



Tullow Oil plc

2019 HALF YEAR RESULTS

Wednesday 24 July 2019

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.

SUMMARY OF 2019 PROGRESS AND PERFORMANCE



West Africa
production

89-93,000

production forecast (bopd)

Production forecast revised but low-cost assets continue to provide a solid base

Cash flow
generation

~\$400m

underlying full year free cash flow

Business set to deliver another year of strong underlying free cash flow

Investment in
growth

\$570m

capital investment

Heads of Terms signed with Government of Kenya; Guyana drilling campaign

Robust balance
sheet

1.8x

mid-year 2019 gearing

Disciplined management of our balance sheet and continued de-leveraging

Shareholder
returns

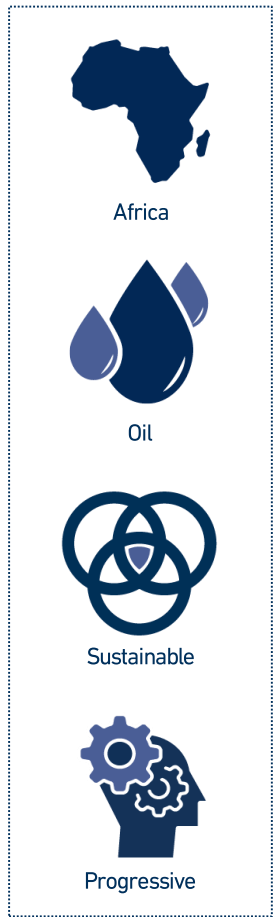
\$100m

minimum annual dividend

Board approves \$33m interim dividend, in line with Capital Returns Policy

WORKING RESPONSIBLY AS WE GROW OUR BUSINESS

The focus of our growth ambitions



A responsible operator delivering social & economic benefits

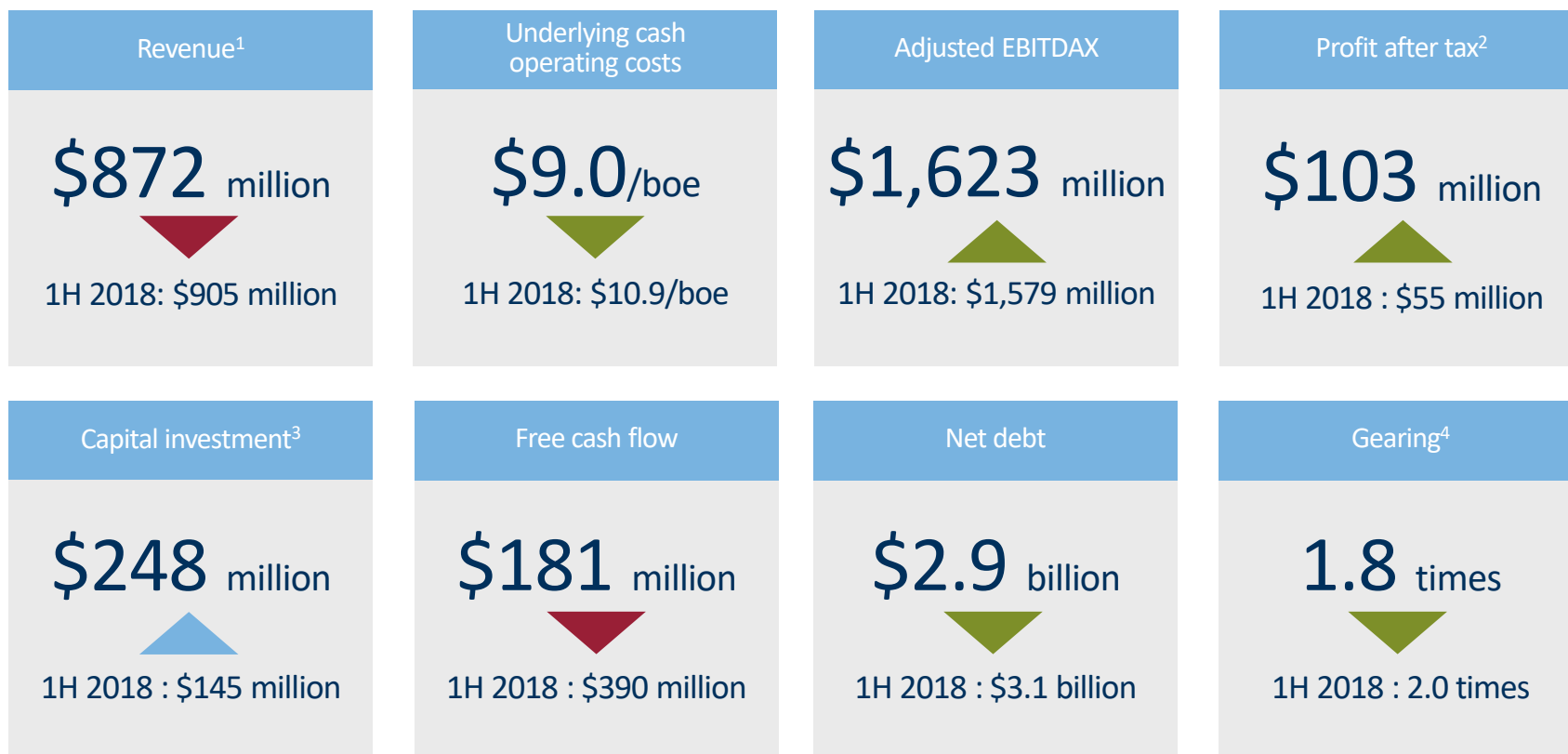


Tullow Oil plc – 2019 Half Year Results

CFO UPDATE

LES WOOD – Chief Financial Officer

2019 HALF YEAR RESULTS SUMMARY



1. Revenue excludes \$29 million additional revenue from Corporate Business Interruption insurance (1H 2018: \$129 million)
2. Profit/(loss) includes non-cash exploration write-offs of \$81 million (pre-tax)
3. Capital investment excludes Uganda capex expected to be recovered on completion of the farm down
4. Calculated on a last 12 months basis

Good 1H 2019 financial performance, with solid full year outlook

DISCIPLINED CAPITAL INVESTMENT IN OUR BUSINESS



	MAXIMISING PRODUCTION		GROWTH FROM DISCOVERED RESOURCES		FINDING NEW OIL	
1H 2019	\$140m Ghana	\$33m Non-op	\$40m Kenya	\$16m Uganda*	\$35m Exploration	\$248m 1H 2018: \$145m
FY 2019	\$250m Ghana	\$100m Non-op	\$75m Kenya	\$60m Uganda*	\$145m Exploration	\$570m FY 2018: \$423m
Annual outlook	<ul style="list-style-type: none"> Invest up to \$600m in high value assets Flexibility to lower capex if required with a sustained low oil price 					Up to \$600m

*Excluded from totals as expected to be recovered on completion of the farm-down with the exception of \$2m in 2019 representing Tullow own costs. Uganda FY2019 capex reduced to \$60m from original \$180m budget to reflect end 2019 FID target.

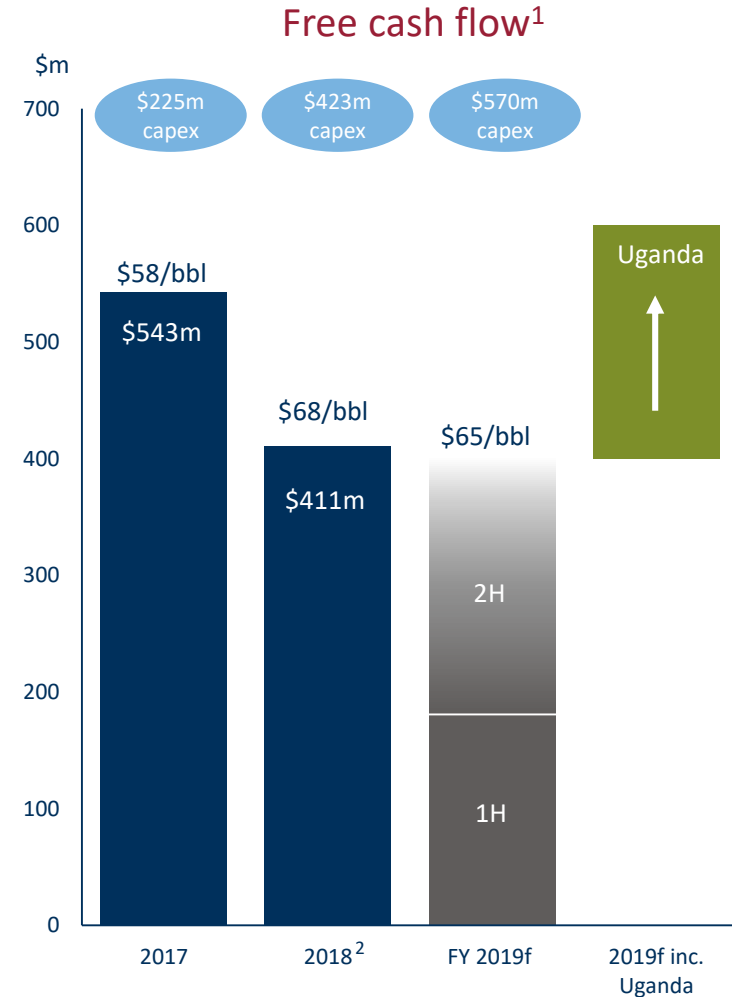
Capital investment focused on high-value opportunities

SUSTAINABLE FREE CASH FLOW GENERATION



Factors impacting 2019 free cash flow:

- ↓ Revised Group production forecast
- ↑ One-off cash inflow from Uganda farm-down & FID
- ↑ ↓ Oil price
 (\$5/bbl in 2H 2019 → +/- \$75m FCF)
- ↑ ↓ Working capital movements
 (+/- \$100m)



Assets continue to deliver strong underlying free cash flow

¹Free cash flow: Cash flow after all costs, capex and financing but before dividends and debt paydown. ²2018 underlying free cash flow of ~\$600m impacted by litigation

