

Tullow Oil plc

Corporate Social Responsibility Report 2007

How are we
meeting the
challenge?



Here's how...

We are committed to meeting the challenge of operating responsibly from a local to a global level. Here are some examples of our achievements in 2007...



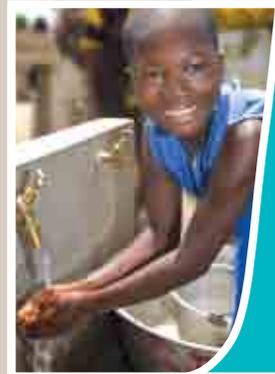
We are meeting the challenge of helping children in the poorest countries

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We are meeting the challenge of ensuring secure operations

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the challenge of
providing a safe and
clean water supply**

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Welcome
to our 2007
Corporate Social
Responsibility
Report.

Each year we
visit a number
of schools in
local communities
and in this
report we have
included some of
the interesting
questions the
children asked
about Tullow and
the industry.

GRI Report

This report has been checked by the Global Reporting Initiative (GRI), which confirms it has met all 'C+' level reporting requirements, including external assurance.

The GRI content index for the report is available online at:
www.tullowoil.com



Meeting the challenge of our responsibilities

We performed well against our key 2007 objectives,
with the achievement of most of our goals for the year.



“Being a responsible company, a safe operator and a good neighbour has always been the way we do business.”

Growing awareness

As far back as 1987, when Tullow commenced work in Senegal, we were working closely with local communities and using our skills and resources to address some of the challenges these communities faced daily.

In recent years the wider subject of 'Corporate Social Responsibility' (CSR) has become increasingly important to shareholders, governments, employees and communities. This is a welcome trend, and recognises both the tangible and intangible impact that our business can have on the areas where we operate.

Mixing old and new

In this year's CSR report we have tried to combine the old and the new. Firstly, we want to give an insight into Tullow's past, present and future commitment to sustainable development and long-term partnerships wherever we work. However, we want to combine this with an objective analysis and assessment of our performance – both good and not so good – in a number of key areas and so for the first time this year we are reporting in accordance with the Global Reporting Initiative's (GRI) G3 Guidelines.

In our first attempt at compliance with these standards, we have achieved a credible GRI 'C+' rating, indicating we have reported on the required profile disclosures and performance indicators.

A more complex business

During 2007, Tullow staff conducted over five million hours of operated activities spread across 11 countries. In 2008, this figure is expected to be approximately seven million hours with major programmes planned in Uganda, Ghana, the UK, Madagascar, French Guiana, Bangladesh and Mauritania.

We recognise the challenge of operating progressively more and bigger projects, spread across a wide range of territories. However, it is our vision to be the leading global exploration and production company and to achieve this, the ability to safely operate major deepwater or logistically complicated developments and exploration activities will be critical.

Strong environmental focus

Exploration and Production (E&P) activities can and do have a direct impact on the environment. We make every effort to manage our operations so as to eliminate or minimise harmful impacts, reduce consumption of energy and other critical resources, and drive down emissions and generation of waste through reducing and recycling.

A strong focus was maintained during the year with respect to implementation of ISO14001 for internal environmental management with another two sites achieving accreditation, bringing the total coverage to five certified sites.

Over the course of 2007, the environmental performance of our operated activities complied with an increasingly diverse

range of regulatory regimes, and we continued to set our own appropriate standards and controls where local legislation is less developed. Key to setting these standards is the preparation of Environmental and Social Impact Assessments (ESIA) and linking these to management programmes that address the environmental risk and impact of our planned activities.

Positive performance

Tullow's overall Environment, Health and Safety (EHS) performance against our 2007 key objectives was positive, with many improvements in our processes and procedures and the achievement of most of our goals for the year. While there were no fatalities, we did see an increase in the number of Lost Time Incidents (LTIs) and High Potential Incidents (HIPOs) and a shortfall in the planned 2007 social and community discretionary spend. We have already learned from this performance in these areas and I am pleased to report that we have worked over two million hours since the last LTI and improvements in CSR project assessment and implementation should ensure we achieve 100% of our discretionary spending in 2008.

How do the geologists know where to dig without harming the planet?

Hanad Ahmen, Norbury School

Before any well is drilled, geologists acquire seismic data by sending sound waves down into the earth, and recording the reflections that bounce back. The data not only helps us to increase our chances of a successful discovery, it also ensures that we are not going to drill into any hazardous areas, which could lead to very serious accidents.

Other precautions are taken before we drill offshore, to make sure the rig can sit safely and that we are not going to damage any sea life, such as coral reefs or fish.

Chris Flavell,
Exploration Manager
Europe and North Africa

Our vision

To be the leading global exploration and production company and to deliver at least 20% Total Shareholder Return (TSR) each year.

Our CSR values

- To respect the countries in which we operate;
- To contribute to and support local communities;
- To balance environmental and business risks;
- To empower and support the individual;
- To value and foster long-term relationships; and
- To be transparent in our activities and reporting.

Our CSR strategy

Tullow has a long-term perspective on developing the business in a way that is both profitable and sustainable and we have a clear strategy to deliver growth into the future.

The core CSR elements of our strategy are:

- Strong social and community support delivering sustainable development for indigenous peoples;
- Working safely and minimising impacts on the environment; and
- Ongoing investment in people and organisational structure.

The Group's CSR committee is tasked with overseeing and implementing our CSR strategy.

We have also identified the principle EHS, CSR and governance risks the Group faces and these along with Group strategy information are outlined in risk factors in the 2007 Annual Report.

For more information visit: www.tulloil.com

Daily attention to communities

CSR is integrated into our corporate and operational activities, and strongly influences our success. We continue to focus our efforts on working with communities especially in the areas of education and healthcare and this is closely reflected in our main sponsorships and community investment activities. We work daily with the local communities where we operate and supported over 120 projects in 19 countries during the year. We have set ourselves a clear goal of significantly increasing our discretionary social and community expenditure to more adequately reflect the growth, maturity and success of our business.

Several positives

There were lots of positives during the year, big and small, and the attention and support given to CSR and EHS activities across the Tullow business increasingly made a positive impact in the key areas we focus on.

Highlights through the year include:

- The excellent work being undertaken in the Lake Albert area in Uganda to ensure that we properly understand and manage our operations in this area of unique beauty and biodiversity;
- The opportunity for us to use our operational experience and technical skills to work towards making carbon capture and storage, which will contribute to a reduction in carbon dioxide (CO₂) emissions, a reality in the UK;
- The exceptional health and safety performance in two parts of our business. Over 200 days of operation, the temporary logistics base in Namibia handled over 5,600 tonnes of supplies without incurring any LTIs. Our Bangora facility in Bangladesh completed its first year of production representing 280,000 hours of work without incurring an LTI; and
- Ranking as one of the 'Best Companies to work for' in the UK.

Independently assured performance

A mid-year review of environmental data was undertaken in 2007, to set appropriate corporate reporting requirements as previously reported data was mainly for UK operated assets only. Group production, drilling and well test data has been collated for the first time, offering a greater understanding of our contribution to emissions of greenhouse gases (GHGs). Throughout 2008 we will continue to expand the scope of our data collation to develop an even more comprehensive view of the Group's environmental performance. We have also undertaken a three year independent assurance programme with Deloitte & Touche LLP (Deloitte). In the first year this has focused on the Group level compilation of selected EHS data in our CSR report. Their assurance statement is on page 32.

Putting people first

Tullow strives to uphold high standards in the recruitment and retention of employees and the development of individuals, by adopting initiatives in the workplace that are intended to promote Tullow as a sustainable employer of choice, including:

Our business



What we do

Tullow is one of Europe's leading independent exploration and production companies and operates a versatile and balanced worldwide portfolio of quality oil and gas assets, managed by a team with excellent technical, commercial and financial skills.

Alan Marshall, UK Operations Manager (Tullow Bacton)



Performance and outlook

Our producing assets performed strongly during 2007, and 2008 will be another busy year as we move towards sanction of field development in Ghana, continue to appraise and develop the significant potential of the Lake Albert Rift Basin in Uganda and achieve targeted production for the year.

Jonathan Leather and Madeleine Slatford, Geoscientists (Tullow Dublin)

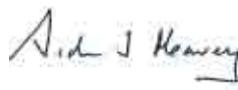
- A wide range of training and development initiatives;
- Annual performance appraisals that incorporate goal setting thereby giving employees a clear sense of their contribution to the Group's success;
- Flexible work practices that help people maintain a work/life balance; and
- Sponsorship for employees who raise funds for charities and support for employee charitable volunteering.

Confident and optimistic

Operationally, Tullow attempted and achieved a lot during 2007 – our first major deepwater discovery in Ghana, a major appraisal programme in Uganda and the integration of our largest ever acquisition. Each represented both an opportunity and a challenge for the business, and it is our ability to deal with such transformational events – largely through the dedication, skills and professionalism of our employees – that determines whether or not we succeed.

However, amongst all our planning for growth and operational expansion, we have maintained a clear focus on our core principles of safety, partnership and responsibility. No matter how large Tullow becomes, this will not change.

All of these factors give us the confidence and optimism to meet the challenges that lie ahead of us as Tullow moves into the next phase of its growth and development.



Aidan Heavey
 Chief Executive Officer
 Nominated Director with
 CSR and EHS Responsibility

Why does it take so long to help countries when you drill for oil straight away?

Debe Ogbeide, Norbury School

In nearly all cases we do not drill for oil or gas straight away. Usually a significant amount of time, sometimes several years, is spent carrying out geological and geophysical surveys to determine the best location for drilling an exploration well.

Our policy is to implement a CSR programme as soon as we enter a country. This normally involves local training and the involvement of the community in projects. As our activity level increases so does our involvement in CSR initiatives.

Kevin Quinn,
 Business Unit Manager
 South Asia and South America

Our core areas

Africa

Africa is the Group's largest core area and this region has transformed the Group, driven by exceptional exploration success in Ghana and Uganda and ongoing strong growth in production.

Europe

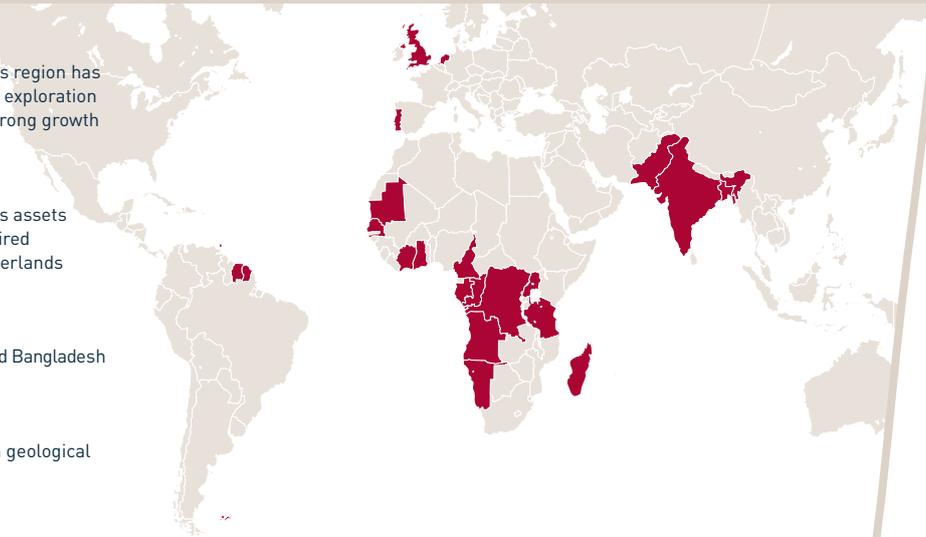
Tullow's European production comes from gas assets in the UK Southern North Sea. Recently acquired exploration licences in Portugal and the Netherlands provide longer-term growth opportunities.

South Asia

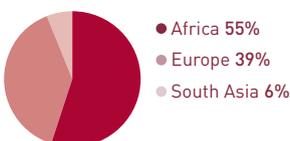
The Group has gas production from Pakistan and Bangladesh and high impact exploration acreage in India.

South America

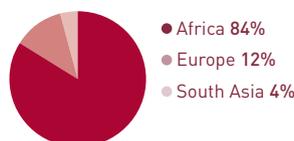
Tullow is focused on applying its West African geological expertise to similar plays in this region.



Working interest production 73,100 boepd



Reserves and resources 551 mmmboe



Revenue £639 million



Working to ensure we meet our targets

In 2007, we worked hard to meet the challenges of managing EHS and CSR activities across our enlarged asset base.



a concerted effort and strong EHS leadership across Tullow and we have already seen a significant improvement in 2008 with no LTIs in the first quarter, resulting in well over two million hours worked since the last LTI. However, we recorded one LTI in Uganda during April, 2008.

Making a difference

Our CSR performance continues to make a significant difference in many parts of the world, especially in the local communities we work with. However, the US\$870,000 (£500,000) we spent on discretionary social and community support in 2007 was below our planned budget. We have improved the management of this process to ensure we deliver the planned spend of US\$2 million (£1 million) in 2008.

