



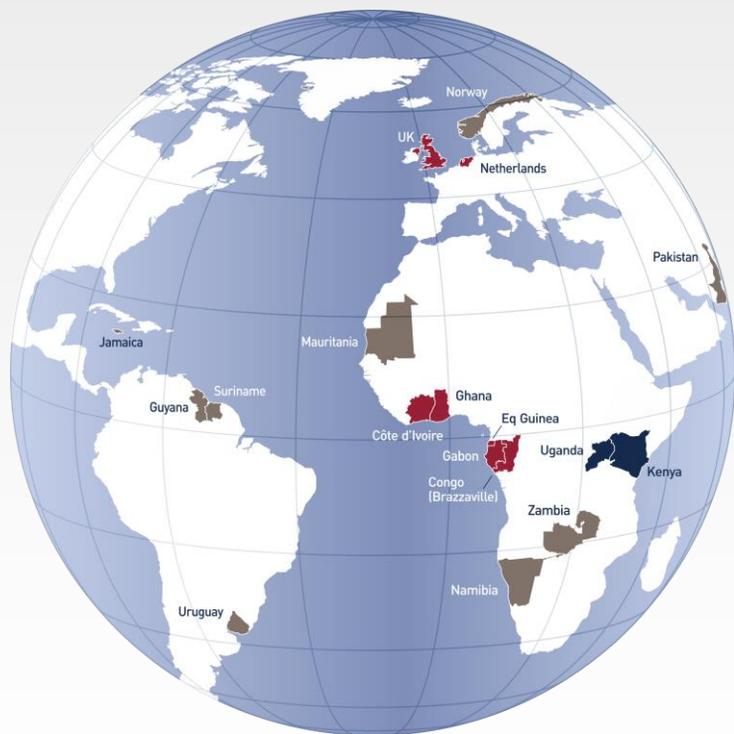
# FACT BOOK

2016 FULL YEAR RESULTS

8 February 2017



# BUSINESS DELIVERY TEAMS



## WEST AFRICA (inc. UK & Netherlands) <sup>1</sup>

Congo (Brazzaville) **DP**    Ghana **DP**  
 Côte d'Ivoire **DP**        Netherlands **EP**  
 Equatorial Guinea **DP**    UK **P**  
 Gabon **EDP**

## EAST AFRICA

Kenya **ED**                      Uganda **D**

## NEW VENTURES

Guyana **E**                      Pakistan **E**  
 Jamaica **E**                     Suriname **E**  
 Mauritania **EP<sup>2</sup>**              Uruguay **E**  
 Namibia **E**                     Zambia **E**  
 Norway **E**

*Note 1: Production operations in the UK and exploration and production activities in the Netherlands are managed by the West Africa Business Delivery Team (BDT), despite falling outside this geographic region.*

*Note 2: Mauritanian production activity is managed by the West Africa BDT*

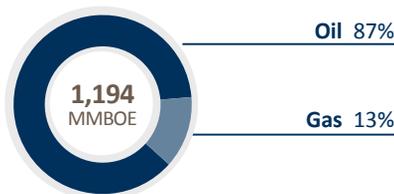
Key: E Exploration D Development P Production

# 2016 FULL YEAR SUMMARY

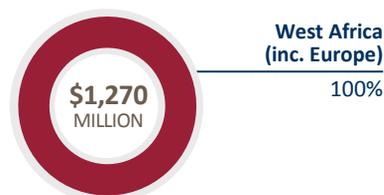
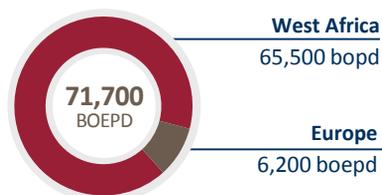
## Group working interest production<sup>1</sup>



