



Tullow Oil plc - 2019 Half Year Results

FACT BOOK

Wednesday 24 July 2019

BUSINESS DELIVERY TEAMS

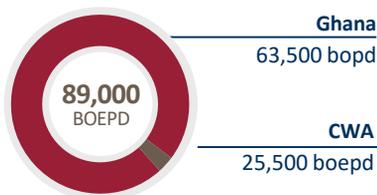


PRODUCTION & RESERVES AND RESOURCES

Group working interest production¹



Group reserves and resources



¹ Total includes Jubilee Business Interruption insurance equivalent of 2,700 bopd for 1H 2019

SUMMARY OF 2019 HALF YEAR RESULTS

	1H 2019	1H 2018
Sales revenue (\$m)	872	905
Gross profit (\$m)	527	521
Operating profit/(loss) (\$m)	388	300
Profit/(loss) before tax (\$m)	268	150
Profit/(loss) after tax (\$m)	103	55
Basic earnings/(loss) per share (cents)	7.4	3.9
Free cash flow	181	390
Net debt (\$m) ¹	2,948	3,082
Gearing (times) ²	1.8	2.0
Oil working interest production (bopd) ³	86,000	88,200
Gas working interest production (boepd)	300	2,800
Sales volume (boepd)	75,200	74,700
Underlying cash operating costs per boe (\$/bbl) ⁴	9.0	10.9
Realised post hedge oil price per bbl (\$)	64.3	67.5
Exploration costs written off (\$m)	81	9
Impairment of property, plant and equipment (\$m)	12	8
Corporate Bonds (\$m)	1,750	1,750
Committed Bank Facilities (\$m)	2,450	2,482
Facility headroom plus free cash (\$m)	990	1,225

1. Net debt is cash and cash equivalents less total external borrowings.
2. Gearing is net debt divided by adjusted EBITDAX.
3. Total excludes Jubilee Business Interruption insurance equivalent of 2,700 bopd in 1H 2019 and 11,900 bopd in 1H 2018.
4. Cash operating costs are cost of sales excluding depletion, depreciation, amortisation, impairment loss and under/over lift movements.

WORKING INTEREST PRODUCTION ¹

	1H 2019 Actual (bopd)	FY 2019 Forecast (bopd)
Oil production		
Ghana		
<i>Jubilee</i>	31,400	34,000
<i>TEN</i>	29,000	30,000
Total Ghana	60,400	64,000
Equatorial Guinea		
<i>Ceiba</i>	2,100	2,000
<i>Okume</i>	3,600	4,000
Total Equatorial Guinea	5,700	6,000
Gabon		
<i>Tchatamba</i>	4,000	4,000
<i>Limande</i>	1,000	1,000
<i>Etame Complex</i>	1,000	1,000
<i>Other Gabon</i>	11,100	11,000
Total Gabon	17,100	17,000
Côte d'Ivoire (Espoir)	2,800	2,500
OIL PRODUCTION SUB-TOTAL	86,000	89,500
Jubilee business interruption equivalent	2,700	1,300
WEST AFRICA SUB-TOTAL (inc. Jubilee insurance bbls equivalent)	88,700	90,800
Gas production	(boepd)	(boepd)
TEN gas	300	1,000
GROUP OIL AND GAS TOTAL	86,300	90,500
GROUP OIL AND GAS TOTAL (inc. Jubilee insurance bbls equivalent)	89,000	91,800

1. Includes condensate

CAPITAL EXPENDITURE (CAPEX)

1H 2019 CAPEX – ACTUALS (\$M)

Business Delivery Teams	Exploration & Appraisal	Development	1H Total
West Africa (inc. Europe)	1	172	173
East Africa	-	56	56
New Ventures	35	-	34
TOTAL	36	228	264
Uganda ¹	-	16	16
TOTAL (excl. Uganda)	36	212	248

FY 2019 CAPEX – FORECAST (\$M)

Business Delivery Teams	Exploration & Appraisal	Development	2018 Total
West Africa	5	350	355
East Africa	-	135	135
New Ventures	140	-	140
TOTAL	145	485	630
Uganda ¹	-	60	60
TOTAL (excl. Uganda)	145	425	570

¹Uganda capex expected to be offset after completion of farm-down

COSTS, DEPRECIATION AND TAX

OPERATING DATA

OPERATING COSTS ¹	1H 2019 \$/boe	2019 Forecast \$/boe
Equatorial Guinea	14.9	15
Côte d'Ivoire	15.2	17
Gabon ²	17.8	20
Ghana ³	7.7	9

DEPRECIATION ¹		
Equatorial Guinea	7.3	7
Côte d'Ivoire	16.0	17
Gabon	9.5	13
Ghana ³	23.7	25

OTHER INFORMATION

TAX AND NUMBER OF SHARES	2019
Weighted tax rate	49%
Number of shares (million)	1,403

1. Data on a working interest basis.
2. Includes royalties.
3. Underlying operating costs per barrel presented is calculated including insurance equivalent production barrels.