2008 to 2010

The 2007 annual review process completed at the end of the year created longer-term EHS targets for the Tullow team to work towards. We set targets of improving our EHS and CSR leadership through training and implementation of key initiatives such as the risk assessment process. We also recognise that, as we grow, we have to prepare more formal positions on issues such as climate change, human rights and biodiversity. For CSR, we committed to continuing with external assurance of the reporting and to improve our stakeholder engagement.

Graham Brunton
Head of EHS

Increased focus

In 2007, we increased our resources to meet growing EHS demands providing good support for the environmental challenges we face in Uganda, and prominent health and safety support for our activities in Namibia, Uganda, Pakistan and Bangladesh. Our goal is to facilitate strong EHS progress and assist business units and line management to deliver their EHS targets.

There was an increased focus on CSR activities with improvements achieved in the reporting and facilitation of the budget and project approval process. Country Managers have also increased their awareness and involvement in local community activities.

An area for improvement

While our overall performance was good, the one area where we did not achieve our target was the Lost Time Incident Frequency Rate (LTIFR). Following our annual review, the Board reconfirmed the 2008 target to achieve the top quartile performance, that we had previously enjoyed. Year to date there has been

2007 Performance

We achieved our target of having no significant environmental incidents during the year. However, we did not maintain our excellent health and safety record or meet our target of a LTIFR of below 0.90. LTIFR measures the number of LTIs, per million hours worked. These incidents occur when an employee or contractor is injured and unable to start their next shift. In 2007, our LTIFR was 1.95.

2008 Objectives

We have clear objectives documented for 2008. Our short-term focus is on restoring a strong health and safety performance, building fully representative environmental data and achieving our budgeted social and community spending to reflect the growth and maturity of the business.

US\$2 million

Discretionary CSR budget

Long-term plans

At the end of 2007, a three-year EHS and CSR performance plan was developed with key Business Unit Managers and Senior Group Management.

2010

Three year performance plan completed

What does Tullow do for human rights?

Md. Eqbal Hussain, Khapura Govt. Primary School

In 2007, external testing with our advisors shows that we currently have no human rights violations. Our operations work around the local infrastructure and we would never displace local communities. Where possible, we provide employment for our neighbours and do not discriminate. Our Teams manage the business sensitively and our ethical commitment means we work against corruption including extortion and bribery. We are planning to formalise our human rights policy and make this available on our website.

Graham Martin,
General Counsel and Company Secretary

Each year we also agree proactive performance goals with the Board that reflect our desire for continuous improvements in EHS and CSR across the business.

These goals included operational, communication, training and reporting initiatives that the team's performance is assessed against at the end of the year.

In 2007, these goals included:

- The successful transition of the Hardman Resources assets. **ACHIEVED;**
- Improving near miss reporting to ensure that all incidents are recorded properly and that we continue to reduce the number of EHS risks. **ACHIEVED;**
- Develop our CSR reporting, which has been **ACHIEVED** through independently assured performance and additional environmental data; and
- Two of our goals – an action tracking system and an EHS training matrix – are **ONGOING** and are expected to be implemented this year.

Environment

- No significant environmental incidents;
- ISO14001 certification of one further Tullow Asset; and
- Clear environmental management plan for the Early Production System (EPS) in Uganda.

CSR

- Develop monthly CSR reporting;
- Deliver the 2008 CSR discretionary budget for social and community programmes; and
- Continue to improve stakeholder engagement and the feedback mechanisms for the CSR Report.

Health and safety

- Restore our performance and achieve an LTIFR of below 1.0;
- Achieve vehicle accident frequency rate per million kilometres driven of below 8.0; and
- Develop the EHS case for the EPS in Uganda.
- Audit compliance of the Group's Driving Policy in countries with Journey Management Plans (JMPs); and
- EHS meetings to be held by Business Unit/Asset Managers on a quarterly basis.

EHS leadership

- Demonstrate EHS leadership across all levels of management to support improvements in EHS performance; and
- Develop a revised risk assessment process and implement this across the Group.

Environment

- Ensure all assets and countries are certified to ISO14001;
- Develop ESAs for all activities using standard guidelines; and
- Establish a corporate position on key industry issues such as climate change and biodiversity.

CSR

- Align with UN Global Compact 10 principles and Voluntary Principles on Security and Human Rights;
- Achieve Global Reporting Initiative (GRI) 'B' grading;
- Publish formal positions on human rights and HIV/AIDS; and
- Achieve top quartile CSR reporting.

Health and safety

- All operated Tullow facilities to have a documented EHS case;
- Achieve top quartile health and safety performance against industry benchmark; and
- Effective Group-wide vehicle and road safety programme.

Our approach to CSR and business sustainability

CSR is a core Tullow value and, as part of our business commitment and culture, we support and where possible uplift the communities where we work.

Environment



- Assessing risk to minimise any negative impact our operations have on the environment;
- Seeking ways to manage our carbon footprint across all Tullow activities; and
- Ensuring efficient resource and energy use at all operating sites.

See page 12

Health and safety



- Strong leadership at Group, country, local and operational level;
- Consolidating Tullow's good health and safety (H&S) culture across all our activities; and
- Sustaining top quartile H&S performance against recognised industry benchmarks.

See page 18

Social and community



- Proactive local engagement making sure we make a valuable, contribution;
- Maintaining positive cooperative relationships with neighbouring communities and other stakeholders; and
- Positive promotion of sustainable community development initiatives and projects.

See page 24

Our goals are to ensure that our operations comply with all applicable laws and regulations, and to apply responsible standards where legislation is inadequate or non-existent.

Our approach

CSR and the integration of environmental, health and safety and community considerations into our operations and activities are critical to our ongoing ability to conduct our business in a profitable and sustainable manner. Our approach to meeting the key challenges of ensuring environmental protection, healthy and safe work conditions, and care for the community is achieved through careful and thorough attention to key aspects of the management of the Group, which are outlined in this section of the report.

Tullow is committed to sustainable development of our business and our non-financial reporting of environment, health and safety, and community performance is how we demonstrate transparency and accountability.

A full explanation of the basis of our reporting is available online at: www.tulloil.com/tlw/csr

Full compliance

Our goals are to ensure that our operations comply with all applicable laws and regulations, and apply responsible standards where legislation is inadequate or non-existent. In order to secure compliance and give assurance that management systems are implemented and effective at all Group locations, an EHS audit programme is conducted throughout the year. We have also undertaken a three-year programme with Deloitte to assure the data in our CSR report. Their assurance statement is on page 32.

Sustainable performance

The challenges and opportunities facing companies today in the area of sustainable development are more complex and

have a greater potential impact than ever before, making the management of sustainability an ever more critical and integral aspect of the business. Reporting on sustainability management and performance leads to improved outcomes as it encourages organisations to measure, track, and improve their performance on specific issues.

The Global Reporting Initiative (GRI) is a worldwide multi-stakeholder organisation that created and maintains the Reporting Framework, a global sustainability reporting standard. This year for the first time, we are reporting according to the GRI's Sustainability Reporting Guidelines.

Stakeholder engagement

Tullow aims to cultivate and maintain strong, open and lasting relationships with all key stakeholders. We recognise that all forms of engagement, whether community participation, public consultation or direct dialogue, are critical aspects of CSR and corporate sustainability. Engaging and involving stakeholders from a wide variety of different groups is not merely a social responsibility, but is also clearly aligned to achieving long-term business benefits.

Our strong investor relations and corporate communications programmes demonstrate all aspects of the Group's performance in a timely, uniform and transparent manner. We establish and maintain broad associations and partnerships and by maintaining open dialogues, Tullow secures direct and transparent communications with stakeholders across all levels of the business.

Why has the weather changed unusually?

Farhana Hussain Upama
Chapitala Govt. Primary School

The earth's temperature is not constant and over millions of years has changed through cycles of gradual cooling and warming (ice ages). These ice ages are related to the earth's position to the sun, and the make up of gases in the atmosphere.

These gases play an important role in the natural greenhouse gas effect, which is the trapping of the sun's energy as it bounces back from the earth. One possible reason for unusual changes in weather is that the amount of atmospheric greenhouse gases has increased due to the burning of fossil fuels, used to power our cars and our homes through electricity generation, for example.

This means more heat is trapped and the temperature rises creating global warming. This warming is predicted by scientists to lead to extremes in the weather and potentially impact the timings of the seasons.

Paul Coward,
Corporate Environmental Advisor

Effective risk management is critical to achieving our strategic objectives and protecting people, the environment and our reputation.

What does Tullow do for natural calamity stricken people?

Afroza Sididka Zui,
Bangora Govt. Primary School

Tullow takes an active and responsible role in providing immediate support to those stricken by natural calamities. When a severe earthquake struck Pakistan in 2005, over a million people were killed, injured, or became homeless. Our donation to a rehabilitation programme allowed a great number of people to recover from their injuries under the care of experienced doctors.

In November 2007, Cyclone Sidr hit Bangladesh, affecting thousands of people, many living in communities surrounding our operations. Significant food shortages occurred and our support assisted in the challenge of delivering food aid to the affected areas.

Dr Sajjad Ahmed Gill
EHS Manager and Tullow Doctor

Working with Communities

We have developed a social initiative called 'Working with Communities' to encapsulate what Tullow aims to achieve in its social and community initiatives across the Group.



Effective governance

Tullow's Board and Senior Management are fully committed to all aspects of good corporate behaviour, with corporate responsibility and accountability being guided by a clear governance framework, and reflected in our organisational structure, policies and processes.

Details of how Tullow manages its corporate governance, together with information on the Board Members and committees, are detailed extensively on pages 52 to 54 of the 2007 Annual Report.

Strong risk management

As an oil and gas exploration and production company, Tullow's operations are exposed to a range of technical, geological, operational, political, environmental, health and safety, and financial risks. The Board has ultimate responsibility for the effectiveness of the Group's risk management activities and internal control processes, and the objective is to ensure Tullow has appropriate systems in place for the identification and management of risks.

Environmental surveying prior to commencing seismic activities in Madagascar.



Effective risk management is critical to achieving our strategic objectives and protecting our people and reputation. Tullow manages and mitigates its risks by maintaining a balanced portfolio, through compliance with the terms of its licences and application of policies and procedures appropriate for an international oil and gas company of its size and scale. Information on other key risks, their potential impact, and the mitigation strategies we take are on pages 44 and 45 of the 2007 Annual Report.

CSR Committee

Our CSR policy formalises our long standing commitment to helping our local communities, and is regularly reviewed by the Board and signed off by Aidan Heavey. The policy, which is promoted across Tullow and is publicly available, documents our overall commitment and sets the agenda for the CSR Committee to manage a growing commitment to CSR activities. The Committee, which meets regularly, outlines the key elements of our CSR activities. It also provides guidance to those responsible for CSR activities, usually Business Unit Managers.

During the year, three additional members joined the Committee, expanding its skills and bringing a wider approach to dealing with CSR activities.

EHS Team

In Tullow, overall management of CSR and EHS is the responsibility of Graham Brunton as Head of EHS who reports directly to the nominated Executive Director with responsibility for Health and Safety, Aidan Heavey, Tullow's Chief Executive Officer. The EHS Team expanded further in 2007, with most resources being dedicated to meeting the challenge of embedding Tullow's culture into newly acquired operations. Team members have also increased their hands-on knowledge of our operations through secondments to other areas of the business, allowing us to build an adaptable, multi-disciplined team who are able to identify, share and build on best practice within the business.

Why don't you give money to charity?

Norbury School

Tullow has an active CSR programme which is committed to supporting social and community development projects in areas where we operate. Tullow's first choice is to do the work directly, such as building schools and drilling water wells, so we can maximise the use of funding for each project.

However, we do partner up with charities where this is the best avenue to make a contribution. One such example is the work Sightsavers do in preventing the spread of detrimental eye conditions in local communities in Ghana. We also work with charities to provide fast and effective relief through our Emergency Fund. For example, in Sudan we supported children affected by conflicts in Darfur.

Ahlem Gamri,
Contracts Assistant

Latibu Kyomuhendo and Nahya Nkinzi (Tullow Uganda) inspecting the results of the beekeeping and sunflower planting initiative in Kaiso-Tonya.



Meeting the challenge of environmental risk

We have built and are actively maintaining systems and processes to manage environmental issues across the wide array of landscapes and habitats we encounter in our global operations.

How we've progressed

Good performance

No significant environmental incidents

12%

Reduction in EU ETS CO₂ emissions

Mitigation

Through proactive assessment

37%

Reduction in indirect emissions from Bacton

For more information visit:
www.tullowoil.com

Clear policy and standards

Our goal, as supported by our EHS policy, is to balance full consideration of our impacts on the surrounding community and environment whilst meeting our business goals. As a minimum standard we aim to comply with the regulatory parameters in the countries where we operate or, where the local legislation is less developed, we set appropriate standards to work to.