CAPITAL ALLOCATION FRAMEWORK



DEBT AND LIQUIDITY

Balance sheet robust to future oil price volatility

Driving net debt below \$2 billion in near term

Retain flexibility with longer term gearing of 1x-2x

Ensuring headroom for future opportunities

INVESTING IN OUR BUSINESS

Apply strict criteria to allocate capital across the portfolio:

Maximising production:

Immediate cashflow
High returns, short payback

Growth from

discovered resources:

Future cash flow
Medium-term payback

Finding new oil:

Significant value
New resources, capital growth

Other opportunities

SHAREHOLDER RETURNS

Sustain financial discipline and continue business progress

Capital Returns Policy established

Sustainable annual ordinary dividend of no less than \$100m

Additional returns in periods of strong FCF

2019 interim dividend
¢2.35/share (~\$33m)

Balanced capital allocation focused on maximising shareholder returns



Tullow Oil plc – 2019 Half Year Results

OPERATIONS UPDATE

Angus McCoss – Exploration & Subsurface Director

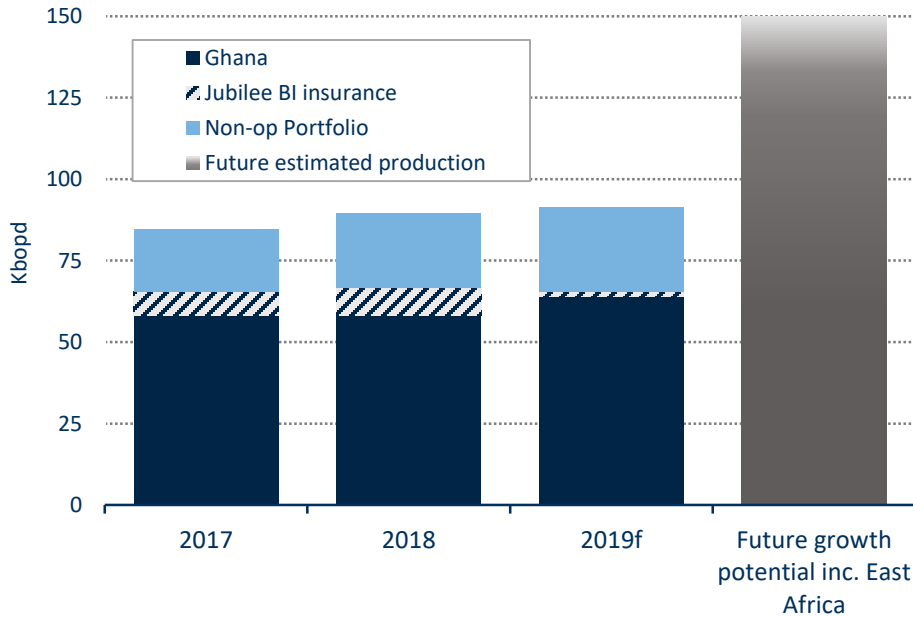
SOLID PRODUCTION BASE FROM AFRICAN ASSETS

Confidence in underlying production business

- Assets continue to deliver strong free cash flow
- 2019 production impacted by TEN completions
- Revised oil production guidance of 89 – 93 kbopd
- Long-term production growth from East Africa



Group oil production

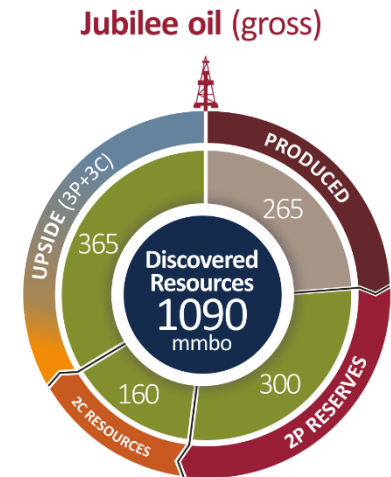
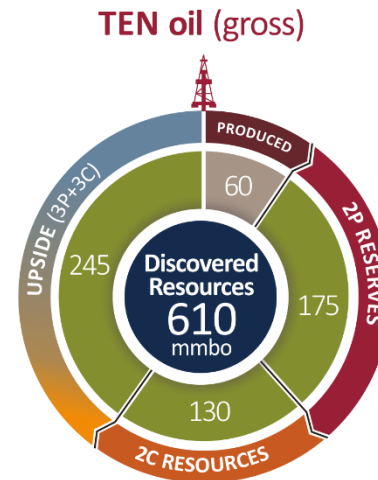
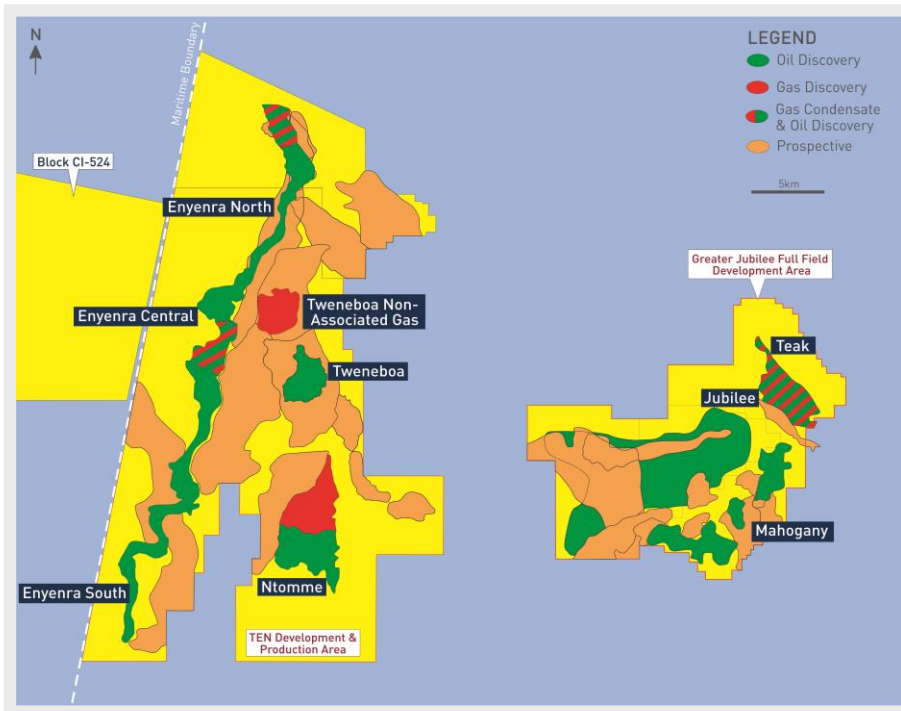


GHANA PRODUCTION OPERATIONS



Significant reserves & resource base

- Focus on maximising and sustaining long-term production
- Infill drilling programme continues with Maersk Venturer
- 7 new wells onstream and meeting production expectations
- EN-14P suspended; now drilling Jubilee producer J-23P
- Continued focus on operating efficiency and uptime



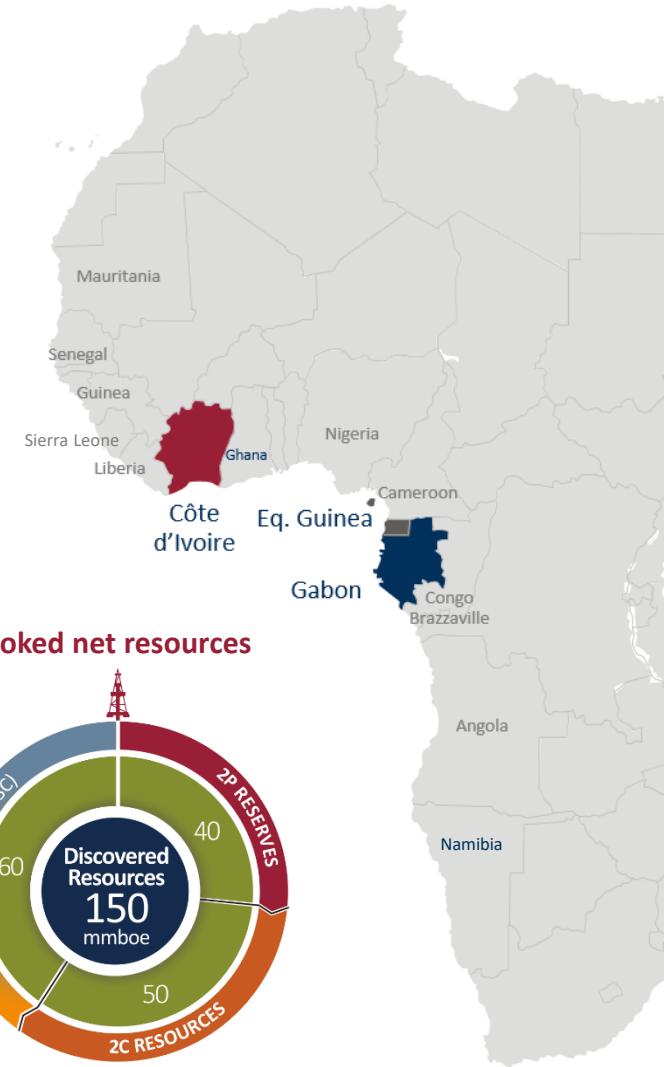
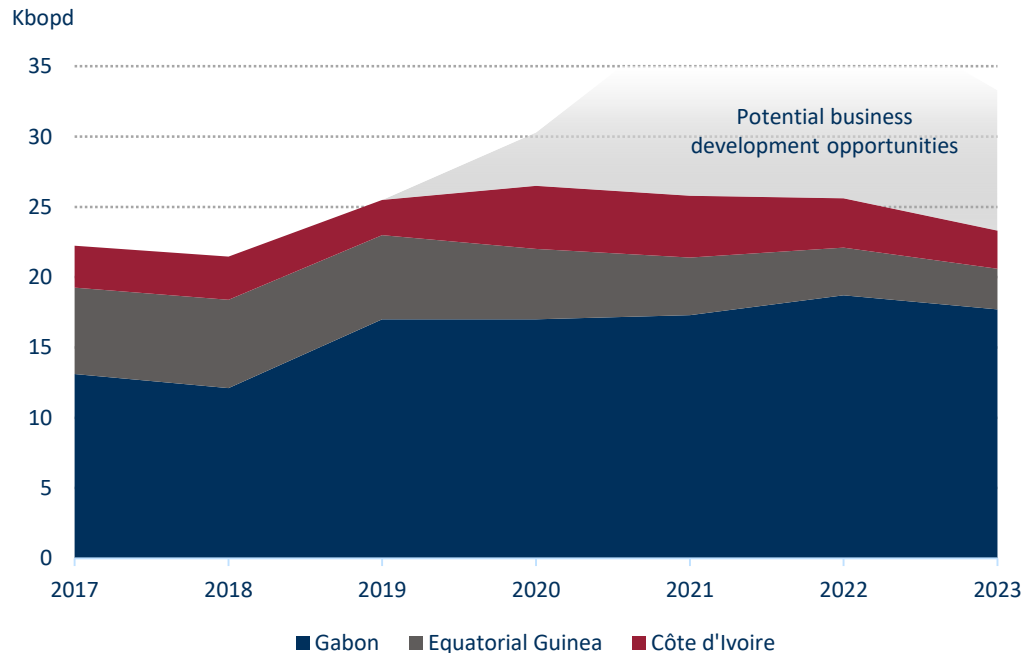
• Rounded gross figures based on reserves and contingent resources as of 30 June 2019