## Group reserves and resources



## Group revenue



<sup>1</sup> Total includes Jubilee Business Interruption insurance equivalent

# SUMMARY OF 2016 FULL YEAR RESULTS

|   | 2016   | 2015    | Variance |
|---|--------|---------|----------|
| Sales revenue (\$m)   | 1,270  | 1,607   | -21%     |
| Gross profit (\$m)  | 547    | 591     | -8%      |
| Operating loss (\$m)  | (755)  | (1,094) | 31%      |
| Loss before tax (\$m)                                       | (908)  | (1,297) | 30%      |
| Loss after tax (\$m)  | (597)  | (1,037) | 42%      |
| Basic loss per share (cents)                                | (66)   | (114)   | 42%      |
| Dividend per share (pence)                                  | -      | -       | -        |
| Operating cash flow before working capital (\$m)            | 774    | 967     | -20%     |
| Operating cash flow before working capital per boe (\$)     | 29.4   | 35.9    | -18%     |
| Net debt (\$m) <sup>1</sup>                                 | 4,782  | 4,019   | 19%      |
| West Africa working interest production (bopd) <sup>2</sup> | 60,900 | 66,600  | -9%      |
| Europe working interest production (boepd)                  | 6,200  | 6,800   | -9%      |
| Sales volume (boepd)  | 59,900 | 67,600  | -11%     |
| Cash operating costs per boe (\$/bbl) <sup>3</sup>          | 14.3   | 15.1    | -5%      |
| Gearing (%) <sup>4</sup>                                    | 5.1    | 3.8     | 34%      |
| Realised post hedge oil price per bbl (\$)                  | 61.4   | 67.0    | -8%      |
| Realised post hedge gas price (pence per therm)             | 33.9   | 41.8    | -19%     |
| Pre-tax exploration write-off (\$m)                         | 723    | 749     | 3%       |
| Post-tax exploration write-off (\$m)                        | 424    | 472     | 10%      |
| Corporate Bonds (\$m)                                       | 1,600  | 1,300   | 19%      |
| Committed Bank Facilities (\$m) <sup>5</sup>                | 4,371  | 4,955   | -12%     |
| Unutilised facility headroom and free cash (\$m)            | 996    | 1,900   | -48%     |

1. Net debt is cash and cash equivalents less total external borrowings.
2. Total excludes Jubilee Business Interruption insurance equivalent of 4,600 bopd.
3. Cash operating costs are cost of sales excluding depletion, depreciation, amortisation, impairment loss and under/over lift movements.
4. Gearing is net debt divided by adjusted EBITDAX. Previously reported ratio was net debt divided by net assets plus net debt.
5. During 2016, Tullow decreased its commitments under the Reserve Based Lending Facility from \$3.7 billion to \$3.3 billion. Committed bank facilities include an Exploration Finance Facility of \$116m, a working capital facility relating to exploration expenditure on our Norwegian exploration licences.

# CAPITAL EXPENDITURE (CAPEX)

## 2017 CAPEX

In 2017, the Group is focusing the majority of its capital expenditure on development activity in East Africa and on our high-quality, low-cost oil production in West Africa which generates important cash flows for the business. Our capital is being allocated approximately as follows:

- Ghana: Jubilee & TEN: \$90m
- West Africa non-operated portfolio: \$30m
- Uganda: \$125m<sup>1</sup>
- Kenya pre-development: \$100m
- New Ventures and exploration activities : \$125m

| Business Delivery Teams   | 2016 Actual (\$m)       |             |            | 2017 Forecast (\$m)     |                  |            |
|---------------------------|-------------------------|-------------|------------|-------------------------|------------------|------------|
|                           | Exploration & Appraisal | Development | 2016 Total | Exploration & Appraisal | Development      | 2017 Total |
| West Africa (inc. Europe) | 9                       | 685         | 694        | 10                      | 120              | 130        |
| East Africa               | 4                       | 82          | 86         | 30                      | 225 <sup>1</sup> | 255        |
| New Ventures              | 69                      | 8           | 77         | 85                      | -                | 85         |
| <b>TOTAL (\$m)</b>        | <b>82</b>               | <b>775</b>  | <b>857</b> | <b>125</b>              | <b>345</b>       | <b>470</b> |

<sup>1</sup> \$125m of Uganda capex expected to be offset after completion of farm-down