Our Integrated Management System (IMS) requires that the environmental impacts of our activities are assessed qualitatively and quantitatively. We are able to satisfy this requirement through the preparation of Environmental and Social Impact Assessments (ESIAs) which we set as a Tullow requirement for all drilling, seismic and production operations. The ESIA process ensures that we undertake a thorough assessment of the environmental issues we need to manage prior to undertaking any activity and that environmental considerations are aligned with our decision making processes.

A guidance tool has been developed to assist Business Unit Managers in the preparation of comprehensive ESIs in order to ensure consistency in the quality of assessments throughout our operations. Environmental protection and social commitments made in our ESIs are managed on a day-to-day basis to ensure we deliver on these undertakings.

Our focus on ESIs has been extensive during 2007, particularly in Uganda where we carried out numerous assessments in the Lake Albert area including re-working an existing assessment where we felt the core environmental issues had not been adequately addressed. A core element of our drive for continual improvement is the capture of representative data.

Expanded reporting

Historically, the UK has provided the majority of the data reported and, although still the most significant contributor in 2007, we have expanded the reach of our environmental KPIs to reflect our widening operational base. We now include atmospheric emissions data for our drilling operations, and atmospherics and process water reporting for our production operations in Pakistan and Bangladesh. CO₂ and methane (CH₄) data for production, drilling and well testing are also added to the 2007 data, the first step towards benchmarking our environmental performance. Our 2007 environmental data will be measured as part of our reporting against the environmental reporting criteria of the GRI.

Throughout 2008 we will continue to expand the scope of our data gathering in order to develop a comprehensive view of group performance.

Glossary

CO ₂	Carbon dioxide
CH ₄	Methane
ESIA	Environmental and Social Impact Assessment
EU ETS	European Union Emissions Trading Scheme
GHG	Greenhouse Gases

In 2007, we expanded our environmental reporting to reflect the enlarged Group and plan to build fully representative environmental data in the short term.

How are we meeting the challenge of environmental conservation and biodiversity?

Supporting biodiversity

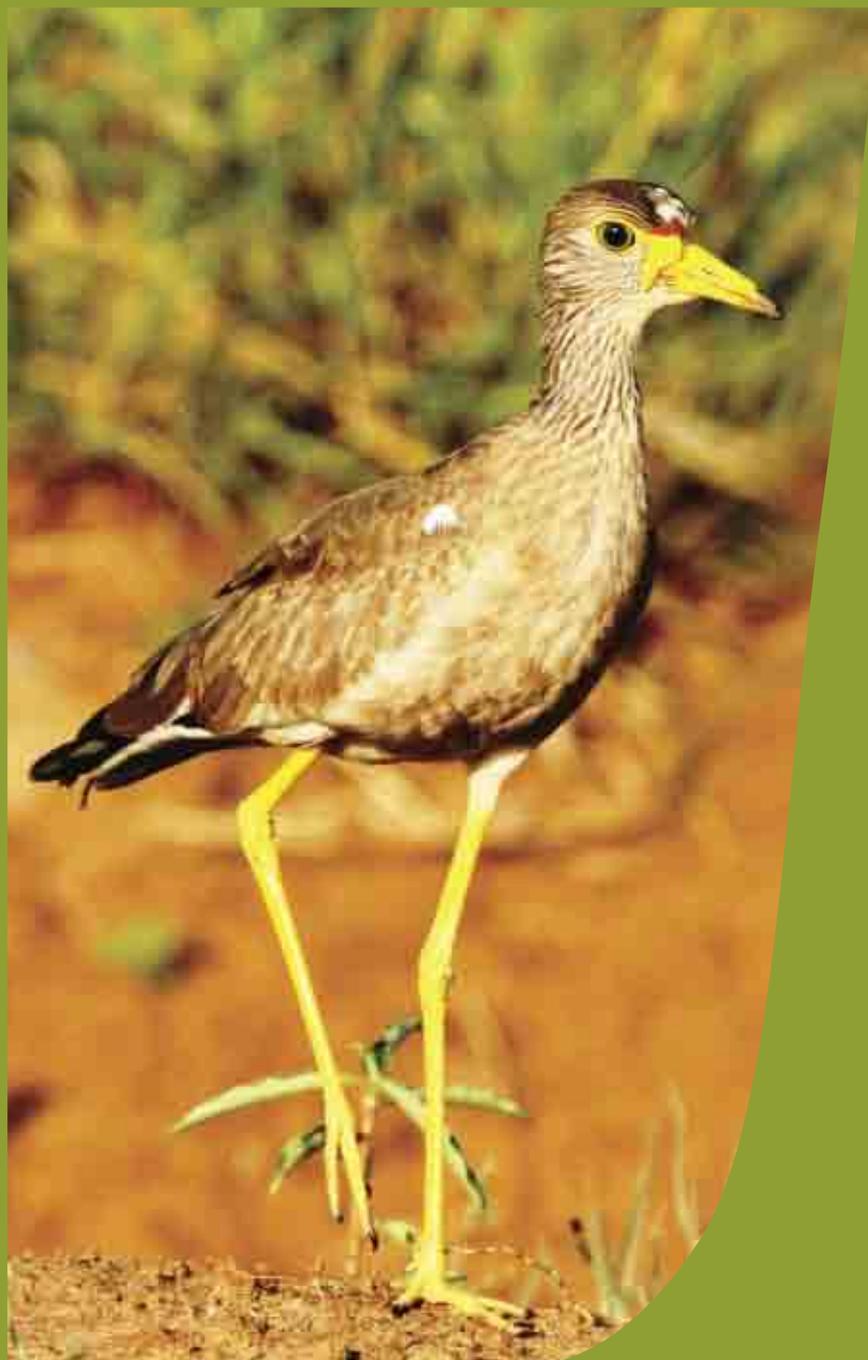
Many parts of our operational activities have the potential to impact upon sensitive ecosystems and it is our responsibility to minimise and mitigate our impact on biodiversity and to strive to fully understand the complex relationships as part of the ESIA process prior to operations.

During 2007 we utilised our Biodiversity Action Plan (BAP) to focus on key areas across the Group. Biodiversity is included in our EHS policy and forms a core part of our ESIA process.

Since 2003, Tullow has supported research by the Programme for Conservation and Rational Utilization of Forest Ecosystems in Central Africa (ECOFAC) which helps to minimise the spread of the Ebola virus between humans and primates and benefits the local communities through eco-tourism. In Cape Town we part-funded a Southern African Foundation for the Conservation of Coastal Birds (SANCCOB) project to assist in the rehabilitation of oiled sea birds. Although Tullow has no operational activities in this region, we are well aware of the impacts oil spills can have on wildlife and felt it was appropriate to support such a worthwhile cause.

Further ISO14001 certification

The continuing development of our IMS has resulted in two more locations being added to the Tullow corporate ISO14001 certification over 2007. Both our Dublin office and Bangladesh operations were successful in demonstrating that they are operating within the environmental management system set out in the Tullow IMS. ISO14001 certification provides Tullow operations with a systematic approach to assessing the environment in which we operate, allowing an appraisal of potential impacts and prioritisation of these in management planning.





Assessing environmental sensitivities in the Lake Albert area

The Albertine Rift stretches from the northern end of Lake Albert to the southern end of Lake Tanganyika and extends through Uganda, Rwanda, Democratic Republic of Congo, Burundi and Tanzania. The area is one of Africa's most important sites for the conservation of biodiversity and has been identified as 'an important bird area' by Birdlife International, 'an ecoregion' by the World Wildlife Fund, and a 'biodiversity hotspot' by Conservation International.

The shores of Lake Albert, one of the Great Lakes of Africa, are home to numerous fishing communities that are directly dependant on it for subsistence fishing and water for domestic use. To the northeast the Lake borders on the world famous Murchison Falls Wildlife Reserve.

In recognition of the rich environmental, economic and social value of the Lake, Tullow has been conducting a two-year programme to assess the key environmental impacts of our activities and to ensure that work programmes are properly managed. We started with a Strategic Environmental Overview Report and will conclude with rigorous ESIA's of onshore and offshore activities.

Phase 1 included a comprehensive review of all existing environmental and socio-economic information on Lake Albert to develop recommendations on specialist studies and activities required to ensure a consistently high standard of ESIA. A secondary objective was to make the review widely available as an information resource.

Key recommendations for Phase 2, arising from Phase 1, were related primarily to a lack of available information and thereby understanding of aspects of the biophysical and socio-economic environment. To overcome this during Phase 2, we undertook:

- Mapping of all ecological habitats and socio-economic sites that may be sensitive to oil spills. This together with the oil spill modelling will allow for the development of a robust oil spill contingency plan;

- Identification of critical lake habitat types and initial pre-activity studies to better understand fish distribution and its relation to these ecological habitats;
- Capturing of socio-economic data for villages and other potentially affected communities on Lake Albert's shores and environs. The focus is on directly affected villages and includes a detailed survey of the fishing sites; and
- Water and sediment quality baseline data have been captured prior to offshore exploration activities to ensure we minimise our impact during operations.

The above studies are all nearing completion, facilitating the start of Phase 3. This will consist of ESIA's for both onshore and offshore activities that are built upon a sound data base and process. In tandem with the start of the ESIA's, Tullow will commence work on the recommendations below which relate to promoting sustainable development in the Lake Albert area, developing robust 'Working with Community' programmes as part of our CSR initiatives, including:

- Developing a strategic communications plan that allows for effective and coordinated communication with all stakeholders;
- Working closely with these stakeholders to develop comprehensive CSR programmes; and
- Supporting long-term research/monitoring programmes, through partnerships with government institutions, which will assist in better understanding the physical and ecological functioning of Lake Albert, and help with sustainable management of natural resources.

Pictured above: Shores of Lake Albert, Kaiso-Tonya, Uganda

For more information visit www.tulloil.com



Tulow and climate change

We recognise that CO₂ and CH₄ emissions from the use of hydrocarbons in our exploration and production activities contribute to climate change. These are generated primarily through operating combustion engines, cold venting of gas, electricity generation and well test operations.

In 2007, we expanded our recording of GHG emissions beyond the UK and have incorporated CO₂ and CH₄ attributable to drilling, well testing and production across the Group. Capturing this data allows the identification of major sources and contributing activities so that we can target and implement, where feasible, appropriate reduction strategies.

In 2007, we are benchmarking these key metrics against an industry accepted position of units per thousand tonnes of hydrocarbon produced. This figure is calculated for operated production versus CO₂ and CH₄ emissions discharged. This method allows a more balanced view of our emissions and allows future growth to be factored in. The 2007 data are compared to the most recently published industry averages across OGP members for 2006.

In the UK we continue to participate in the European Union Emissions Trading Scheme (EU ETS) and, in 2007, achieved a further 12% reduction in CO₂ emissions over our 2006 figure. This was primarily linked to the comingling of the Hewett field and Lancelot Area Pipeline System (LAPS) field gas flows which continues to deliver marked improvements in emission reductions. The Bacton terminal is now self-sufficient and can maintain operations without the need for grid electricity, improving security of supply. In 2007 the Hewett to LAPS project was awarded a Business in the Community Big Tick Award, in recognition of the positive steps we have taken towards reducing our environmental impact.

In Bangladesh, at the Bangora facility, upgrading the diesel generator to run on either process gas or diesel, has resulted in improved emissions performance from gas combustion when compared to diesel. It also means greater resilience for site production given the reduced requirement for diesel.

The concept of climate change and the manner in which we work to reduce our potential contribution to the phenomenon are complex. We support a number of initiatives to reduce emissions and in 2008 will consider what role we can play

in the Clean Development Mechanism (CDM). The CDM is a mechanism that allows countries with emission reduction targets under the Kyoto Protocol to invest in sustainable development projects, thereby allowing the offset of GHGs and gaining of credits to achieve targets.

Carbon capture and storage (CCS)

With increasing pressure on governments, industry and individuals to reduce the impact of human activities on the climate, we are proud to be involved in a project to assess opportunities to use our assets in new ways to contribute to the reduction in CO₂.

CCS is a way of preventing significant volumes of CO₂ from escaping to the atmosphere by capturing it at the point of release. This can then be transported to a suitable location for injection deep underground for long-term storage.

As some of our UK Southern North Sea gas reservoirs approach the end of their production life, there may be an opportunity to use them to provide safe long-term repositories for CO₂. Using our operational experience and technical competencies within our existing infrastructure we are working towards making CCS a reality in the UK.

Disposing of waste

Ensuring that our duty of care is fulfilled in disposing of our waste and by-products is one of the biggest challenges we face in developing countries, primarily due to a lack of infrastructure and feasible disposal routes. As part of an ongoing programme, we are investigating ways of working with local community facilities to ensure that our waste by-products are handled in a responsible manner through to final disposal. An example of this is the sanitary waste disposal systems we installed at our camp sites in Uganda. This system treats waste water and returns it to a standard similar to drinking water and fully able to be discharged.