CONTINUED REVIVAL OF OUR NON-OPERATED PORTFOLIO



Portfolio provides a platform for growth

- Capex of ~\$100m per year delivering ~25,000 bopd net production
- Gabon exceeding expectations e.g. Simba-1
- Additional growth potential in a region Tullow knows well
- Near-field exploration opportunities being matured
- Bolt-on business development across existing portfolio



* Rounded net figures based on reserves and contingent resources as of 30 June 2019

UGANDA DEVELOPMENT – PROJECT AT AN ADVANCED STAGE



1.7bbo

Gross 2C resource



230,000

bopd gross production

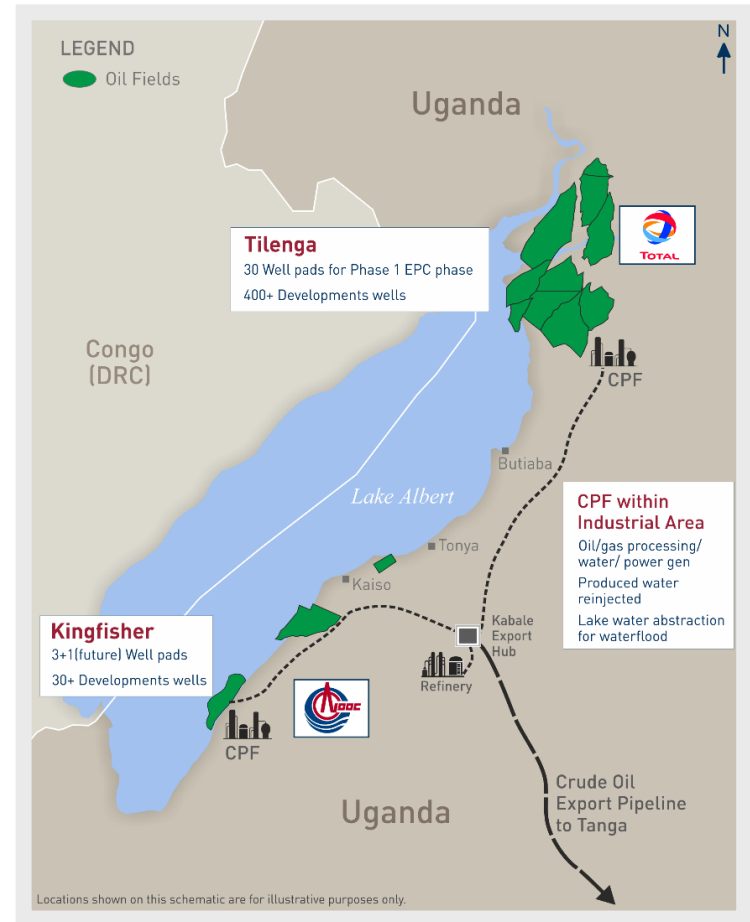
PROJECT UPDATE

Major technical aspects completed:

- FEED studies
- Tilenga ESIA approval
- Geophysical and Geotechnical studies along entire East Africa Pipeline (EACOP) route
- Land acquisition for CPF
- Contracts ready for Award

Remaining milestones:

- Pipeline & Kingfisher ESIA's
- Finalisation of key commercial agreements
- Completion of farm-down with Total & CNOOC



Operator continuing to target end 2019 FID

PROJECT OIL KENYA – STEPS TO FID



PROJECT UPDATE

Significant progress made in 2019:

- **EOPS** - Trucking 2,000 bopd, first export in Q3, well performance as expected
- **FEED** - Completed for upstream & pipeline
- **Land** - All land gazetted. National Lands Commission surveys for valuation & acquisition under way
- **Contracts** - Tender process underway for well construction
- **ESIA** - On track for submission in Q3 2019
- **Water** – Confirmed water source
- **Heads of Terms** - Signed in June, key commercial principals agreed

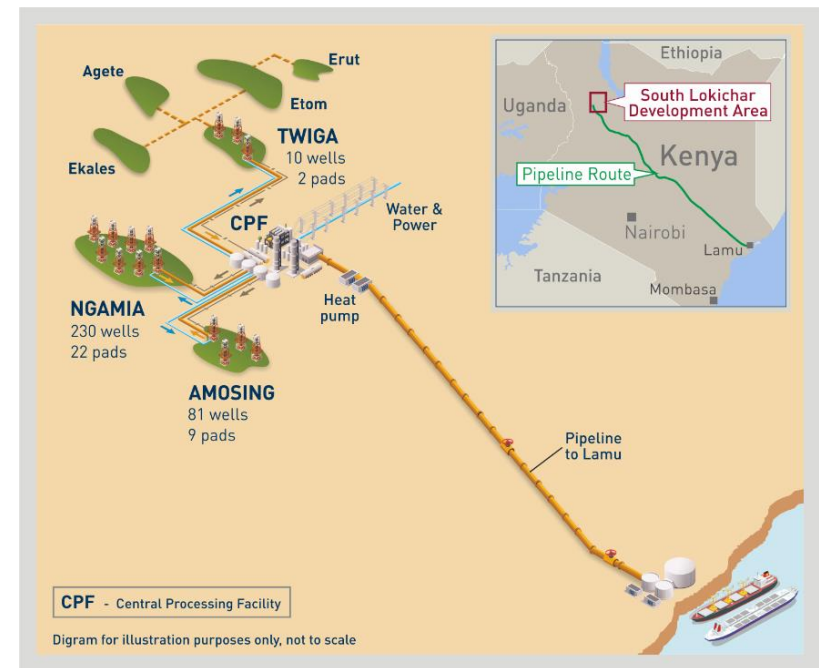
Remaining deliverables for FID:

- **ESIAs** - Finalisation & approval
- **Water** - Water supply agreements
- **Contracts** - Tender/evaluation/negotiation/award
- **Pipeline** - Financing, land acquisition & title
- **Long-form commercial agreements** - Upstream & pipeline
- **Field development plan** - Submission & approval