LIQUIDITY AND HEDGING

LIQUIDITY POSITION

\$m	30 June 2019
Cash and cash equivalents	362
Debt drawings	
RBL Facility (\$2,450m) ¹	1,560
Senior Notes (\$1,450m) ²	1,450
Convertible Bond (\$300m)	300
Total debt	3,310
Net debt	2,948
Facility headroom plus free cash	990

¹ Reserves Based Lending facility; amortization starting October 2020 and final maturity November 2024

² \$650m high yield bonds due 2022 and \$800m high yield bonds due 2025

BREAKDOWN OF 2H 2019 HEDGE POSITION

Hedge structure	Bopd	Bought put (floor)	Sold call	Bought call
Collars	21,500 ¹	\$57.27	\$82.13	–
Three-way collars (call spread)	25,500	\$53.99	\$72.33	\$78.59
Straight puts	4,000	\$69.24	–	–
Total / weighted average	51,000	\$56.56	–	–

¹ In 1H 2019, there were 11 trades. In 2H 2019, the number of bopd hedged decreases when compared to whole year

HEDGING PROGRAMME – THREE YEAR OUTLOOK

HEDGE POSITION (as of 30 June 2019)	2H 2019	2020	2021
Oil hedges			
Volume – bopd	53,500	36,997	11,500
Average Floor price protected (\$/bbl)	\$56.72	\$58.28	\$54.57

1H 2019 RESERVES AND RESOURCES SUMMARY

	WEST AFRICA		EAST AFRICA		NEW VENTURES		TOTAL		
	Oil mmbbl	Gas bcf	Oil mmbbl	Gas bcf	Oil mmbbl	Gas Bcf	Oil mmbbl	Gas bcf	Petroleum mmboe
COMMERCIAL RESERVES									
1 January 2019	236.2	259.9	-	-	-	-	236.2	259.9	279.5
Revisions	3.1	(19.9)	-	-	-	-	3.1	(19.9)	(0.1)
Disposals	-	-	-	-	-	-	-	-	-
Transfers from contingent resources	-	-	-	-	-	-	-	-	-
Production	(15.4)	(1.4)	-	-	-	-	(15.4)	(1.4)	(15.6)
30 June 2019	223.9	238.6	-	-	-	-	223.9	238.6	263.8

CONTINGENT RESOURCES									
1 January 2019	137.3	436.0	656.7	42.7	-	-	794.0	478.7	873.6
Revisions	18.2	58.4	12.4	-	-	-	30.6	58.4	40.3
Disposals	-	-	-	-	-	-	-	-	-
Transfers to commercial reserves	-	-	-	-	-	-	-	-	-
30 June 2019	155.5	494.4	669.1	42.7	-	-	824.6	537.1	913.9

TOTAL

30 June 2019	379.4	733.0	669.1	42.7	-	-	1,048.5	775.7	1,177.7
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Proven and Probable Reserves and Resources on a working interest basis

1. Proven and Probable Reserves and Resources are reported on a working interest basis
2. 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.
3. The West Africa revisions to the oil reserves relate mainly to Jubilee (+2.9 MMbbl) and revisions to the gas reserves relate to Jubilee and TEN (-19 Bcf).
4. The West Africa revisions to contingent resources (+28 MMboe) relate mainly to Jubilee and TEN. The East Africa revisions to contingent resources (+12 MMboe) relate to Kenya.

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 256.0 mmboe at 30 June 2019 (31 December 2018: 264.9 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 PRODUCTION

	Contract Type	2019 (\$65/bbl)
CÔTE D'IVOIRE		
Espoir	PSC	97
EQUATORIAL GUINEA		
Ceiba	PSC	82
Okume Complex	PSC	77
GABON		
Echira	Corp Tax	100
Etame	PSC	0
Limande	Corp Tax	100
Niungo	Corp Tax	100
Oba	Corp Tax	100
Ezanga	PSC	83
Tchatamba	Corp Tax	100
Turnix	Corp Tax	100
Middle Oba	Corp Tax	100
Igongo	Corp Tax	100
GHANA		
Jubilee & TEN	PA	95

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