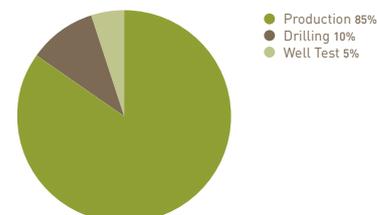
Responsible water use

Many activities associated with our operations require the use of fresh water. Some of our operations are in regions where access to fresh water for human consumption is limited by poverty, infrastructure or climatic conditions and one of our priorities is maintaining or supplementing water supplies.

In Uganda the preliminary design work for the Early Production System (EPS) highlighted the potential for

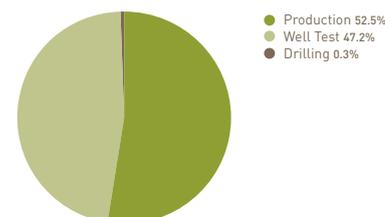
Group CO₂ emissions 2007 (tonnes)

Contributors to Group CO₂ emissions by activity. Total emission of CO₂ was 234,462 tonnes.



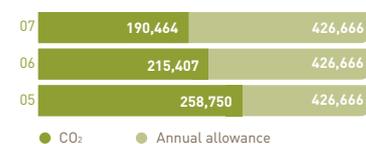
Group CH₄ emissions 2007 (tonnes)

Contributors to Group CH₄ emissions by activity type. Total emission of CH₄ was 318 tonnes.



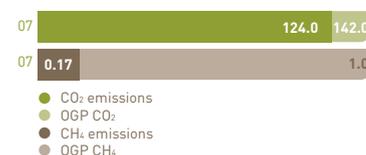
UK EU ETS performance 2007 (tonnes)

Further improvements in operational philosophy realised a 12% reduction in CO₂ emissions against 2006 figures and compliance against our annual allowance of 426,666 tonnes.



Production emissions (per thousand tonne Hydrocarbon)

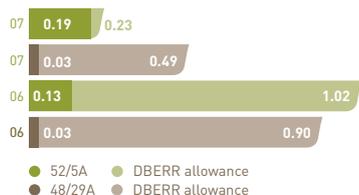
In order to benchmark our performance we have compared our data for 2007 against OGP average data for 2006. This new measure allows growth to be factored into our performance measurements.



In line with our EHS policy we aim to minimise pollution, especially the accidental release of oil, chemical or other substances harmful to the environment.

UK Offshore installations total oil in produced water (tonnes)

Hewett 48/29A and 52/5A continued to meet their produced water total oil discharge allocation.



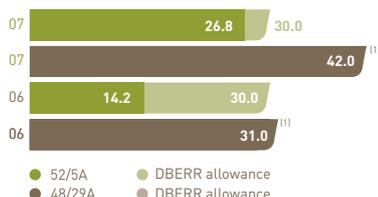
increased water usage both for reservoir management and as part of the process facilities. Detailed studies on impacts to the lake and the local community were undertaken and following these assessments it was decided to use aquifer water pumped from a specific aquifer 50 m below ground level. The studies highlighted that pumping water from this location will not impact on the lake due to its distance from the facility nor the local community who rely on shallow wells.

Oil and chemical spills

All spills are reported regardless of size, and the significance of a spill is defined utilising the Tullow accident and incident investigation process. This process takes into account the type of substance, quantity spilt and location in which the spill occurs. All Tullow operational activities have spill response plans which outline immediate action to deal with oil and chemical spills.

UK Offshore installations average produced water quality (mg/l)

UK installations initially struggled to meet the compliance limit, primarily due to a change in measurement methodology.



Produced water discharges

Produced water, a by-product of the production process, is brought to the surface as reservoir water with the oil or gas and is separated out during the production process. This water is discharged to the environment and although treated still contains small amounts of residual hydrocarbons recorded as oil in water discharges. The oil in water discharges from our two UK installations, Hewett 48/29A and 52/5A, are regulated under the Oil Pollution Prevention and Control permit regime.

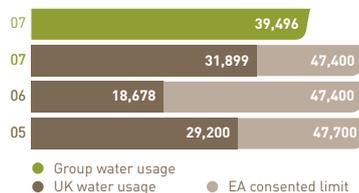
Mature asset management

The Bacton terminal was built and commissioned in 1969 and has been operated by Tullow since 2003. We are meeting the challenge of operating this facility to maintain safe and efficient production while also meeting the new rigorous environmental legislation.

We have directed our attention to issues that make a material difference and, throughout 2007, asset integrity and environmental management in the form of our Integrated Pollution Prevention and Control (IPPC) application have provided this focus at Bacton.

Water utilised in production activities (m³)

The graph highlights continued compliance in the UK against the Bacton terminal's abstraction licence, and water utilised in production across all Tullow production sites.



A change to the analytical methods for the sampling of oil in water led to a number of non-compliances with the 30mg/l quality standard at the start of 2007, with each instance of non-compliance being reported to the UK regulatory authority. As we responded to the change in methodology, our performance improved and we brought the installations back into compliance. Despite these early non-compliances both installations met the total oil in water discharge criteria for the year.

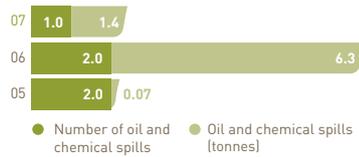
Asset integrity has long been a key issue within oil and gas operations. However, in 2007, with the publication of the Baker Report following the BP Texas City Refinery Explosion and the completion of the UK's Health and Safety Executive Key Programme 3 (KP3), the issues surrounding integrity have been given heightened publicity.

Across Tullow, we have improved our reporting of oil in water, and the total amount of produced water discharged for our Group operated assets was 7,400m³ equating to a Group-wide oil discharge of 0.22 tonnes.

A review of the findings of the Baker Report ensured that, where applicable, lessons from the incident were applied to our own operations. This has resulted in regular integrity workshops at the terminal involving site management and key personnel. These aim to increase awareness and tackle problems as they arise, continually challenging the way in which we manage integrity to ensure a robust system that delivers assurance.

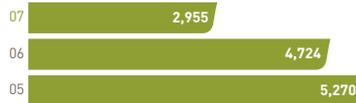
Oil and chemical spills

In 2007 1.4 tonnes of oil was spilled during onshore well test operations in Uganda. The operation was halted and the affected area cleaned, mitigating any risk to the environment.



Bacton Terminal UK indirect CO₂ emissions (tonnes)

Emissions associated with the purchase of electricity are reported as indirect emissions. For 2007, utilisation of on-site generation has allowed a reduction of 37% from that recorded in 2006.



Environmentally the site is controlled both voluntarily through the Tullow ISO14001 certified management system and through the site's IPPC permit, regulated by the Environment Agency. Our IPPC permit became live in June 2007 and the first stages required the development of a site condition report outlining any key areas of concern and the investigation of any potential sources of land contamination.

Our most recent improvement project involved the retrofit of digital air/fuel ratio controls on one of our older compressor engines in Bacton to Best Available Techniques. This project has ensured more consistent air emissions performance and control as well as improved energy efficiency.

2008 to 2010

Our short-term goal is to build fully representative environmental data and during 2008, for example, we will look at energy efficiency auditing and the carbon footprinting of our operations and will include water consumption across our drilling operations. Our longer-term environmental goals are outlined on page 7 of this report.

Student experience: We provided an opportunity for a student, Jean Heavey, to work in the field in Uganda over the course of the summer. During this time she assisted with CSR activities in the field including helping to build a new school.



Meeting the health and safety challenge

Health and safety considerations are at the heart of everything we do at Tullow. If poorly managed, our operations have the potential to adversely affect not only our staff and contractors but also third parties, including local communities.

How we've progressed

Better security

Improvements made across the Group

10

LTIs in 2007

Clear goals

Set out for 2008 to 2010

Zero

LTIs in the first quarter of 2008

For more information visit:
www.tullowoil.com

Clear competencies and policy

To ensure that health and safety is managed correctly, EHS issues are an important part of line management competencies and they are supported by a dedicated, qualified team of EHS personnel. We have developed a comprehensive suite of policies and procedures to support our activities and, most importantly, everyone in Tullow is empowered to stop any activity if there is an unacceptable risk of accident or environmental incident.

Group level KPIs include specific health and safety metrics and, at a team level, we maintain a suite of proactive and reactive KPIs to measure our performance. Following on from our annual review process, we have developed a set of longer-term KPIs to ensure consistent progress for the business.

Industry benchmarking

As members of the International Association of Oil and Gas Producers (OGP), we use their metrics to ensure our health and safety data is fully aligned with recognised standards. This allows for effective benchmarking of our

performance and ensures our publicly reported data has the appropriate context for measurement.

We aim to compare our current data with that of the OGP but, due to availability of the relevant information, we can only use a best estimate of the 2007 data, supplied by OGP, until their verified information is published some four weeks after our CSR report. This means that in our 2006 report we quoted OGP figures of 1.09 for LTIFR and 3.07 for TRIFR but recognise that the OGP final figures, published in June 2007, were 0.99 and 2.92 respectively.

Excellent operational safety

In 2007, we had several examples of excellent health and safety performance including operations at our temporary logistics base in Namibia, and our Bangora facility in Bangladesh.

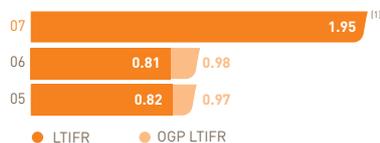
The drilling programme for our Kudu well, based some 200 km off the coast of Namibia, was supported by a logistics base established in the port of Lüderitz. The base remained operational for the duration of the drilling programme and during these 200 days the team successfully handled 80 ship movements

Glossary

EHS	Environment, Health and Safety
KPI	Key Performance Indicator
LTI	Lost Time Injury
LTIFR	Lost Time Injury Frequency Rate
HIPO	High Potential Incident
IMS	Integrated Management System
TRIFR	Total Recordable Incident Frequency Rate
OGP	International Association of Oil and Gas Producers

Lost time incident frequency rate (LTIFR)

10 LTIs coupled with a 16% reduction in hours worked during the year led to an unacceptable increase in our LTIFR.



(1) 2007 OGP LTIFR estimate is 0.67

Total recordable incident frequency rate (TRIFR)

There was a reduction in total recordable incidents during the year and planned improvements will help us to bring our TRIFR more in line with industry standards.



(1) 2007 OGP TRIFR estimate is 2.71

How are we meeting the challenge of combating the spread of malaria?

and almost 5,600 tonnes of supplies without incurring any LTIs. This achievement demonstrates strong EHS leadership and employee dedication to a safe operation from the outset of the programme.

Our Bangora facility in Bangladesh completed its first year of gas production in May 2007 with no LTIs. During this period, the team worked over 280,000 man hours, with up to 100 people onsite at any given time. Continuing the positive trend, Bangora remained LTI free for the whole of 2007, despite being affected by some of the worst monsoon flooding in six years. Overcoming many operational challenges, Bangora also produced over 18bcf of gas, and continued production during simultaneous drilling, testing and well tie-in activities.

Increased LTIs

We recorded 10 LTIs in 2007, which when coupled with a 16% reduction in hours worked across the group, raised our LTIFR to 1.95. LTIFR is the number of lost time incidents per million hours worked. The 2007 LTIFR is in contrast to the steady improvement in safety performance recorded in recent years and is unacceptable to us. During the annual EHS review with the Tullow Board, there was a clear mandate for improvement and we have taken significant steps to meet this challenge, which are already achieving results. The first quarter of 2008 was LTI free, with over two million hours worked since the last LTI. We recorded one LTI in Uganda, in April 2008.

Recordable incidents

There were no fatalities during the year, and analysis of the 65 recordable incidents showed few distinctive trends in the type of incident we were recording. There was a significant reduction in the occurrence of malaria and insect bite cases among local personnel in comparison with 2006, reflecting positive contributions from our Malaria Management Programmes. While the number of recordable incidents fell in 2007, a reduction in hours worked means that the Total Recordable Incident Frequency Rate (TRIFR) increased slightly. The improvements planned for reducing the number of LTIs should reflect a similar improvement for this metric, and bring it more in line with industry standards.





Pakistan Malaria Management Programme

In our 2006 CSR report we described the early stages of a malaria management programme in Pakistan that was being run in association with the Federal Malaria Control Board of Pakistan (FMCB).

This project developed further during 2007 and, working closely with the FMCB, we became closely involved with three different villages near our Chachar operations to ensure that the programme was both effective and worthwhile. We also implemented the same measures at the Chachar site to reduce the risk among our team.

A survey taken at the outset of the programme revealed that while all three villages had experienced malaria none of the 2,000 inhabitants had received any education about the risks of malaria.

The key to success was to involve local communities to educate them about the dangers of malaria and preventative measures and to involve them in the three phases of spraying with a contact poison to kill mosquitoes which occurred during the year.

Indoor residual spraying took place between April and September, the peak time for malaria. We followed World Health Organization (WHO) recommendations and used an approved chemical for all phases of spraying. Those carrying out the spraying were trained in the use of Personal Protective Equipment (PPE), spraying techniques, use of spraying units and the specific hazards of the chemical involved.