560 mmbo
Gross 2C
resource

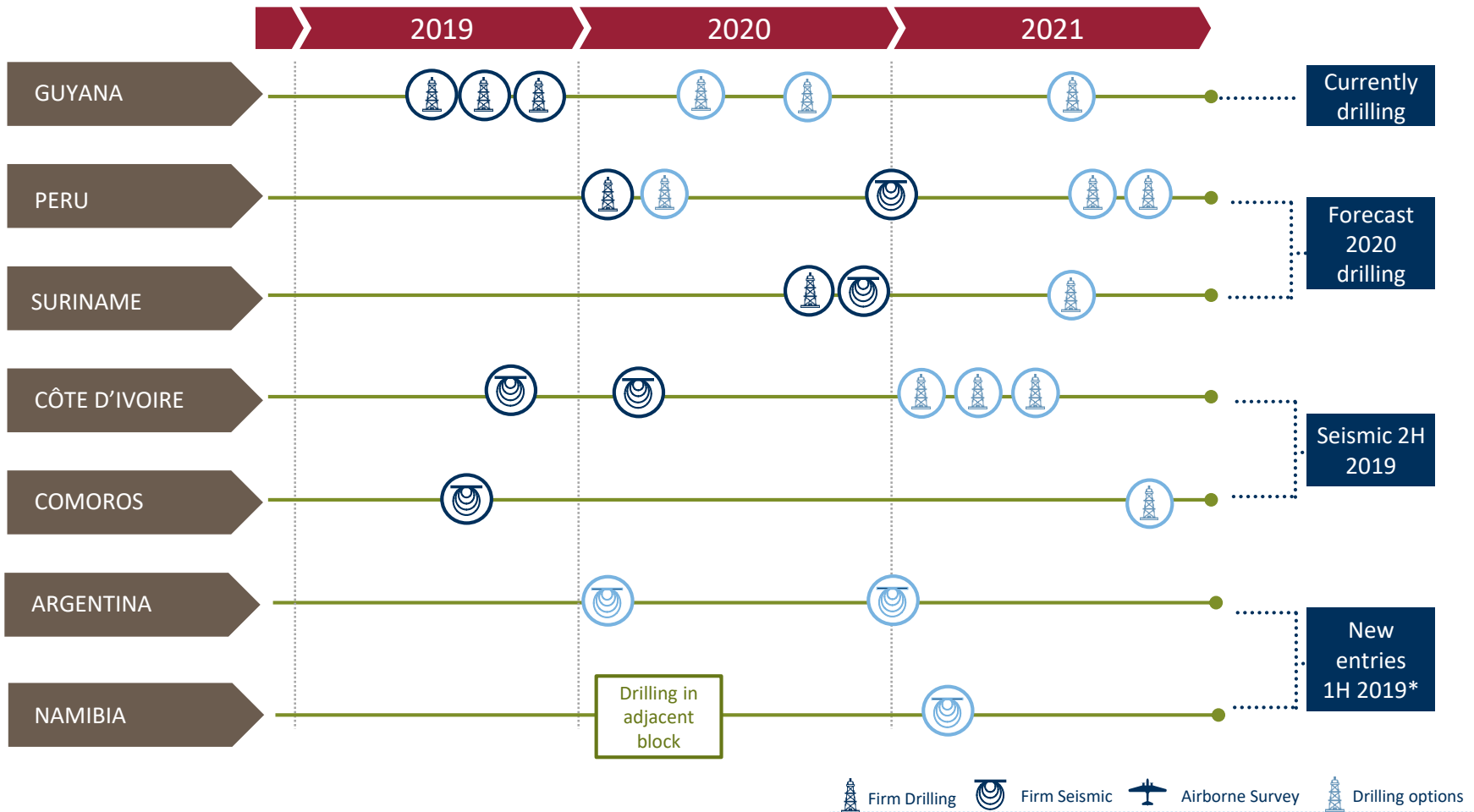


60-80,000
bopd gross
production



Multiple milestones delivered in 2019, working towards FID 2H 2020

FINDING NEW OIL – EXECUTING OUR EXPLORATION PROGRAMME



Drilling 3-5 high-impact wildcats per year, within \$150m exploration budget

*Argentina and Namibia licences remain subject to final Government approval

2019 GUYANA PROGRAMME TESTING THREE PLAY TYPES

ORINDUIK

KANUKU

JETHRO

Drilling ongoing

JOE

Drilling planned to commence August 2019

CARAPA

Drilling planned to commence September 2019

>100
mmbo
Lower tertiary
target

1,350m
water depth

~\$30m
net well cost
(60%)

>100
mmbo
Upper tertiary
target

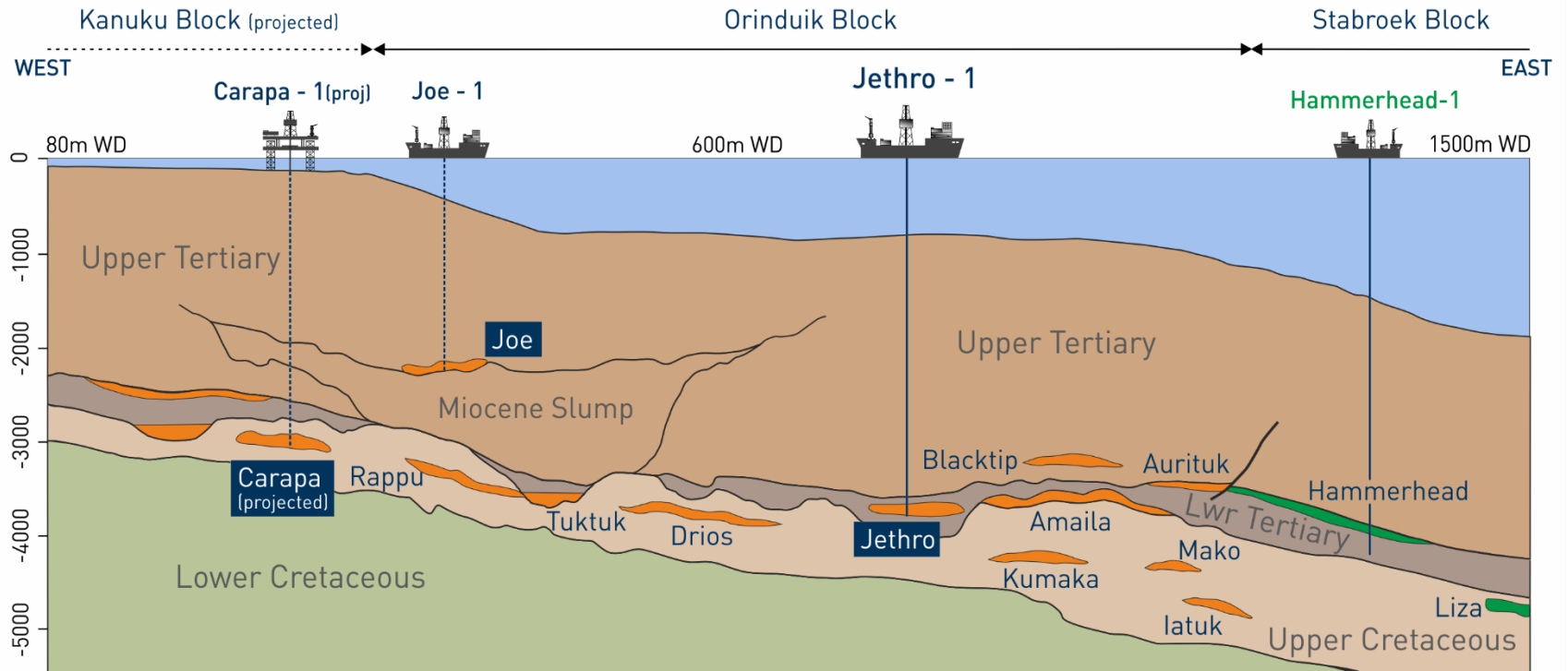
650m
water depth

~\$11m
net well cost
(60%)

>200
mmbo
Cretaceous
target

70m
water depth

~\$20m
net well cost
(37.5%)





Tullow Oil plc – 2019 Half Year Results

CONCLUSION

Paul McDade – Chief Executive Officer

GENERATE
strong free cash flow



DISCOVER
oil in Guyana



DELIVER
solid
production



RETURN
\$100m
minimum
dividend

MAINTAIN
cost discipline

PROGRESS
Uganda & Kenya
FIDs

OPERATE
responsibly

COMPLETE
Uganda farm-down



Strong free cash flow generation provides a solid platform for growth and returns



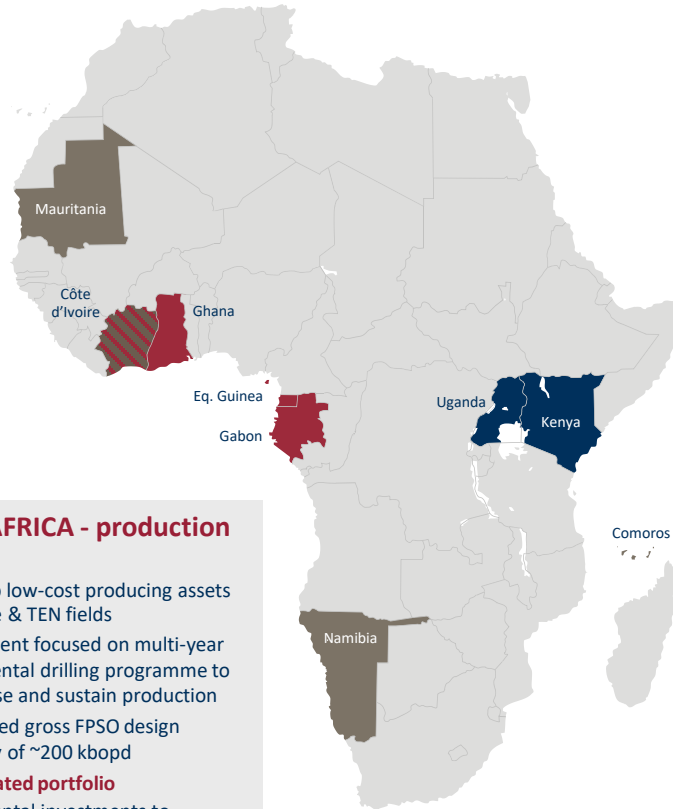
Tullow Oil plc – 2019 Half Year Results

APPENDIX

OUR PORTFOLIO OF ASSETS

NEW VENTURES - exploration

- Extensive acreage in Africa and South America, in well-known plays
- Multiple high-impact frontier campaigns planned over next three years
- Recent new licences* in Argentina, Namibia, Peru, Côte d'Ivoire, Comoros, and Suriname



EAST AFRICA - development

Kenya

- Significant discoveries in South Lokichar basin
- Phased development plan to reach 100+ kbopd at plateau

Uganda

- Estimated 1.7bn bbls of discovered resources in Uganda, development progressing
- c.230kbopd gross production at plateau; expected capex covered to first oil and beyond



WEST AFRICA - production

Ghana

- Flagship low-cost producing assets - Jubilee & TEN fields
- Investment focused on multi-year incremental drilling programme to maximise and sustain production
- Combined gross FPSO design capacity of ~200 kbopd