## 2017 CAPEX SPLITS - \$470M



# COSTS AND DEPRECIATION

## OPERATING DATA

| <b>OPERATING COSTS</b> <sup>1</sup>                   | <b>2016</b><br>\$/boe | <b>2017 Forecast</b><br>\$/boe |
|---|-----------------------|--------------------------------|
| Equatorial Guinea, Congo (Brazzaville), Côte d'Ivoire | 13.6                  | 18.0                           |
| Gabon <sup>2</sup>                                    | 19.8                  | 22.0                           |
| Ghana <sup>3</sup>                                    | 8.9                   | 9.6                            |
| Mauritania – Chinguetti <sup>4</sup>                  | 44.4                  | N/A                            |
| Netherlands   | 20.1                  | 21.0                           |
| UK SNS  | 41.8                  | 34.0                           |

| <b>DEPRECIATION</b> <sup>1</sup>                      |      |      |
|---|------|------|
| Equatorial Guinea, Congo (Brazzaville), Côte d'Ivoire | 24.7 | 19.0 |
| Gabon <sup>2</sup>                                    | 13.2 | 12.0 |
| Ghana   | 20.0 | 24.6 |
| Mauritania – Chinguetti                               | -    | -    |
| Netherlands <sup>5</sup>                              | 24.9 | 26.0 |
| UK SNS  | -    | -    |

## OTHER INFORMATION

| <b>TAX AND NUMBER OF SHARES</b> | <b>2016</b> |
|---------------------------------|-------------|
| Weighted tax rate               | 23.3%       |
| Number of shares (million)      | 915         |

1. Data on a working interest basis
2. Includes royalties
3. Underlying operating costs per barrel presented exclude impact of Jubilee Turret Remediation project. Actual costs incurred were \$12.8/boe for 2016 and are forecast to be \$14.4/boe for 2017
4. Tullow expects to cease production from Mauritania (Chinguetti) in 2017
5. After add back of exploration costs

# DEBT AND HEDGING

## LIQUIDITY POSITION

At the end of 2016, Tullow had total facility headroom and free cash of \$1 billion and net debt of \$4.8 billion, which includes the \$300 million Convertible Bond offering in July 2016.

### KEY METRICS

| \$m  | 31 Dec 2016  | 31 Dec 2015  |
|--|--------------|--------------|
| <b>Cash and cash equivalents</b>           | <b>282</b>   | <b>356</b>   |
| <b>Debt drawings</b>                       |              |              |
| RBL Facilities <sup>1</sup> (\$3,255m)     | 3,000        | 3,014        |
| EFF (\$116m)                               | 84           | 61           |
| Corporate Facility (\$1,000m) <sup>2</sup> | 380          | -            |
| Senior Notes (\$1,300m)                    | 1,300        | 1,300        |
| Convertible bond (\$300m)                  | 300          | -            |
| <b>Total debt</b>                          | <b>5,064</b> | <b>4,375</b> |
| <b>Net debt</b>                            | <b>4,782</b> | <b>4,019</b> |
| <b>Facility headroom plus free cash</b>    | <b>996</b>   | <b>1,871</b> |

<sup>1</sup> Tullow secured \$345 million of new commitments from its existing lenders by exercising an accordion facility embedded in the existing RBL, which will take effect from 1 April 2017.

<sup>2</sup> Revolving Corporate Facility, reduces to \$800m in April 2017; \$600m in Jan 2018; \$500m in April 2018; \$400m in Oct 2018, Final Maturity April 2019

## HEDGING PROGRAMME

Tullow continues to undertake hedging activities as part of the ongoing management of its business risk.

At 31 Dec 2016, the Group's derivative instruments had a net positive fair value of \$91 million (2015: positive \$623million), inclusive of deferred premium.

| HEDGE POSITION (as of 31 Dec 2016)     | 2017   | 2018   | 2019  |
|--|--------|--------|-------|
| <b>Oil hedges</b>                      |        |        |       |
| Volume – bopd                          | 42,500 | 22,000 | 7,979 |
| Average Floor price protected (\$/bbl) | 60.23  | 51.88  | 45.53 |
| <b>Gas hedges</b>                      |        |        |       |
| Volume – mmscfd                        | 3.67   | -      | -     |
| Average Floor price protected p/therm  | 40.47  | -      | -     |