The FMCB provided 300 good quality mosquito nets to WHO standards for distribution in the Chachar camp and the three villages. The nets were distributed by Tullow along with a specially designed wall clock to provide a longer-term reminder of the key important malaria advice the community was given during a formal village meeting. Support for this programme at Chachar will extend into 2008.

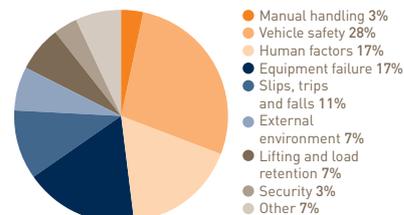
A post-programme survey in September 2007 highlighted a reduced number of malaria cases and no reported malaria deaths over the period.

Pictured above:
Malaria awareness presentation, Chachar, Pakistan

For more information visit www.tulloil.com

High potential incidents (HIPO) (%)

The potential impact of an incident rather than its actual impact is very important to measure and learn from.



Reported incidents

Our review of the Accident and Incident Reporting System in 2006 generated an improved process in early 2007. The new process places the focus of our investigations on the potential rather than the actual severity of the incident and releasing this revision was one of our objectives for 2007. Paying specific attention to the potential severity of an incident is a way of identifying key learnings and improvement opportunities before an actual incident occurs. However, the significant increase in High Potential Incidents (HIPOs) from three in 2006 to 29 in 2007 cannot wholly be explained by this new procedure and must be taken in context with an increase in high risk activities. To put specific focus on this issue, we have initiated monthly meetings to review the reported incidents and ensure the learnings are shared appropriately.

Analysis of the HIPOs shows that the main recurring operational themes are human factors, equipment failure, and vehicle safety which collectively account for 62% of the incidents.

Vehicles and driving safety

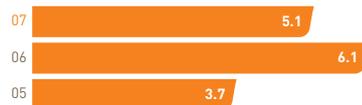
Vehicles and road journeys represent one of the most recognised risks in the industry, and at the end of 2006 we issued a corporate Driving Policy to set core standards to help manage this critical issue. In developing countries, where there are greater risks associated with driving, the corporate policy is supported by a JMP, detailing country specific requirements. As part of the EHS audit programme, compliance with the Driving Policy will be audited during 2008 and we will continue to raise internal best practice. In 2007, 2.5 million km were driven across the Group, 19 motor vehicle crashes (MVCs) per the OGP definition



How are we meeting the challenge of improving our security arrangements?

Hours worked (million)

There was a 16% reduction in the number of hours worked in Tullow during 2007, after a record year for activity in 2006.



were recorded, eight of which were defined as HIPOs.

Our Bangladesh operations maintain a comprehensive JMP for all land based journeys outside Dhaka and, in particular, the three hour trip to the Bangora field. This plan includes a requirement for Tullow drivers to record any near misses that occur to them during their journeys and the Bangladesh Team developed a definition that is easy for the drivers to understand and apply. The definition of a near miss involves 'having to change direction and/or speed in order to avoid having a near-certain collision with another vehicle' and is more detailed than the OGP definition in order to properly quantify this specific risk and continually seek ways of reducing the risk.

During 619 journeys undertaken in Bangladesh in 2007, 952 near misses were reported but only four actual incidents occurred, all of which were defined as light by OGP. Bangladesh drove 11% of the Group's vehicle kilometres in 2007.

Continuous learning

Continuing improvements in technology and equipment now mean that behavioural safety is a key factor in incidents and is often related to procedures, training, communication and personal responsibility for safety.

One of the LTIs that happened during the year when an unauthorised and unsafe modification to scaffolding on one of our production facilities allowed it to move when an employee leant on it. This was not reported and later when another employee leant on the same section he jarred his back. A full incident investigation was carried out, the importance of near miss reporting was reinforced and scaffolding modification procedures were reviewed.



Meeting the challenge



Key security initiatives across the Group

Managing the security of our people and facilities is a fundamental part of our health and safety activities, and we face a number of challenges to successfully manage security in different countries and minimise the potential impact of any disruption.

Security arrangements for our UK operations have always had a high priority and, during 2007, the terminal at Bacton implemented a comprehensive upgrade programme in collaboration with the UK Government. The integrated modifications incorporate state of the art technology to improve security and provide Tullow's security staff and civil authorities with the necessary tools to respond swiftly and appropriately in the event of an incident.

As with our UK assets, the security concerns in Pakistan are largely asset specific, despite the local political instability. Our most effective method of security is the close links we build with the local community and this openness and transparency through our 'Working with Communities' initiative fosters a positive relationship and the people see us as part of their community. We provide local employment and our CSR activities support water wells and schools in the area. This is the most effective form of natural security although we still maintain the minimum requirements in terms of physical security such as fencing and security personnel.

In Uganda, our community based approach to security remains important especially as we are working with different cultures and cross border issues. Our approach is to work with all stakeholders including the relevant government representatives to ensure everyone understands our purpose on the Lake and the activities we are undertaking. We also employ appropriate consultants to carry out security risk assessments for key tasks on the Lake and, over 2007, we modified some work programmes to minimise risks.

For all people travelling on Tullow business, we provide travel security advice in pocket sized booklets and specific customised security information prior to every business trip. With respect to the security of Tullow assets and resources, our long-term objective is to align our operations with both the UN Global Compact and the Voluntary Principles on Security and Human Rights.

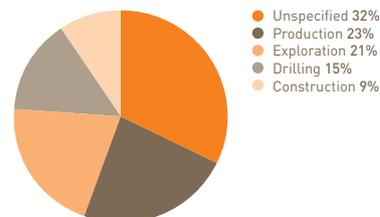
Pictured above:

Monique Beattie, Graham Brunton and Gordon Phillips, security review, Bangora, Bangladesh

For more information visit www.tulloil.com

Hours worked by activity (%)

Hours worked across the Group were evenly spread across the various activities undertaken.



We also had an incident in Uganda where a digger driver was repeatedly stung by bees after he inadvertently disturbed a hive during line-clearing for seismic operations. Swift responses by a colleague and the site medic ensured that the injured person was treated effectively and quickly thus avoiding further complications. Specific improvements were introduced to the risk assessment processes to address such hazards.

HIPOs are not limited to our field operations and we also experienced such events in our office facilities. As part of our security system in the London office, magnetic door locks are used to manage access to our offices. In 2007, the attachment holding one of these magnets in place failed causing the 2 kg block to fall from the top of a door, injuring an employee. Our investigation found that the design of the attachment point was flawed and we worked closely with the providers to produce a new attachment mechanism which replaced all similar fittings in our office.

EHS leadership

EHS leadership is a key behaviour among the Tullow management team and is a required competence during the recruitment process.

We participate in the UK oil and gas industry's 'Step Change for Safety' initiative, which drives health and safety improvements across the sector in the UK. Part of this initiative is the 'Boots on for Safety' campaign that involves site visits by business unit managers in order to raise the profile of safety and safety awareness.

We took this concept and extended it across Tullow including adopting it in Namibia for the Kudu drilling campaign in 2007. This involved a joint EHS visit to the offshore drilling rig by a Tullow



multifunctional management team together with representation from the drilling contractor, Pride, with the express purpose of reinforcing the commitment to safety of both companies. This drilling project lasted for 200 days and incurred just two reportable injuries.

EHS management

Our IMS provides the framework and guidance through which all our activities are managed, including management reviews, KPI setting and the annual EHS audit programme. The IMS sets the overall standard and expectations for our operations and, where appropriate, corporate guidance supports the IMS and defines specific procedures to follow. This is relevant in areas such as accident investigation and reporting as well as risk management.

Contractor EHS forums

Embedding Tullow's EHS culture into newly acquired assets has been more challenging than we initially anticipated. In order to meet this challenge in our Uganda operations we held two contractor EHS forums during the second half of 2007. These were one day events with meetings, trainings and interactive sessions designed to reinforce our cultural values and encourage and help contractors to raise safety standards across the operation. Subsequent to the forums we saw a reduction in the number of LTIs and an improvement in the quality

of incident investigation and reporting. The success of the forums has encouraged us to repeat them during 2008 and we are considering rolling them out to other areas of operation.

Crisis management

The London office has dedicated crisis management facilities supported by a 24/7 Crisis Management Team. While we hope this team will never need to be mobilised, it is important we continue to build their resources, capability and competence. During 2007, we held ten exercises to train a number of new members joining the team whilst other members changed roles. Our exercises are independently observed and subsequent to each one we receive a report outlining areas for improvement. The team mobilised once in January 2007 for an incident in the UK Southern North Sea and this was discussed in detail in our 2006 CSR report.

Annual review

The management review process has been a successful mechanism to formally evaluate our EHS position on an annual basis and the thoroughness of this process has continually improved since the first review in 2003. The current review is carried out across the Group during the fourth quarter of each year and ensures that Tullow's EHS policies and IMS remain relevant and appropriate. We also use this process to highlight the

key risks and activities for the upcoming 12 months. Both the EHS audit schedule and KPI setting process follow on from the review using the information gathered.

2008 to 2010

Our short-term focus is on restoring our health and safety performance and this year, for the first time, we have set longer-term goals to be achieved by 2010, including a requirement for all Tullow operated facilities to have a documented EHS Case by 2010. Full details are on page 7 of this report and outline a clear path for continuous improvement.

Driving in Bangladesh can be very hazardous and our operations there maintain a comprehensive journey management plan for all land based journeys outside Dhaka.



Meeting the challenges of a growing business

Tullow's success and growth has been central to our ability to attract top people, particularly in an industry where skills shortages and difficult demographics are a major challenge.

How we've progressed

120 projects

Supported across 19 countries in 2007

48%

Increase in staff during the year

Best companies

Tullow achieved a three star ranking

69%

Discretionary CSR budget spent in Africa in 2007

For more information visit:
www.tulloil.com

A growing team

Our aim is to employ the best and our employee base grew by 48% in 2007 with minimal staff turnover. We achieved the milestone of 100 staff in London by December, while headcount in Cape Town almost doubled during the year. We also have four more operational offices – Netherlands, Mauritania, Trinidad and Uganda – and where activity warrants, we aim to have a Human Resources (HR) professional in each office. To properly manage growth in the business, the HR team increased by three people, with a dedicated resource in Cape Town for the first time.

Continuous improvement

The HR team reviewed its business systems and invested in a new HR Information System (HRIS) which provides enhanced reporting and modelling tools allowing line managers access to information on their own teams.

We continue to develop new terms and conditions for employees to fit our changing business, with a secondment policy in place to make the transfer of staff and skills between our offices attractive and thus enabling us to build on our capabilities around the world. Currently we have 17 staff assigned to locations away from their home office.

In line with Tullow's business principles, we are committed to creating a working environment where everyone is respected and there is mutual trust. Our policies on ethics, anti-bribery, harassment, speaking up and equal opportunities are embedded in all the new areas where we operate. These policies work – to date we have had no reported violations in any of these areas.

New facilities in Uganda

Our team in Uganda has moved into a purpose built office, large enough to accommodate the anticipated growth of both in-country and expatriate staff as the business expands. This office will have first class communications and facilities in an open plan, collaborative environment. We are forging strong links with local universities to attract top talent which we will train and develop into E&P professionals to provide local capability for this new industry in Uganda. A Ugandan HR professional will join the management team in Kampala in June 2008.

Diverse training and development

2007 saw a large increase in our global geoscience team in line with our decision to build up the skills and competency base in this vital area of our business.

Glossary

BITC	Business in the Community
E&P	Exploration and Production
HR	Human Resources
RoSPA	The Royal Society for the Prevention of Accidents

Our CSR policy formalises our long-standing commitment to helping communities where we have activities and is regularly reviewed by the Board.

How are we meeting the challenge of helping children in the poorest countries?

We are members of the Geoscience Training Alliance (GTA), which provides a comprehensive modular training programme to approximately 5,000 technical professionals from over 50 member companies worldwide. Tullow geoscientists from around the world – graduates to members of the Global Exploration Leadership Team (GELT) – attended nearly 200 days of training in 2007.

Our training and development activities in 2007 have been diverse, and highlights include an EHS leadership workshop with an external facilitator for the Board; an introduction to the E&P business for newcomers to the industry; legal workshops and finance and tax seminars.

Our development programme for the executive team continues, with investment so far being in the region of £150,000. The HR team plan to include online training modules on a variety of HR issues on the new HRIS and are working on a series of monthly 'Did You Know' bulletins for the Tullow intranet. Our training expenditure in 2007 was circa £500,000, with a budget for 2008 of £750,000.