Non-operated portfolio

- Incremental investments to sustain production



West Africa oil production¹

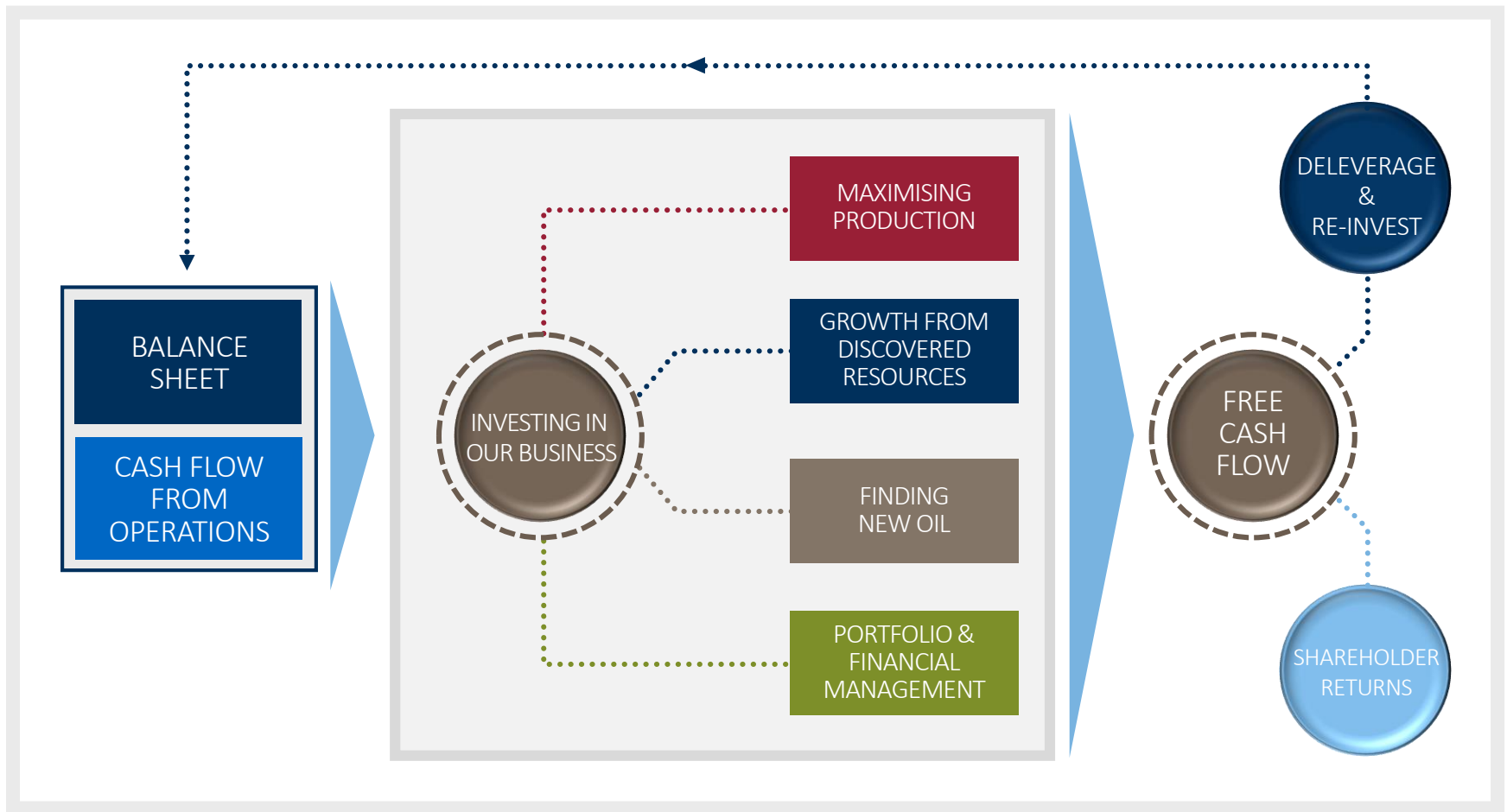
2019 guidance: 89-000 - 93,000 bopd



A balance of production, development & exploration assets

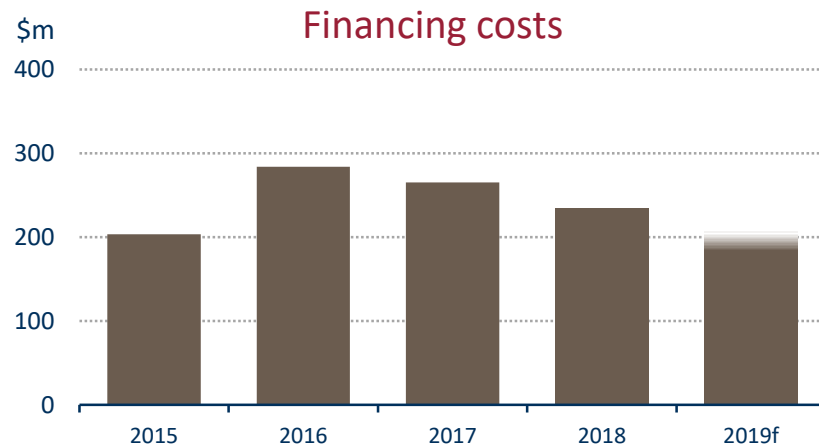
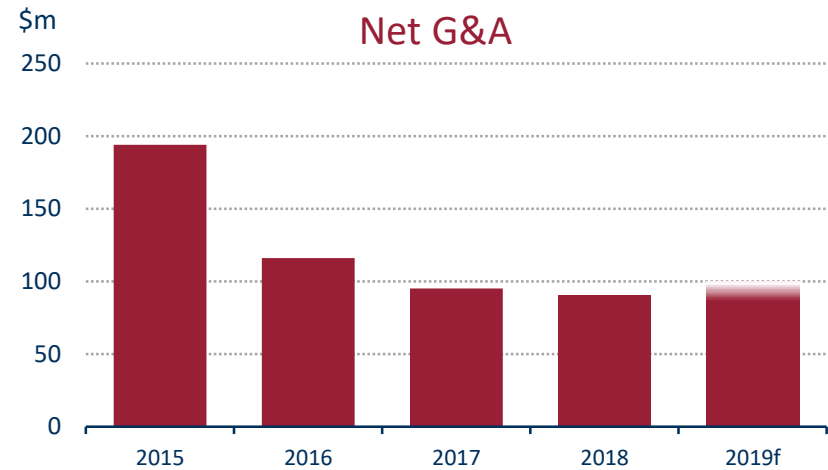
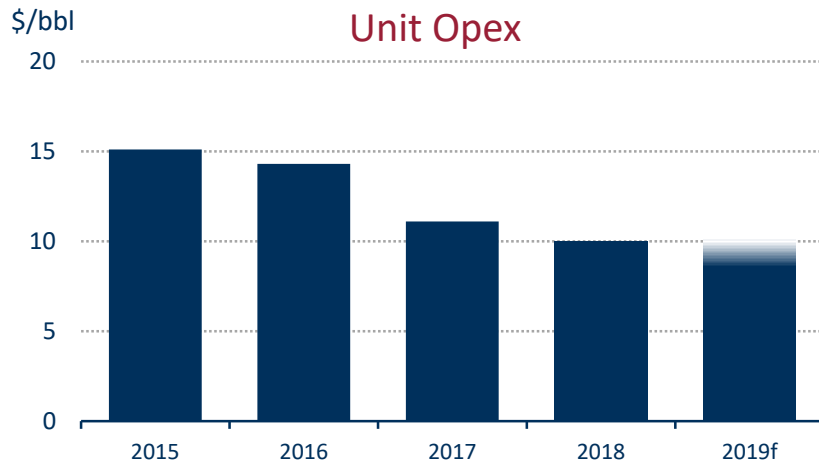
*Argentina, Peru and Namibia licences remain subject to final Government approval ¹ Total includes Jubilee Field Insurance Production-equivalent payment of 1,300 bopd

A BALANCED SELF-FUNDING E&P COMPANY IN ACTION



Strong free cash flow generation provides a solid platform for growth and returns

RELENTLESS FOCUS ON RETAINING COST DISCIPLINE



Competitive industry cost base

- Targeting further operational efficiencies
- Cost conscious culture embedded
- Optimising capital structure
- Sustaining low cost base through the cycle

Underlying free cash flow breakeven in 2019 of \$40/bbl

DEVELOPING KENYA'S DISCOVERED RESOURCES

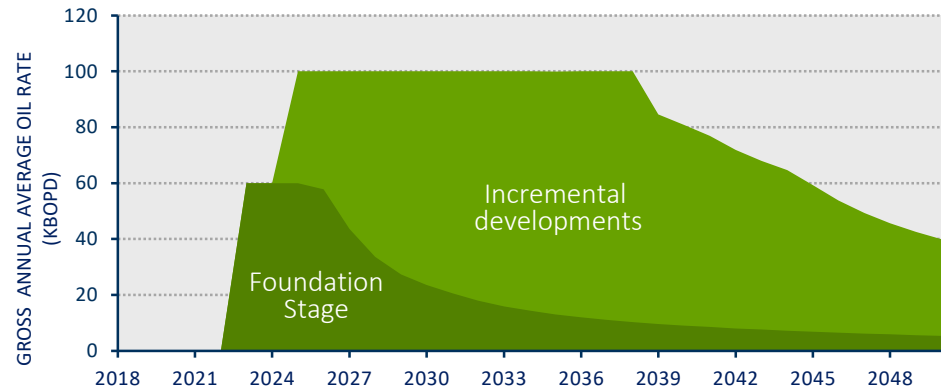
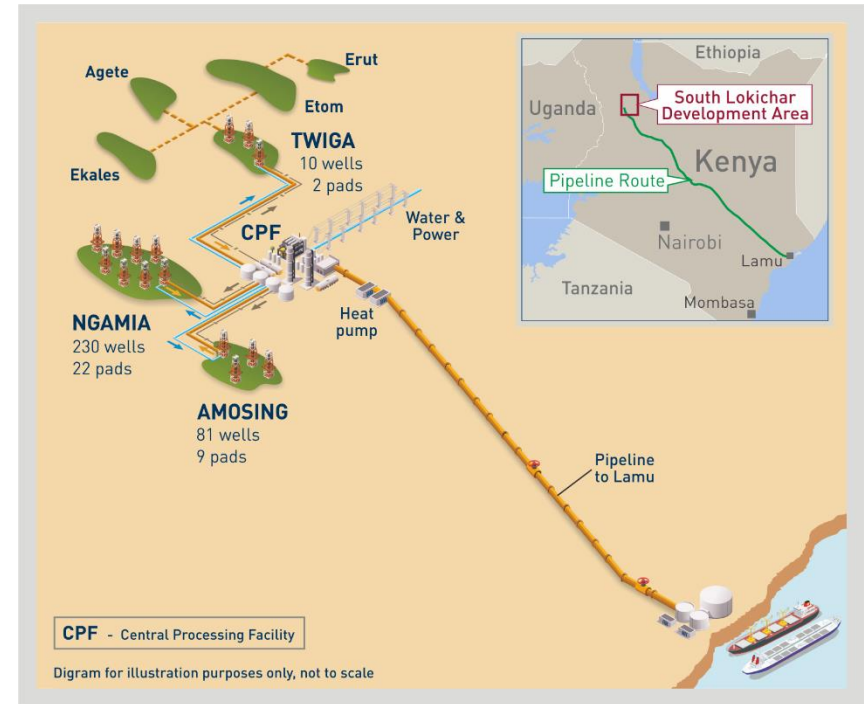