# DEVELOPMENT OPPORTUNITIES

## WEST AFRICA

| Country                  | Developments                                     | Sanction decision  | First production          | No. of wells                  | Status  |
|--------------------------|--|--------------------|---------------------------|-------------------------------|---|
| <b>Côte d'Ivoire</b>     | Espoir infill drilling                           | Under review       | 2019+                     | 8                             | Phase 4 infill programme being worked for 2019+ execution.  |
| <b>Equatorial Guinea</b> | Deep water Ceiba & Okume Complex infill drilling | Under review       | 2019+                     | TBD                           | 4D seismic data to determine quantity of infill wells.  |
|                          | Shallow water Okume Complex infill drilling      | Under review       | 2022+                     | TBD                           | Simulation work ongoing to determine future infill programme.   |
| <b>Gabon</b>             | Onshore  | ✓                  | 2018+                     | 30+                           | Infill drilling of 10 wells in Echira, Igongo, Oba & Middle Oba, predominately in 2018. 20+ wells to be drilled in Ezanga over the next five years.   |
|                          | Offshore   | ✓                  | Producing                 | TBD                           | Tchatamba well workover campaign continues. Timing of infill drilling in Turnix, Limande and Tchatamba TBD.   |
| <b>Ghana</b>             | Greater Jubilee Full Field Development           | Targeting mid-2017 | 6-12 months post sanction | 9-31                          | Incremental development consisting of additional infill wells and subsea infrastructure to further raise recovery and maintain plateau production levels. A Greater Jubilee Full Field Plan of Development, incorporating Mahogany and Teak, has been submitted to the Government of Ghana. Tullow is targeting approval in mid-2017, and expecting to commence drilling in 2018. |
|                          | Tweneboa/Enyenra/Ntomme (TEN)                    | ✓                  | Aug 2016                  | 11 initial wells, 24 in total | TEN came online in August 2017 and was successfully production tested at >80 kbd in January 2017. No further drilling is currently permitted until the ITLOS Boarder Dispute between Ghana and Côte d'Ivoire is finalised in the second half of 2017. Tullow expects to be able to recommence drilling in 2018.   |

# DEVELOPMENT OPPORTUNITIES

## WEST AFRICA cont

### EUROPE

| Country     | Developments                       | Sanction decision | First production | No. of wells | Status                      |
|-------------|------------------------------------|-------------------|------------------|--------------|-----------------------------|
| Netherlands | K18-G3                             | Under review      | 2018             | 1            | Awaiting relevant approvals |
|             | J09-Alpha North (Exploration well) | Under review      | 2018+            | 1            |                             |
|             | L13-FI                             | Under review      | 2018+            | 3            |                             |

## EAST AFRICA

| Country | Developments  | Sanction decision  | First production                       | No. of wells      | Status   |
|---------|---|--------------------|--|-------------------|--|
| Kenya   | Initial South Lokichar Basin Development (other basins pending exploration success) | TBD                | Approx 3.5 years post project sanction | Multiple hundreds | <p>Lokichar to Lamu pipeline now confirmed, with JDA negotiated with Government of Kenya and signature expected shortly.</p> <p>Early Oil Pilot Scheme (EOPS) is progressing, transporting oil using road. Gross production of approximately 2,000 bopd from EOPS is expected in 2017.</p> <p>Erut discovery announced in Jan 2017, with three more E&amp;A wells planned in South Lokichar. Water injection trials have confirmed feasibility of injecting water into reservoir at Amosing. Trials now continue in Ngamia. FEED expected to commence in Kenya in 2H 2017.</p>   |
| Uganda  | Basin-wide Development  | Targeting end-2017 | Approx 3.5 years post project sanction | Multiple hundreds | <p>Pipeline decision made by Government of Uganda to export through Tanzania, with FEED under way. Eight production licences awarded in August 2016. Cost reductions have been achieved in both Kingfisher and Buliisa, with the total upstream cost now estimated to be ~\$5.2Bn. The JV Partners are targeting FID year end 2017.</p> <p>In January 2017, Tullow announced a farm-down of 21.57% of its 33.33% interest to Total for a total consideration of \$900m consideration. Completion of the transaction is subject to certain conditions, including the approval of the Government of Uganda, after which Tullow will cease to be an operator in Uganda. The disposal is expected to complete in 2017.</p> |

# PLANNED 2017 EXPLORATION AND APPRAISAL PROGRAMME

## EAST AFRICA

| Country      | Block/Licence | Prospect/Well                   | Interest | Spud Date   |
|--------------|---------------|---------------------------------|----------|-------------|
| <b>Kenya</b> | 13T           | Erut                            | 50% (op) | Complete    |
|              | 13T           | Amosing & Ngamia appraisal      | 50% (op) | Q1 2017     |
|              | 13T           | Etete                           | 50% (op) | Q1/ Q2 2017 |
|              | 13T           | Up to four additional E&A wells | 50% (op) | Q2/Q3 2018  |