Successful GOCare launch

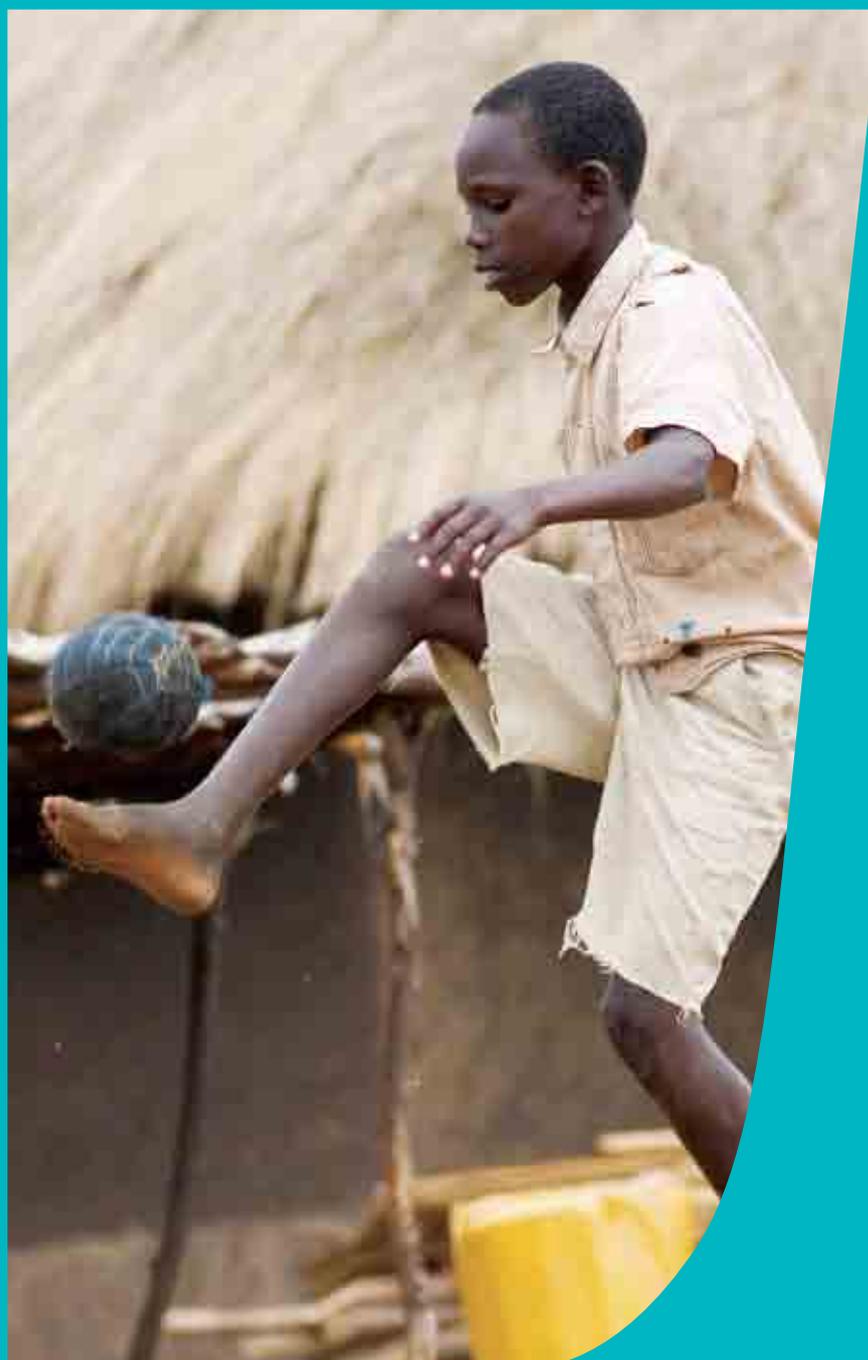
Last year we launched a medical referral and health monitoring programme called GOCare, which provides complete medical support for our employees.

During the year we conducted over 120 medical assessments in areas such as pre-employment, international travel, remote location expatriation, wellness programmes and offshore fitness. The output from these medicals allows us to track the general health of Tullow and, after the results are analysed, we will build the feedback into future reporting.

No human rights violations

Tullow recognises the importance of human rights and, following the appointment of Graham Martin, Tullow's General Counsel, as the nominated Director with responsibility for human rights, we tested our current position using external advisors. This review established that Tullow does not have human rights violation issues amongst either our own staff or other personnel involved in our operations.

However, we know that there are industry examples where human rights issues occur in developing countries during E&P activities and as a consequence we are working with our communities to ensure that human rights are adequately



Meeting the challenge



Giving hope to children in difficult circumstances

Home of Hope, a fledgling non-governmental organisation (NGO) operates two child protection centres from 'safe houses' in Cape Town region. These safe houses offer a warm and caring environment for neglected and abused children and services include counselling, crafts training, life skills and maths literacy.

Home of Hope had already identified the need for a safe house specifically for teenage girls and had commenced fundraising when Tullow learnt of their activities. Tullow agreed to pay the outstanding building costs of R399,000 (approximately US\$56,000) and made a commitment for two years to assist in maintaining the safe house. The safe house is now built and is called Tullow House.

With the intention of encouraging participation and to allow Tullow staff in the Cape Town office the opportunity to 'connect' with Home of Hope and participate in Tullow's CSR initiatives, staff members were asked to donate goodies which could be included in a welcome bag for the inhabitants of Tullow House. Tullow staff donated generously and gifts included toiletries, cosmetics and even a flute, while some included notes of encouragement. Tullow has a representative on the Home of Hope Board and we have plans to invite staff members to volunteer at Home of Hope on a rotational basis.

Home of Hope also launched a 24-hour emergency free-call number, in conjunction with their Mr Safe-T concept, during 2007. To date over 400 calls have been received and over 100 children removed from abusive circumstances.

The commitment and contribution to the community that Home of Hope makes is recognised by the South African Department of Social Services, who refer to them as a 'best practice' model for other charities.

Pictured above:

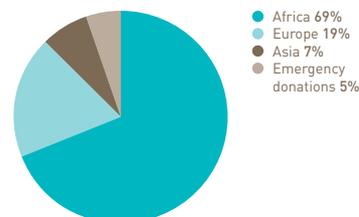
Lynda Biribonwa, Richard Brook, Graham Brunton, Linda Joseph, Eleanor Brook and Monique Beattie. Home of Hope, Cape Town, South Africa

For more information visit www.tulloil.com



2007 CSR expenditure by core area (%)

Africa generates over 50% of Tullow's production and represents over 80% of our reserves and resources.



and sensitively managed for all our operational developments.

As Tullow continues to grow, there is a need to have a clear position on human rights issues both internally and externally, and we have set a target to have a position on the United Nation's Global Compact and the Voluntary Principles on Security and Human Rights within three years.

We safeguard the rights of our employees through equal opportunity, non-discriminatory treatment and labour practices, as set out in the Employee Handbook and the CSR Policy. The rights of local communities surrounding our operations are considered through active engagement to identify their most material issues. Solutions are often reached by supporting focused community development projects.

Best Companies Award

In 2007, we decided to see how our UK employees perceive Tullow as a place to work by entering the annual 'Sunday Times Best Companies to Work For' competition. Based on staff feedback through an on-line questionnaire, organisations receive a score which determines their star rating compared to a fixed standard. One Star is first class, two stars are outstanding and three stars are extraordinary.

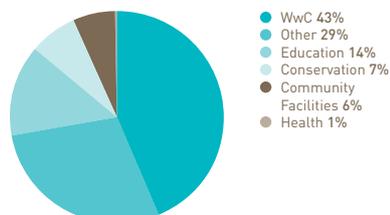
The Best Companies organisation was set up six years ago to identify the drivers of sustainable business performance. Their research shows that the key is 'workplace engagement', and they set about developing an academically rigorous methodology to measure the levels of workplace engagement in companies.

The resultant Best Companies Accreditation Scheme recognises those organisations that have achieved high levels in this area. While the 'Best

How are we meeting the challenge of providing a safe and clean water supply?

2007 CSR expenditure by classification (%)

Our prioritisation of our 'Working with Communities' programme is reflected in the expenditure allocation by the CSR committee.



Companies To Work For' competition has an instant impact at the time of the publication of the results in March each year, accreditation is a constant, year-round reminder of an organisation's ability to be an exceptional place to work.

We gained the highest possible ranking, three stars, for our first attempt at accreditation. This is an extraordinary achievement and something we are all very proud of, especially since 90% of our score came from employee responses. Only 14 other companies out of a total of 868 achieved three star status at the first attempt. We have now established a standard in the UK and will be working hard to maintain it.

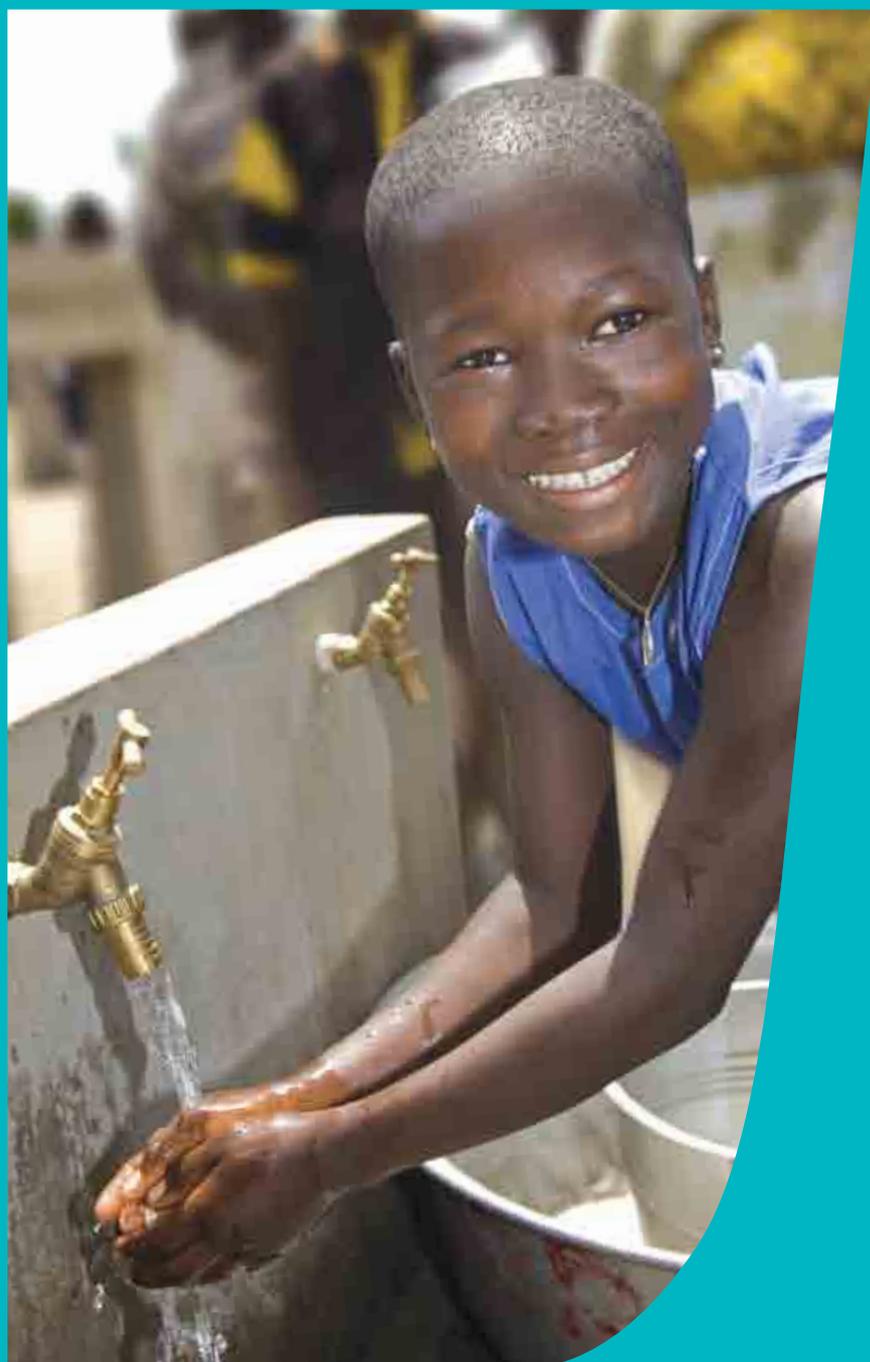
HIV and AIDS awareness

The prevalence of HIV/AIDS across the developing world, and Africa in particular is well documented, is one area where we need to meet the challenge of managing local labour. Tullow's existing policy on HIV/AIDS in Africa is being developed into a Group wide position.

Our 'Working with Communities' programme has fostered several training and awareness sessions, predominantly in Uganda where we are in partnership with two NGOs, to deliver initiatives such as the distribution of condoms and voluntary testing and counselling. We also provide accommodation for an HIV/AIDS Advisor and facilities for training sessions for the local community in Kaiso-Tonya.