South Lokichar development plan

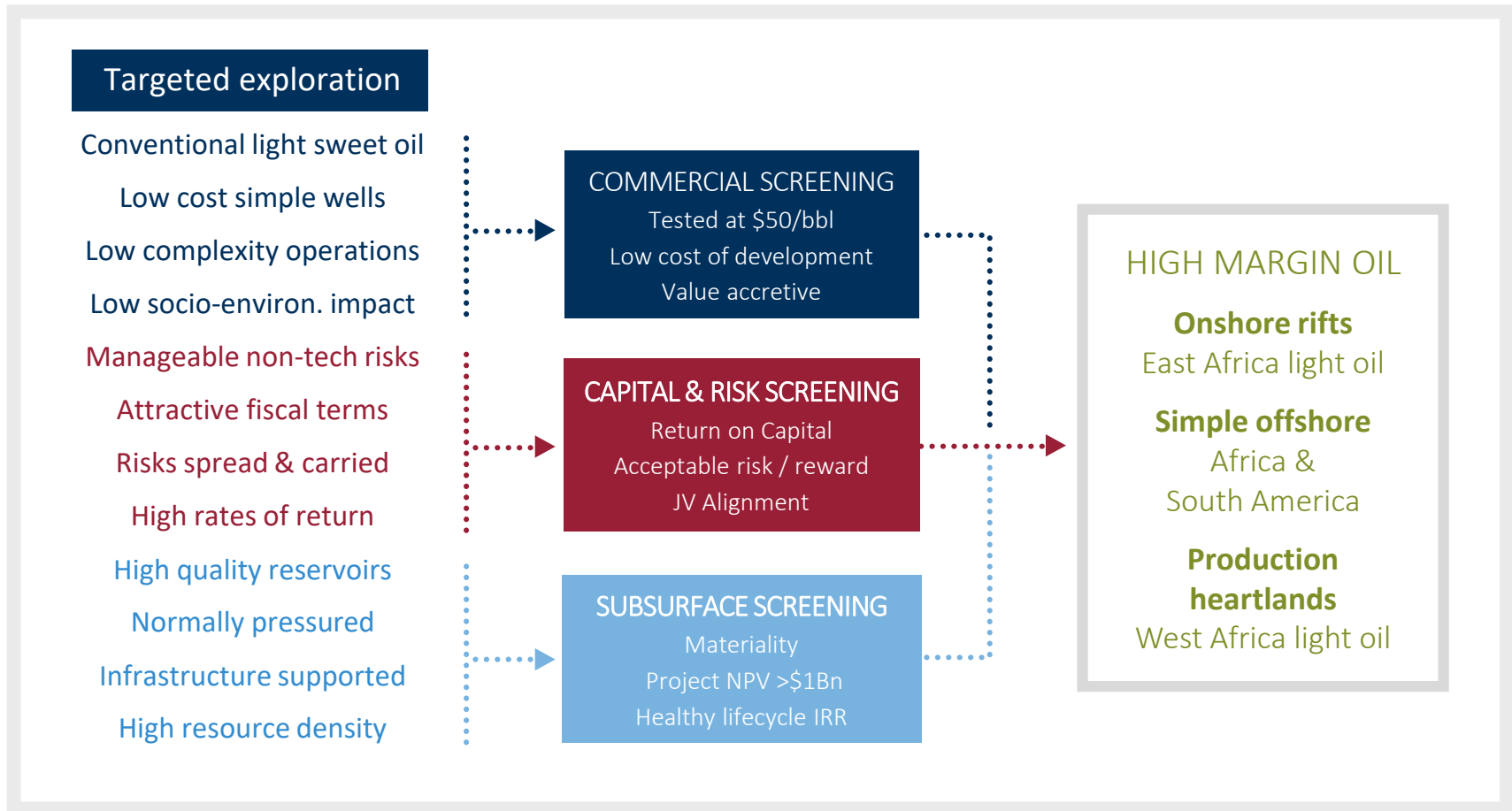
- Discovered resources support development via export pipeline to Lamu
- Phased development approach planned
- Incremental developments to follow initial Foundation Stage, utilising installed infrastructure
- Full development to achieve plateau production of 100,000 bopd+

Amosing/Ngamia/Twiga Foundation Stage

- Foundation Stage targeting 210 mmbo
- Initial production of 60,000 - 80,000 bopd
- Allows early FID to take advantage of low cost environment
- Targeting FID 2H 2020, First Oil 2023
- Foundation Stage gross capex of \$2.9bn
 - Upstream \$1.8bn
 - Pipeline \$1.1bn
 - ~80% spend to First Oil

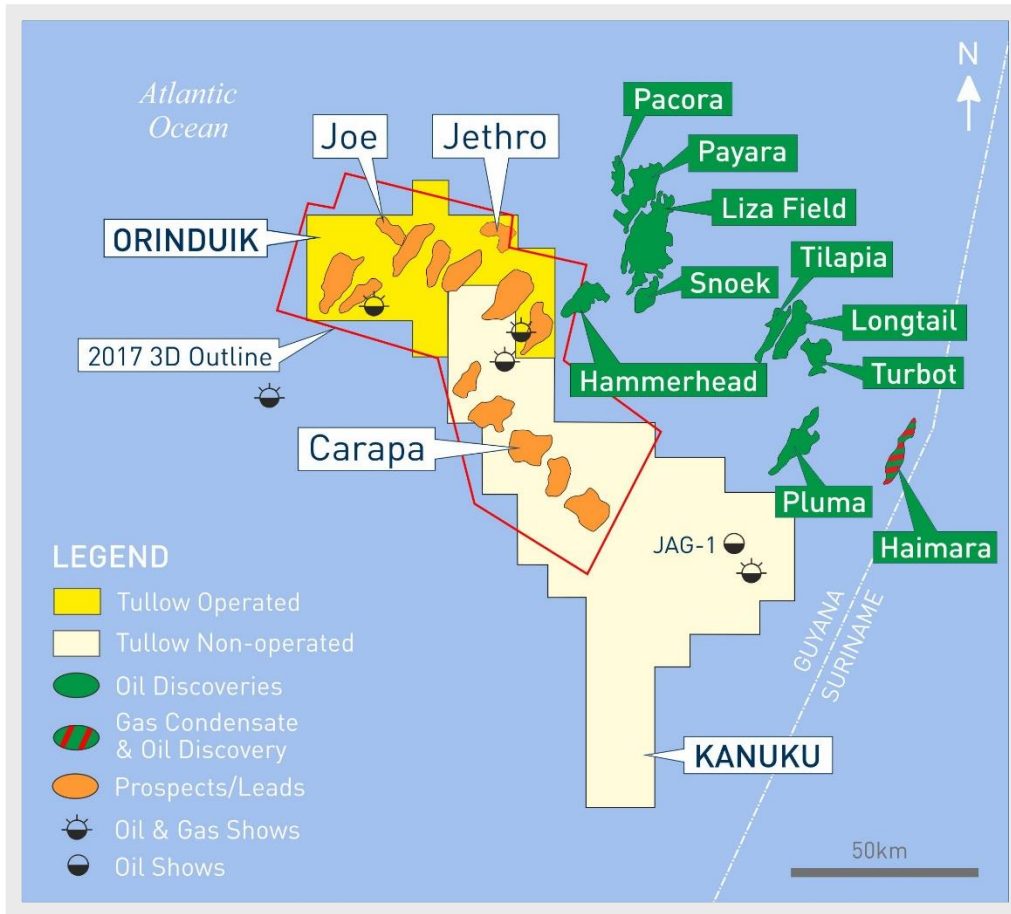


EXPLORATION CRITERIA FOR VALUE CREATION



Programme driven by fiscal discipline, technical/commercial rigour & business acumen

