54 farmed-down (Tullow Oil 30% op) converting licence equity into carries
- Demerara Plateau 3D seismic survey reveals exceptionally high-quality large prospects

Game-changer opportunity with follow-up scale

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