CSR is a core value

CSR is a core Tullow value and is part of our organisational culture. The programmes we engage in not only support the communities and protect the environment in which we work, but also give Tullow a competitive advantage and the ability to develop a political and community profile that supports our



Meeting the challenge



Water is life

One of the key elements of Tullow's approach to CSR is to facilitate basic health, hygiene and water needs of communities wherever possible and, following the success of Tullow's initiatives to provide clean, safe drinking water to local communities in Uganda and Pakistan, a similar project was undertaken in the western region of Ghana in 2007.

Tullow embarked on a three-month project to install 12 mechanised and hand pumped water wells across the Jomoro District using local contractors to drill the wells. These wells support over 13,000 people and, with the five mechanised wells each connected to a large storage tank, provides continuous access to fresh water.

In November, an opening ceremony was held at Mangyea, a community in the Jomoro District. The District Chief Executive was the main speaker and was supported by the Traditional Chief of the area, and all of the sub-chiefs. A representative from the Ghana National Petroleum Corporation (GNPC) was invited and staff of the Jomoro District Assembly and community members were also present.

The event allowed Tullow's staff the opportunity to collect feedback from the attendees and, as a result of the open dialogue with a wide range of stakeholders, Tullow has identified further demand for access to safe drinking water and now plans to expand this project with more wells scheduled for 2008.

In order to ensure that each of these water wells remains operational and provides clean and safe water for the long term, Tullow has partnered with the Department of Community and Water Sanitation to provide two contractors for every five wells and these contractors are charged with keeping the wells in good working order.

Pictured above:
Maree Early, water wells opening ceremony, Jomoro District, Ghana

For more information visit www.tulloil.com



business objectives. Our activities focus on the 'right thing to do' and we prioritise our support from the provision of basic needs such as clean water to helping to improve future prospects through education initiatives and by setting up co-operatives and providing greater access to product markets.

We operate in a number of countries where access to basic requirements such as clean water and health care is limited and key EHS standards are either not in place or not adhered to. It is under these circumstances that we have to meet the challenge of developing programmes to bring as much support as possible to a specific area while also driving improvements in EHS awareness and activities in order to minimise the EHS risk to people and their community.

In 2007, we were involved in 120 projects across 19 countries with a discretionary spend of US\$0.9 million (£0.5 million) on social and community development projects, compared to US\$0.5 million (£0.3 million) in 2006. We implemented significant improvements in the completeness of data collection and understanding of the budget process, both of which will assist in our plan for future external assurance.

In addition to the discretionary CSR spend we also contribute substantial funds as part of our licence commitments. Our improved understanding of the discretionary spend provided the opportunity to progress the documented position of our licence commitments, and we are actively gathering this data for operated and non-operated licences with a view to reporting our full expenditure.

Growing support

Despite almost doubling our discretionary CSR spend in 2007, our total expenditure fell short of the budgeted amount, a situation that we certainly do not want to repeat in 2008 where the discretionary budget is US\$2 million (£1 million). To facilitate the required improvement, we have introduced a number of changes including:

- refining our internal communication to ensure regular monitoring and management of expenditure;
- improving communication and clarity around the allocation of funding with a formal arrangement to assess and approve projects; and
- recruiting a CSR Advisor to facilitate the approvals process, report monthly to the CSR committee and assist with project selection and analysis.

November: Doug Lyons, Chris Pickford, Doug McClymont, Richard Taylor, John Caskie, Paul Coward, David Silvestro, Giles Clifton, Joel Corcoran, Simon Grewcock.



Some of the new projects we were involved in during 2007 included the drilling of water wells in Ghana; donating funds to emergency relief efforts for children in Sudan; flood relief in Bangladesh; and the construction of a shelter home for abused children in Cape Town. We also retained our commitment to a number of long-term projects including ECOFAC gorilla conservation in Congo/Gabon; Noluthandu School for the Deaf in Cape Town; and assistance to local schools in Bangladesh.

Having fun for charity

Tullow staff continue to give generously of their time and efforts in support of a number of charities. In 2007, Tullow supported employees participating in many events for charitable causes including marathons in London, Paris, Edinburgh and Kerry, cycling Hadrian's Wall, the Schull Triathlon, Race for Life, and Movember, in which several London staff members grew moustaches in aid of The Prostate Cancer Charity UK. Amongst the top fundraisers they were recognised by the charity as having raised funds which 'significantly contribute to changing the face of men's health'. Tullow contributed over US\$14,000 in sponsorship for these events.

Awards



'Best Companies to Work For'

We achieved three star status in the Sunday Times 'Best Companies to Work For' awards and were placed 32nd in the Sunday Times '100 Best Small Companies to Work For' awards.



RoSPA 'Gold Award'

We are delighted to announce that for the second year running Tullow was awarded a Gold Award in the Royal Society for the Prevention of Accidents (RoSPA) safety awards.



BITC 'Big Tick' re-accreditation

Our BitC 'Big Tick' award was re-accredited for 2007. The award was given in 2006 and in order to be re-accredited we had to be able to prove that the project we had undertaken continued to have a positive effect.

Strategic Value in Corporate Reporting

These awards are conferred annually by the Strategic Planning Society to companies that demonstrate the highest standards of strategy disclosure and commentary in their annual reports. In 2008, Tullow won the award for the 'Most improved narrative' and this refers to our 2006 annual report. The judges commented that... "the vastly improved narrative now matches the aspirations and culture of the Company. It will also have assured shareholders of the Company's capacity to realise expected future potential."

Supplementary information

Environmental performance – UK only	2007	2006	2005
Atmospherics*			
EU ETS CO ₂ emissions (tonnes) Bacton + Hewett	190,464 ¹	215,407	258,750
EU ETS Annual allowance – combined Bacton + Hewett (tonnes)	426,666	426,666	426,666
(1) The UK EU ETS CO ₂ emissions in our Annual Report and Accounts 2007 was shown as 190,508 tonnes. This was an estimate and has been revised to reflect the EU ETS verified data to 190,464 tonnes.			
Discharges*			
Produced water quantity (m ³)			
Hewett 52/5A	6,439.7	8,774.7	6,634.9
Hewett 48/29A	480.4	950.7	1,237.0
Produced water quality ⁽²⁾ mg/l (monthly average)			
Hewett 52/5A	26.8	14.25	24.7
Hewett 48/29A	42	31	26.89
DBERR monthly permitted allowances (individually for both installations)	30	30	40
Total oil in produced water (tonnes)			
Hewett 52/5A	0.18557	0.13215	0.16531
Hewett 52/5A DBERR allowance (under OPPC regulations)	0.23	1.02	n/a
Hewett 48/29A	0.02691	0.03025	0.03409
Hewett 48/29A DBERR allowance (under OPPC regulations)	0.493	0.09	n/a
(2) In 2005, the quality standard changed from 40 mg/kg to 30 mg/l.			
Water usage*			
Water Abstraction usage (m ³) – Bacton only	31,899	18,678	29,200
EA consented limit – Bacton only	47,400	47,400	47,700
2007 Group – wide figures			
	2007	2006	2005
Atmospherics*			
CO ₂ emissions (tonnes)	234,462	–	–
CH ₄ emissions (tonnes)	318	–	–
Tonnes CO ₂ /thousand tonnes hydrocarbon produced	124	–	–
Tonnes CH ₄ /thousand tonnes hydrocarbon produced	0.168	–	–
Production emissions*			
CO ₂ ⁽³⁾	199,198	–	–
CH ₄	167	–	–
(3) The production emissions (CO ₂) in our Annual Report and Accounts 2007 was shown as 204,961 tonnes. This has been revised as a result of the assurance process to 199,198 tonnes.			
Drilling emissions*			
CO ₂	23,597	–	–
CH ₄	1	–	–
Well test emissions*			
CO ₂	11,667	–	–
CH ₄	150	–	–
Water usage*			
Water usage (m ³) – All production sites utilised in process (inc. only six months Bacton mains data)	39,496	–	–
Spills*			
Oil and chemical spills	1	2	2
Oil and chemical spills (tonnes)	1.4	6.30937	0.07
Activity data			
	2007	2006	2005
2D seismic (km)	545	2,108	1,517
3D seismic (sq km)	1,883	2,608	1,016
CSEM (km)	248	2,608	1,016

Safety performance	2007	2006	2005
Hours worked (million)*	5.1	6.1	3.7
Lost Time Injuries (LTIs) (total number)*	10	5	3
Lost Time Injury Frequency Rate (LTIFR) (Number LTIs per million manhours worked)*	1.95	0.81	0.82
OGP LTIFR	0.67+	0.99+	0.97
Total Recordable Incidents (TRI) (total number)*	65	74	11
Total Recordable Incident Frequency Rate (TRIFR) (number TRI per million manhours worked)*	12.73	12.1	3.0
OGP TRIFR	2.71+	2.92+	3.05
High Potential Incidents (HIPO) (Total number)*	29	3	2

+ OGP LTIFR and TRIFR figures for 2007 are estimates at time of publication. 2006 data have been updated with final figures supplied by OGP. See page 18 for details.

2007 Social data	Europe	Asia	Africa	South America	Australia	Total
Number of employees	143	124	103	1	0	371
Number of expatriate employees	0	4	9	0	0	13
Number of consultants	65	148	37	1	0	251
Total workforce	208	276	149	2	0	635
Total number of hours worked	1,020,000	1,545,000	2,510,000	2,000	50,000	5,127,000
Number of employee fatalities	0	0	0	0	0	0
Number of contractor fatalities	0	0	0	0	0	0
Number of third party fatalities	0	0	0	0	0	0
LTIs	3	2	5	0	0	10
TRI	6	5	54	0	0	65
Number of vehicle km	6,248	1,002,147	1,482,504	0	0	2,490,899
Number of female employees	35	13	28	0	13	89
Number of female managers	4	0	0	0	2	6

* Indicates performance data reviewed by Deloitte as part of their CSR assurance work. See page 32 for details.



GRI Report application levels

The GRI content index for this report is available online at: www.tulloil.com

The 'C+' GRI checked application level relates to the online version of the report.

	2002 in accordance	C	C+	B	B+	A	A+
Mandatory	Self declared						
Optional	Third party checked		Report externally assured		Report externally assured		Report externally assured
	GRI checked				Report externally assured		Report externally assured



Independent assurance report to Tullow Group Services Limited on the Tullow Oil plc Corporate Social Responsibility Report 2007 (the report).

Scope of assurance work

- We have been engaged by the Board of Directors of Tullow Group Services Limited to perform limited assurance* procedures on Tullow Oil plc's ("Tullow Oil") Group level compilation of its 2007 environmental performance indicators on page 30 and its 2007 safety performance indicators on page 31.

Basis of our assurance work and our assurance procedures

- We carried out limited assurance in accordance with the International Standards on Assurance Engagements 3000 (ISAE 3000). To achieve limited assurance the ISAE 3000 requires that we review the processes and systems used to compile the areas on which we provide assurance. It does not include detailed testing of source data or the operating effectiveness of processes and internal controls. This provides less assurance and is substantially less in scope than a reasonable assurance* engagement.
- The evaluation criteria used for our assurance are Tullow Oil's definitions and basis of reporting the indicators as described on: www.tulloil.com/tlw/csr
- Considering the risk of material error, a multi-disciplinary team of corporate responsibility and assurance specialists planned and performed our work to obtain all the information and explanations we considered necessary to provide sufficient evidence to support our assurance conclusion. Our work was planned to mirror Tullow Oil's own Group level compilation processes, tracing how data for each indicator within our assurance scope was collected, collated and validated by Group head office and included in the report.
- Our assurance did not include the activity data on page 30 nor the 2007 social data on page 31. Our work was based at Group level only and did not include visiting and reviewing data collection, collation and validation of other Tullow Oil operations.

Our assurance conclusion

- Based on the assurance work performed, nothing has come to our attention causing us to believe that the 2007 environmental performance indicators on page 30 and the 2007 safety performance indicators on page 31 are not in all material respects compiled at Group level as described on: www.tulloil.com/tlw/csr regarding Tullow Oil's definitions and basis of reporting the indicators.

Responsibilities of Directors and independent assurance provider

- The Directors are responsible for the preparation of the Corporate Social Responsibility Report and statement contained within it. They are responsible for determining Tullow Oil's objectives in respect of environmental and safety performance and for establishing and maintaining appropriate performance management and internal control systems from which the reported information is derived.
- Our responsibility is to independently express conclusions on reliability of management's assertions on the selected subject matters as defined within the scope of work above.
- We performed the engagement in accordance with Deloitte's independence policies, which cover all of the requirements of the International Federation of Accountants (IFAC) Code of Ethics and in some areas are more restrictive. We confirm to Tullow Group Services Limited that we have maintained our independence and objectivity throughout the year, including the fact that there were no events or prohibited services provided which could impair that independence and objectivity in the provision of this engagement.
- This report is made solely to Tullow Group Services Limited in accordance with our letter of engagement for the purpose of the Directors' governance and stewardship. Our work has been undertaken so that we might state to the Company those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Tullow Group Services Limited for our work, for this report, or for the conclusions we have formed.