GUYANA EXPLORATION CAMPAIGN COMMENCED



Shelf-edge acreage in industry hot-spot

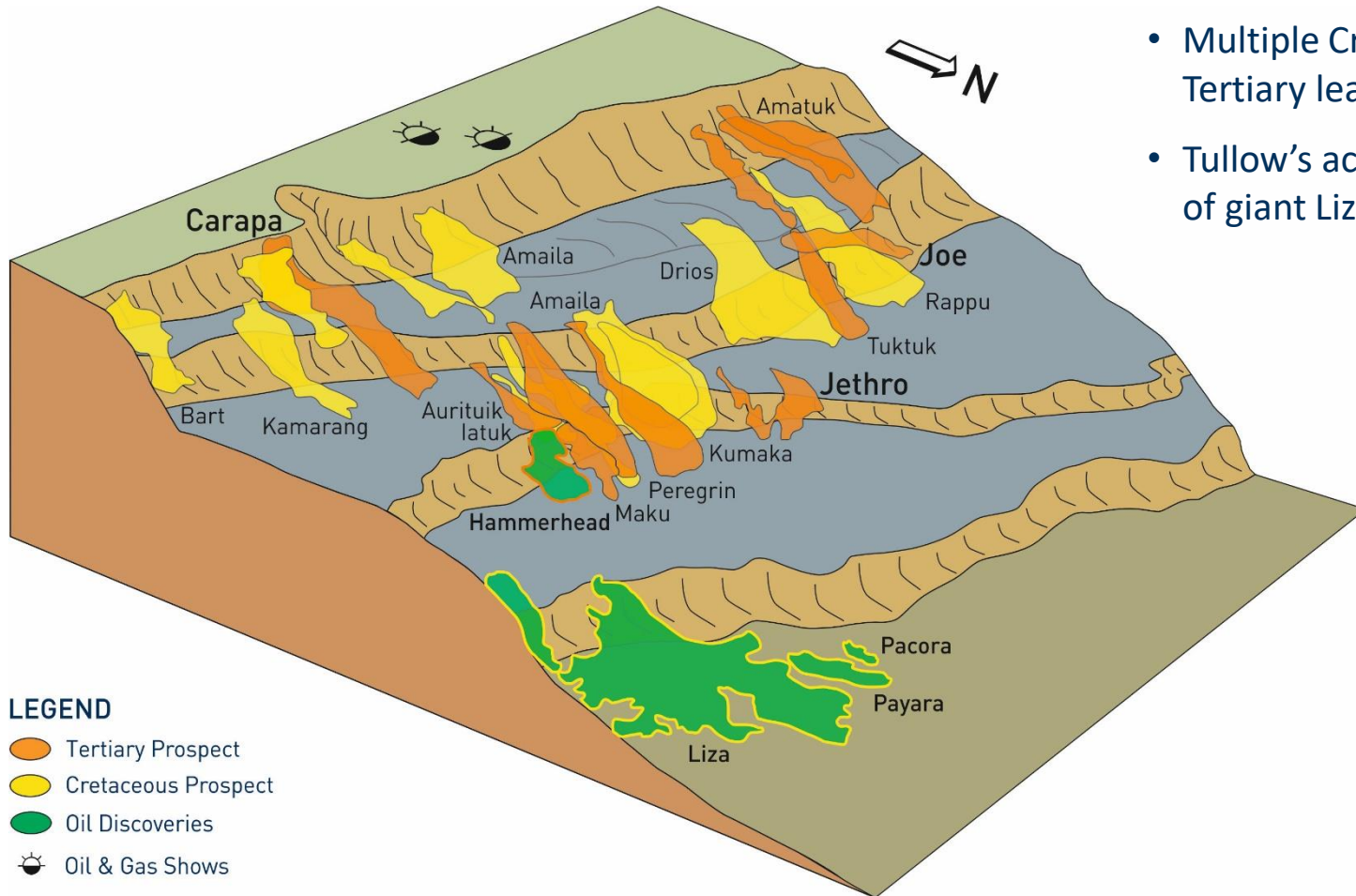


Multiple prospects up-dip of giant oil discoveries



Transformational basin-wide opportunity

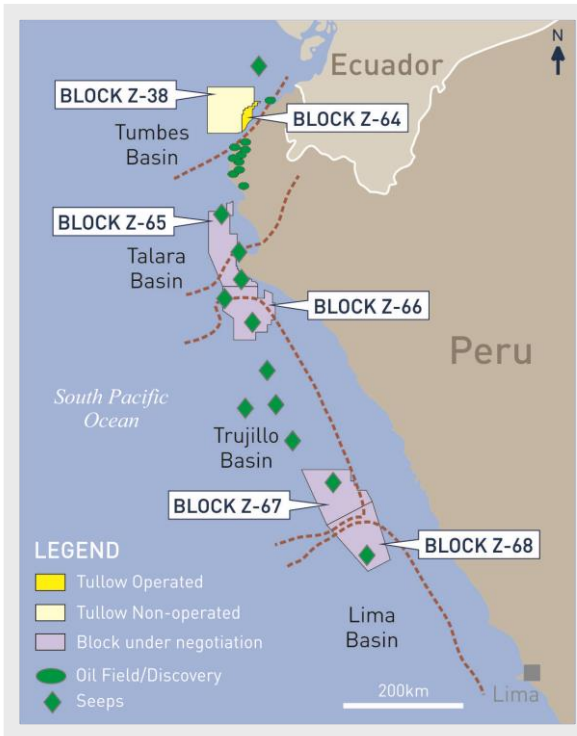
GUYANA: ORINDUIK-KANUKU BLOCKS



- Multiple Cretaceous and Tertiary leads & prospects
- Tullow's acreage sits up dip of giant Liza discoveries

Transformational opportunity with multiple follow-up potential

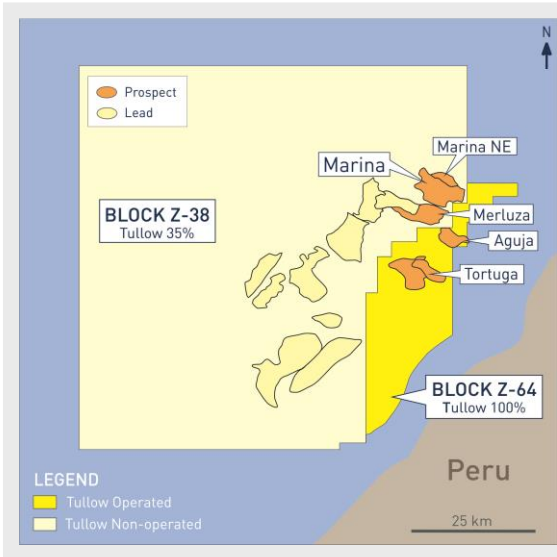
EXPLORATION DRILLING CONFIRMED FOR 2020 PROGRAMME



MARINA
prospect

350m
water depth

1H 2020
drilling



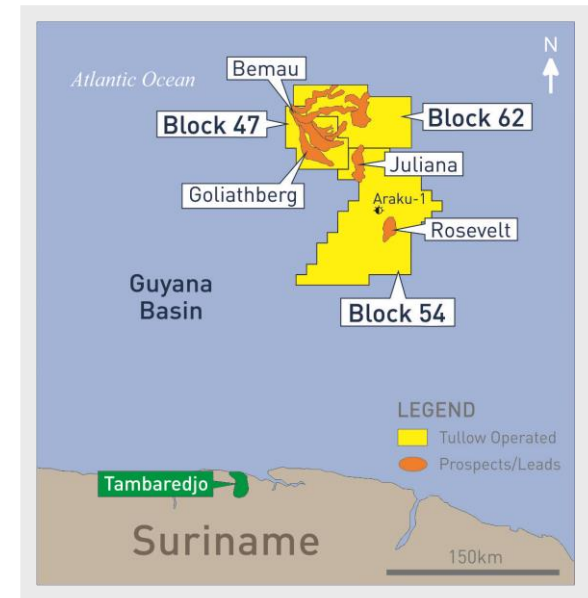
Peru: First well to target deepwater play in Tumbes basin

- Marina prospect in Z-38 is confirmed 2020 drilling candidate
- Located in the Tumbes Basin, adjacent to prolific, onshore Talara Basin
- Prospect targeting robust fault block containing Tertiary age turbidites
- Covered by high-quality 3D seismic; multiple follow on prospects
- Stakeholder engagement and operational planning underway

Peru: Blocks Z-65, Z-66, Z-67 and Z-68 subject to Government approval

Suriname: Trigger well with significant follow on potential

- Goliathberg-Voltzberg North prospect
- Located on flank of Demerara High
- Testing dual targets in Cretaceous turbidite play



GOLIATHBERG
prospect

1,900m
water depth

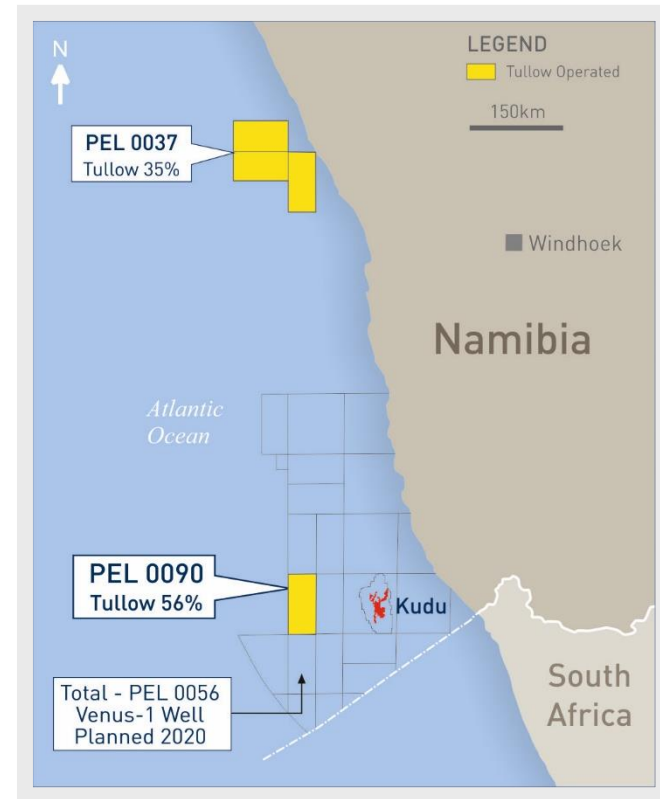
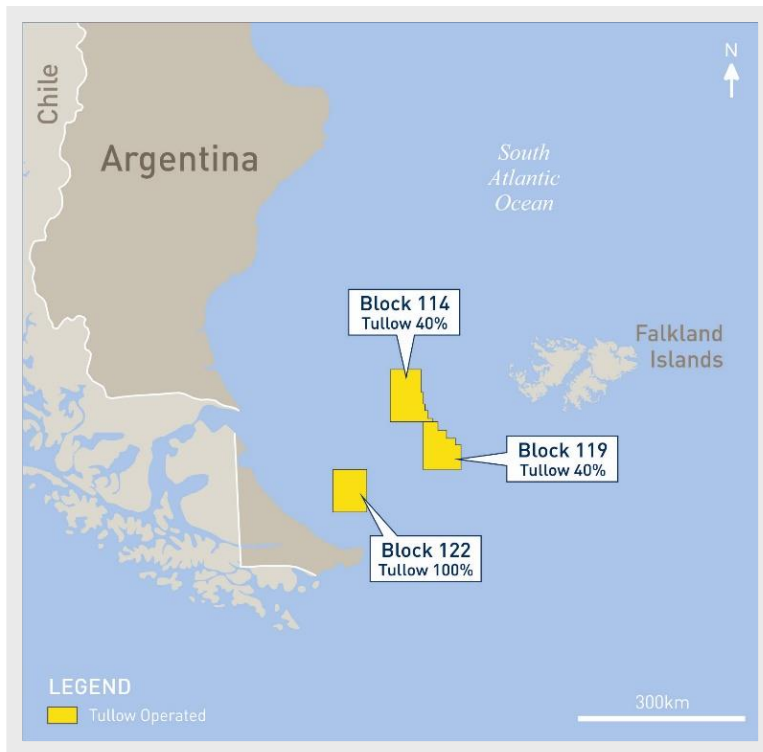
2H 2020
drilling