## NEW VENTURES

| Country         | Block/Licence | Prospect/Well | Interest | Spud Date |
|-----------------|---------------|---------------|----------|-----------|
| <b>Suriname</b> | Block 54      | Araku         | 30% (op) | 2H 2017   |

# WORKING INTEREST PRODUCTION <sup>1</sup>

| Country   | Asset                      | Interest    | 2016 Actual<br>(kboepd) | 2017 Forecast<br>(kboepd) | Fiscal Regime |
|---|----------------------------|-------------|-------------------------|---------------------------|---------------|
| Ghana   | Jubilee                    | 35.48%      | 26.2                    | 24.3                      | PSC           |
|   | TEN                        | 47.18%      | 6.9                     | 23.6                      | PSC           |
| <b>Total Ghana</b>  |                            |             | <b>33.1</b>             | <b>47.9</b>               |               |
| Gabon   | Tchatamba                  | 25%         | 4.7                     | 4.7                       | PSC           |
|   | Limande                    | 40%         | 2.0                     | 1.7                       | Corp Tax      |
|   | Etame Complex <sup>2</sup> | 7.50%       | 1.3                     | 1.1                       | PSC           |
|   | Others                     | -           | 6.3                     | 5.1                       | Various       |
| <b>Total Gabon</b>  |                            |             | <b>14.3</b>             | <b>12.6</b>               |               |
| Equatorial Guinea   | Ceiba                      | 14.25%      | 2.3                     | 1.5                       | PSC           |
|   | Okume                      | 14.25%      | 4.7                     | 3.4                       | PSC           |
| <b>Total Equatorial Guinea</b>                                      |                            |             | <b>7.0</b>              | <b>4.9</b>                |               |
| Côte d'Ivoire   | Espoir                     | 21.3%       | 4.0                     | 3.7                       | PSC           |
| Congo (Brazz)   | M'Boundi                   | 11%         | 1.5                     | 0.8                       | PSC           |
| Mauritania  | Chinguetti                 | 22.26%      | 1.0                     | 0.2                       | PSC           |
| <b>West Africa sub-total</b>  |                            |             | <b>60.9</b>             | <b>70.1</b>               |               |
| UK  | CMS Area <sup>3</sup>      | 14.1-100%   | 3.3                     | 2.9                       | Tax           |
| Netherlands   | Various                    | 4.1 - 22.5% | 2.9                     | 3.6                       | Tax           |
| <b>Europe sub-total</b>   |                            |             | <b>6.2</b>              | <b>6.5</b>                |               |
| <b>Group Total</b>  |                            |             | <b>67.1</b>             | <b>76.6</b>               |               |
| <b>Jubilee insurance barrels equivalent</b>                         |                            |             | <b>4.6</b>              | <b>12.0</b>               |               |
| <b>Group total (including Jubilee insurance barrels equivalent)</b> |                            |             | <b>71.7</b>             | <b>88.6</b>               |               |