Deloitte & Touche LLP
London, 6th May 2008

* The levels of assurance engagement are defined in ISAE 3000. A reasonable level of assurance is similar to the audit of financial statements; a limited level of assurance is similar to the review of a six-monthly interim financial report.

Basis of reporting

The Tullow CSR Report 2007 ('the Report') provides data and information for the period 1st January 2007 to 31st December 2007 and covers all exploration and production activities in the Tullow Group except where specifically noted as related to one part of the business. Any such data, for example carbon dioxide (CO₂) emissions under the European Union Emissions Trading Scheme (EU ETS) which only relates to the UK Assets, is specifically identified in the text of the Report.

For all health and safety data and most of the environmental data, we use the definitions set by the Association of Oil and Gas Producers (OGP) to guide our reporting requirements and this ensures an accurate benchmark against credible industry data. OGP defines all the incident criteria and operations or contracts which should be included.

Environment

The reported environmental data comes from all Tullow production operations where Tullow is the operator of the facility or asset during the year, full details of operated and non-operated facilities is available on pages 110 to 115 of the Annual Report and Accounts 2007. The main focus in previous reporting years

was our Southern North Sea activities in the UK including the offshore facilities at Hewett, 48/29A and 52/5A, and the Bacton Gas Terminal in Norfolk. During 2007, we added data from all operated production, namely the Chachar and Suri facilities in Pakistan and the Bangora production facility in Bangladesh to provide a Tullow Group wide environmental position. In addition, we have included environmental data for drilling and well testing across all operated wells in 2007.

The main focus of this data is atmospheric emissions. The methodologies utilised in calculations are approved by UK Oil and Gas atmospheric emissions workgroup and are based upon American Petroleum Institute and US Environmental Protection Agency practices. These methodologies are combined in one tool known as EEMS (Environmental Emissions Monitoring System). CO₂ emissions data for facilities party to the EU ETS is externally verified on an annual basis, in line with emissions trading registry guidelines. Comparability of data from year to year may be affected by changes in the methodology, number of facilities, and planned vs unplanned operations. Where year on year comparability has been materially impacted by one or more of these factors,

this is made clear in the Report. There is also potential for local interpretation of reporting guidelines to influence uncertainty of data although this is minimised through providing guidelines and definitions as well as thorough communication with the business units concerned.

Health and safety

The reported health and safety data is gathered from all sites where Tullow operates and includes production, drilling, seismic and construction activities as well as the office environment. All contractors such as drilling and seismic companies and the associated sub contractors are also included in our data as they operate under our management system. OGP sets a standard regarding the categorisation of all safety incidents and occupational health conditions and we adhere to this position.

In one area, we have set a higher internal standard where we go beyond the OGP requirement to record 3rd party fatalities and require inclusion of 3rd party injuries. However, as per the OGP standard, any manhours and incidents occurring outside our direct management control is not recorded.

A summary of the criteria and definitions used to record our environment, health and safety data is listed below:

Indicator	Description	Basis of calculation	Unit of measure
Environment			
Carbon dioxide (CO ₂)	Gas that contributes to the phenomenon known as the greenhouse gas effect.	As required under the EU ETS for Hewett 48/29A, 52/5A and Bacton Group wide emissions are estimated using EEMS (Emissions Estimation and Monitoring System), which allows the calculation of emissions where direct monitoring is not undertaken. It involves the use of an activity factor i.e. fuel consumption, flow rate to vent or flare, and an emissions factor, which can be based on direct gas compositional analysis or industry standards. In the case of UK emissions direct compositional analysis is used. Other operated sites currently utilise the EEMS default emission factor.	Tonnes
Methane (CH ₄)	Gas that contributes to the phenomenon known as the greenhouse gas effect.	Emissions are again calculated using EEMS in the same manner as CO ₂ .	Tonnes
Oil in produced water	A by-product of the oil and gas extraction process, oil in produced water is the total amount of oil in the produced water discharged to the environment from an installation.	Department for Business, Enterprise and Regulatory Reform (DBERR) methodology.	Tonnes

Basis of reporting continued

Indicator	Description	Basis of calculation	Unit of measure
Produced water quantity	The amount of oil in a sample of produced water discharged to the environment.	DBERR methodology	mg/l
Produced water quality	Total amount of water brought to the surface with the oil or gas during the production process.	DBERR methodology	tonnes
Health & Safety			
Fatality	Death of a company or contract employee due a work related incident or illness. "Delayed" deaths that occur after the incident are included if the deaths were a direct result of the incident e.g. if a fire killed one person outright, and a second died three weeks later from lung damage caused by the fire, both are reported.	OGP definitions and methodology	Absolute number of fatalities
First Aid Case (FAC)	Cases that are not sufficiently serious to be reported as medical treatment or more serious cases but nevertheless require minor first aid treatment.	OGP definitions and methodology	Absolute number of injuries
High Potential Incident (HIPO)	An incident where the potential severity is deemed to be either High or Very High. The actual severity of the incident may be lower than the potential severity providing a powerful learning tool.	Tullow Oil Accident and Incident Reporting System incident potential matrix.	Potential severity of incident
Lost Time Injury (LTI), Lost Time Injury Frequency Rate (LTIFR)	Any work related injury or illness, other than a fatal injury, which results in a person being unfit for work on any day after the day of occurrence of the occupational injury. "Any day" includes rest days, weekend days, leave days, public holidays or days after ceasing employment.	OGP definitions and methodology	LTI: absolute number of injuries LTIFR: number of LTIs per million man hours worked.
Man hours	Hours worked by employees and contractors.	OGP definitions and methodology	Hours
Medical Treatment Case (MTC)	A work-related injury or illness that results in medical treatment beyond first aid, but that did not involve death (fatality), one or more days away from work (LTI), or one or more days of restricted work (RWDC) i.e. remained at work and was not transferred or restricted.	OGP definitions and methodology	Absolute number of injuries
Near Miss (NM)	An incident which occurs through failure of the management system or equipment that in other circumstances would or could have caused a fatality, LTI, or other such injury. Includes environmental near miss or other incident that could have caused damage to assets or company reputation.	OGP definitions and methodology	Absolute number of incidents

Indicator	Description	Basis of calculation	Unit of measure
Restricted Work Day Case (RWDC)	<p>Any work-related injury other than a fatality or lost work day case which results in a person being unfit for full performance of the regular job on any day after the occurrence of the occupational injury.</p> <p>Work performed might be:</p> <ul style="list-style-type: none"> • an assignment to a temporary job; • part-time work at the regular job; • continuation full-time in the regular job but not performing all the usual duties of the job <p>Where no meaningful restricted work is being performed, the incident is recorded as a Lost Time Incident.</p>	OGP definitions and methodology	Absolute number of injuries
Third Party Incident excluding Fatality	<p>Incidents involving 3rd parties, individuals not employed by Tullow Oil or a Tullow Oil contractor, will also be recorded as part of our stats. Externally, we will report according to the OGP standards, i.e. only 3rd party fatalities.</p> <p>The seriousness of the incident should be estimated and compared to how we would have categorised a staff or contractor issue.</p>	OGP definitions and methodology	Absolute number of incidents
Total Recordable Incidents (TRI), Total Recordable Incident Frequency Rate (TRIFR)	The sum of all fatalities, LTIs, RWDCs, MTCs and FACs.	OGP definitions and methodology	<p>TRI: Absolute number of injuries</p> <p>TRIFR: number of TRIs per million man hours worked.</p>
Vehicle Travel Distance	The monthly total vehicle kilometres travelled during work related activities whilst being driven by a company or contractor employee.	Readings from Tullow Oil and Tullow Oil contractor vehicle odometers	Kilometres

Further definitions used in the Report are:

Biodiversity

Variety of organisms found within a specified geographic region.

Hydrocarbon

A compound containing only the elements hydrogen and carbon. May exist as a solid, a liquid or a gas. The term is mainly used in a catch-all sense for oil, gas and condensate.

Social and Community

The Social and Community metrics relate to all parts of our business. We report our CSR spend in US\$.

Non Operated Activity

In line with the OGP definitions, Tullow only reports the environmental, health and safety data where Tullow is the operator of the exploration or production facility. Non operated EHS data is not included in the report.

Independent Assurance

Deloitte & Touche LLP (Deloitte) has provided limited assurance on the group compilation process of selected environmental, health and safety data as set out by them in their assurance statement, which is reproduced in the Report.

Standard Disclosures Part I: Profile disclosures

1. Strategy and analysis

Profile disclosure	Description	Reference	Extent of reporting
1.1	Statement from the most senior decision-maker of the organisation.	2,3,4,5	Full

2. Organisational profile

2.1	Name of the organisation.	FC	Full
2.2	Primary brands, products, and/or services.	4	Full
2.3	Operational structure of the organisation, including main divisions, operating companies, subsidiaries, and joint ventures.	5	Full
2.4	Location of organisation's headquarters.	4	Full
2.5	Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	2,5	Full
2.6	Nature of ownership and legal form.	4	Full
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	5	Full
2.8	Scale of the reporting organisation.	4, 5, 30, 31	Full
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	2	Full
2.10	Awards received in the reporting period.	29	Full

3. Report parameters

3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	FC, IFC, 3	Full
3.2	Date of most recent previous report (if any).	IBC	Full
3.3	Reporting cycle (annual, biennial, etc.)	FC, 3, 6	Full
3.4	Contact point for questions regarding the report or its contents.	1	Full
3.5	Process for defining report content.	10	Full
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	5, 30, 31	Full
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	2	Full
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organisations.	1	Full
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	18	Full
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	4, 12, 13	Full
3.12	Table identifying the location of the Standard Disclosures in the report.	31 (reference to website)	Full

4. Governance, commitments, and engagement

4.1	Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organisational oversight.	9, 10	Full
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	9	Full
4.3	For organisations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	9	Full
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	9	Full
4.14	List of stakeholder groups engaged by the organisation.	9	Full
4.15	Basis for identification and selection of stakeholders with whom to engage.	9	Full

Standard Disclosures Part III: Performance indicators

Economic

Performance indicator	Description	Reference	Extent of reporting
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	27,28	Full

Environmental

EN8	Total water withdrawal by source.	16,17, 30	Full
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	4, 12,13, 14	Full
EN16	Total direct and indirect greenhouse gas emissions by weight.	15, 16, 30	Full
EN17	Other relevant indirect greenhouse gas emissions by weight.	15	Full
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	3, 12, 30	Full
EN21	Total water discharge by quality and destination.	14, 16, 17, 30	Full
EN23	Total number and volume of significant spills.	3, 17, 30	Full

Social: Labor practices and decent work

LA1	Total workforce by employment type, employment contract, and region.	24, 31	Full
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	18, 19, 20, 21, 31	Full

Social: Human rights

HR4	Total number of incidents of discrimination and actions taken.	24	Full
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	24, 26	Full

Glossary

BAP	Biodiversity Action Plan	HRIS	Human Resources Information System
bcf	Billion cubic feet	HSE	Health and Safety Executive
BitC	Business in the Community	IFAC	International Federation of Accountants
boepd	Barrels of oil equivalent per day	IMS	Integrated Management System
CCS	Carbon Capture and Storage	IPPC	Integrated Pollution Prevention and Control
CDM	Clean Development Mechanism	ISAE	International Standards Assurance Engagements
CH₄	Methane	JMP	Journey Management Plan
CO₂	Carbon dioxide	KPI	Key Performance Indicator
CSEM	Controlled Source Electromagnetic	LAPS	Lancelot Area Pipeline System
CSR	Corporate Social Responsibility	LTI	Lost Time Incident
DBERR	Department for Business Enterprise and Regulatory Reform	LTIFR	Lost Time Incident Frequency Rate
E&P	Exploration and production	m³	Cubic metres
EA	Environment Agency	mg/kg	Milligrammes per kilogram
ECOFACT	Programme for Conservation and Rational Utilization of Forest Ecosystems in Central Africa	mg/l	Milligrammes per litre
EHS	Environment, Health and Safety	mmboe	Millions of barrels of oil equivalent
EPS	Early Production System	MVC	Motor Vehicle Crash
ESIA	Environmental and Social Impact Assessment	NGO	Non-Governmental Organisation
EU ETS	European Union Emissions Trading Scheme	OGP	International Association of Oil and Gas Producers
FMCB	Federal Malaria Control Board, Pakistan	OPPC	Offshore Pollution Prevention Control
GHG	Greenhouse Gases	PPE	Personal Protective Equipment
GNPC	Ghana National Petroleum Corporation	RoSPA	The Royal Society for the Prevention of Accidents
GRI	Global Reporting Initiative	SNS	Southern North Sea
H&S	Health and Safety	TRI	Total Recordable Incidents
HIPO	High Potential Incident	TRIFR	Total Recordable Incident Frequency Rate
HR	Human Resources	UN	United Nations
		WHO	World Health Organization

Publications and other corporate information

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- 2007 Annual Report
- 2008 Fact Book
- Further CSR details
- Presentations
- News and much more

www.tulloil.com



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