BUILDING NEW ACREAGE ACROSS EXPLORATION PORTFOLIO



Argentina: Successful bid-round

- Entry to three offshore blocks in Malvinas West Basin
- Shallow water Tertiary and Cretaceous turbidite plays
- Geological studies & 2D seismic reprocessing in 2019; 3D seismic acquisition planned for 2020

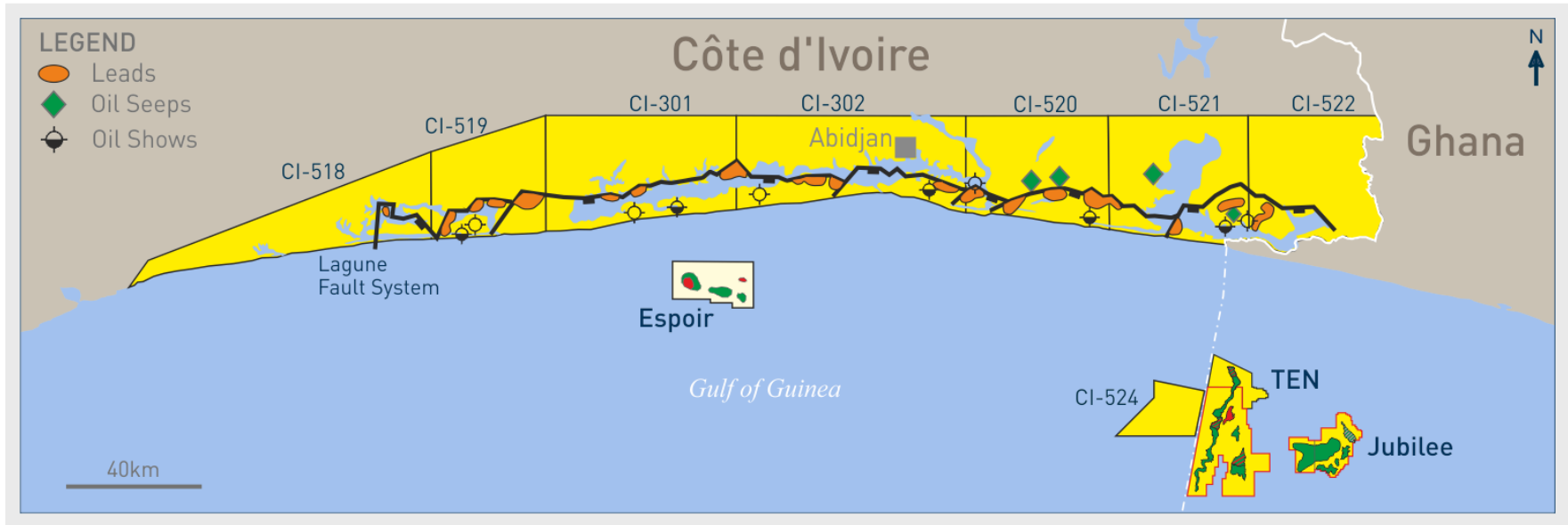



Namibia: Position in high-potential area

- Acquisition of 56% operated interest in PEL-90, offshore Namibia from Calima Energy
- Block adjacent to Total operated block; Venus-1 well is planned for drilling in 2020
- Cretaceous aged turbidite stratigraphic plays

Argentina: formal award expected in 2H 2019. Namibia: Subject to Government approval

SPOTLIGHT ON CÔTE D'IVOIRE




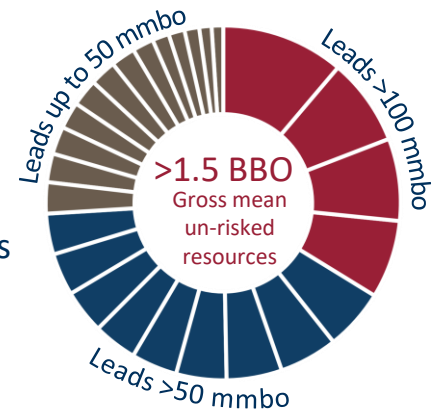

 Low-cost exploration in core West Africa oil province


 Using both proven & innovative technology


 Carried work programme; 60% operated equity

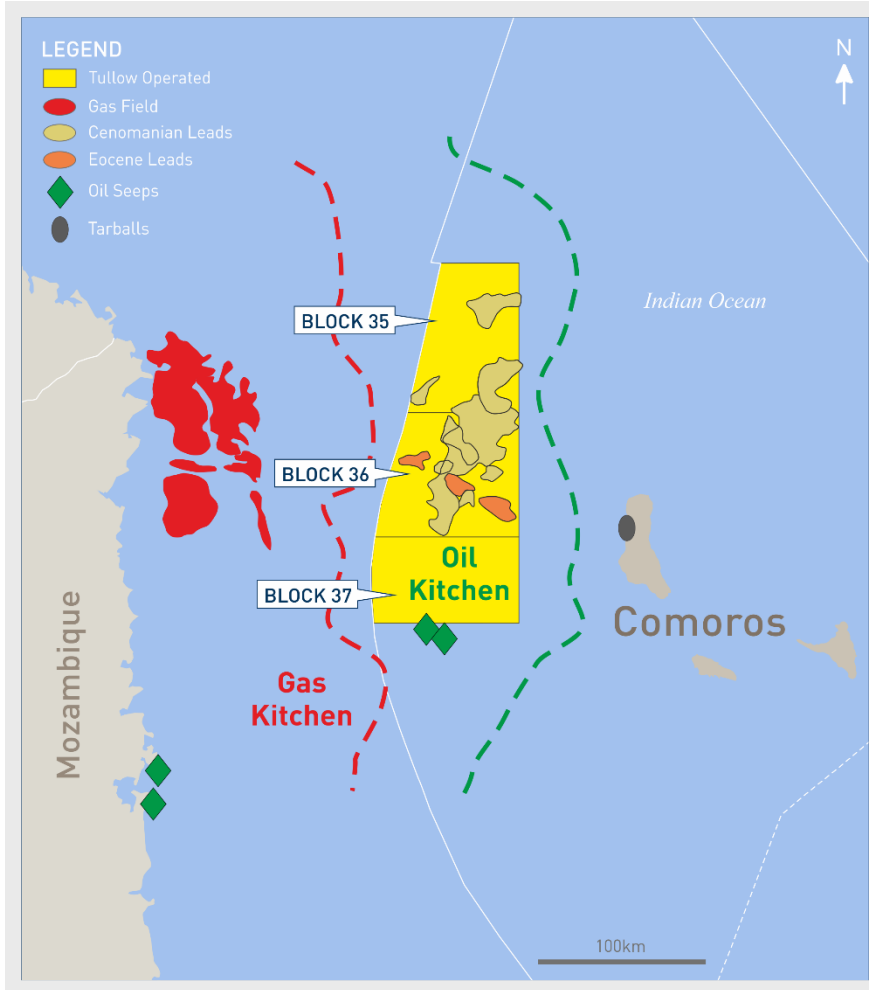

 High-value barrels & low breakeven


 Light footprint execution across 8,000 sq km acreage



Identification of an underexplored play & rapid capture of an industry-leading position

SPOTLIGHT ON COMOROS



~7 BBO

 17 Leads

 16,063 sq km

 35% equity

- Large, operated, offshore oil play in East Africa
- Simple drilling and attractive fiscal terms
- Managed cost exposure in frontier acreage
- Flexible options to leverage seismic market
- Rapid deal-making with like-minded partner

Building a sustainable frontier exploration programme for 2021 and beyond

2019 DATA OVERVIEW

Group average working interest production - 2019 forecast

OIL PRODUCTION	FY 2019 Forecast (bopd)
Ghana	64,000
Jubilee	34,000
TEN	30,000
Ghana Jubilee production-equivalent insurance payments	1,300
Equatorial Guinea	6,000
Gabon	17,000
Côte d'Ivoire	2,500
OIL PRODUCTION SUB-TOTAL (inc. Jubilee production-equivalent)	90,800
GAS PRODUCTION	(boepd)
Ghana (TEN)	1,300
GROUP TOTAL (inc. Jubilee production-equivalent)	91,800

Group 2019 hedging position

Hedge structure	Bopd	Bought put (floor)	Sold call	Bought call
Collars	22,244	\$56.80	\$81.68	-
Three-way collars (call spread)	29,488	\$54.06	\$73.60	\$79.81
Straight puts	4,000	\$69.24	-	-
Total / weighted average	55,732	\$56.24	-	-

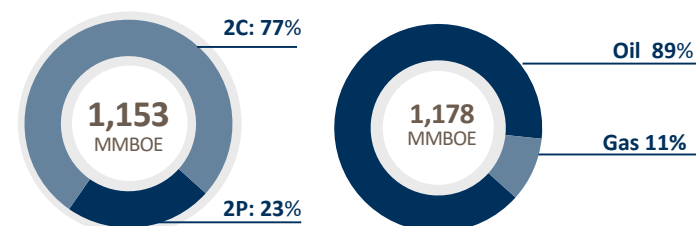
2020 hedging position at 30 June 2019: 37,000 bopd hedged with an average floor price protected of \$58.28/bbl

Operating data

OPERATING COSTS ¹	2019 forecast (\$/boe)
Equatorial Guinea	15
Côte d'Ivoire	17
Gabon ²	28
Ghana ³	9
DEPRECIATION ¹	
Equatorial Guinea	7
Côte d'Ivoire	17
Gabon	13
Ghana	25

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

Group Reserves and Resources (at 30 June 2019)



Follow Tullow on:



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