1. Includes condensate

2. Etame / Avouma / Ebouri

3. CMS Area production includes UK condensate production

# 2016 RESERVES AND RESOURCES SUMMARY

|   | WEST AFRICA  |              | EAST AFRICA  |             | NEW VENTURES |            | TOTAL          |              | Petroleum<br>mmboe |
|---|--------------|--------------|--------------|-------------|--------------|------------|----------------|--------------|--------------------|
|   | Oil<br>mmbbl | Gas<br>bcf   | Oil<br>mmbbl | Gas<br>bcf  | Oil<br>mmbbl | Gas<br>Bcf | Oil<br>mmbbl   | Gas<br>bcf   |                    |
| <b>COMMERCIAL RESERVES</b>                |              |              |              |             |              |            |                |              |                    |
| 1 January 2016                            | 287.6        | 205.8        | -            | -           | -            | -          | 287.6          | 205.8        | 321.8              |
| Revisions                                 | 13.8         | (0.2)        | -            | -           | -            | -          | 13.8           | (0.2)        | 13.8               |
| Transfers from<br>contingent<br>resources | (7.4)        | -            | -            | -           | -            | -          | (7.4)          | -            | (7.4)              |
| Disposals                                 | -            | -            | -            | -           | -            | -          | -              | -            | -                  |
| Production                                | (21.9)       | (15.9)       | -            | -           | -            | -          | (21.9)         | (15.9)       | (24.5)             |
| <b>31 Dec 2016</b>                        | <b>271.1</b> | <b>189.7</b> | <b>-</b>     | <b>-</b>    | <b>-</b>     | <b>-</b>   | <b>271.1</b>   | <b>189.7</b> | <b>303.7</b>       |
| <b>CONTINGENT RESOURCES</b>               |              |              |              |             |              |            |                |              |                    |
| 1 January 2016                            | 115.8        | 724.9        | 628.8        | 42.6        | 101.5        | 4.2        | 846.1          | 771.7        | 974.7              |
| Revisions                                 | 4.8          | 5.6          | 3.7          | -           | -            | -          | 8.5            | 5.6          | 9.5                |
| Additions                                 | -            | -            | -            | -           | -            | -          | -              | -            | -                  |
| Disposals                                 | -            | -            | -            | -           | (101.5)      | -          | (101.5)        | -            | (101.5)            |
| Transfers to<br>commercial<br>reserves    | 7.4          | -            | -            | -           | -            | -          | 7.4            | -            | 7.4                |
| <b>31 Dec 2016</b>                        | <b>128.0</b> | <b>730.5</b> | <b>632.5</b> | <b>42.6</b> | <b>-</b>     | <b>4.2</b> | <b>760.6</b>   | <b>777.3</b> | <b>890.1</b>       |
| <b>TOTAL</b>                              |              |              |              |             |              |            |                |              |                    |
| <b>31 Dec 2016</b>                        | <b>400.1</b> | <b>920.2</b> | <b>632.5</b> | <b>42.6</b> | <b>-</b>     | <b>4.2</b> | <b>1,032.7</b> | <b>967.0</b> | <b>1,193.8</b>     |

## Proven and Probable Reserves and Resources on a working interest basis

Proven and Probable Commercial Reserves are as audited and reported by an independent engineer. Reserves estimates for each field are reviewed by the independent engineer based on significant new data or a material change with a review of each field undertaken at least every two years, with the exception of minor assets contributing less than 5% of the Group's reserves.

2. Proven and Probable Contingent Resources are as audited and reported by an independent engineer. Resources estimates are reviewed by the independent engineer based on significant new data received following exploration or appraisal drilling.

3. The West Africa revisions to reserves relate to Jubilee, Tchatamba, Ezanga, Espoir, M'Oba, and an equity revision for certain Gabonese fields.

4. The West Africa transfers relate to the Etame and MBoundi fields which were transferred to Contingent Resources.

5. The West Africa revision to gas contingent resources relates to the relinquishment of the Pelican field in Mauritania.

6. New Ventures disposals to contingent resources relate to the Norway country exit and Zaedyus license relinquishment.

The Group provides for depletion and amortisation of tangible fixed assets on a net entitlements basis, which reflects the terms of the Production Sharing Contracts related to each field. Total net entitlement reserves were 283.2 mmboe at 31 December 2016 (31 December 2015: 299.1 mmboe).

Contingent Resources relate to resources in respect of which development plans are in the course of preparation or further evaluation is under way with a view to future development.

# NET DAILY ENTITLEMENT AS % PRODUCTION

## WEST AFRICA

|                            | Contract Type | 2017 |
|----------------------------|---------------|------|
| <b>CONGO (Brazzaville)</b> |               |      |
| M'Boundi                   | PSC           | 69   |
| <b>CÔTE D'IVOIRE</b>       |               |      |
| Espoir                     | PSC           | 72   |
| <b>EQUATORIAL GUINEA</b>   |               |      |
| Ceiba                      | PSC           | 87   |
| Okume Complex              | PSC           | 81   |
| <b>GABON</b>               |               |      |
| Echira                     | Corp Tax      | 100  |
| Etame                      | PSC           | 0    |
| Limande                    | Corp Tax      | 100  |
| Niungo                     | Corp Tax      | 100  |
| Oba                        | Corp Tax      | 100  |
| Ezanga                     | PSC           | 86   |
| Tchatamba                  | PSC           | 70   |
| Turnix                     | Corp Tax      | 100  |
| Middle Oba                 | Corp Tax      | 100  |
| Igongo                     | Corp Tax      | 100  |
| <b>GHANA</b>               |               |      |
| Jubilee & TEN              | PA            | 95   |
| <b>MAURITANIA</b>          |               |      |
| Chinguetti                 | PSC           | 88   |

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