



Tullow Oil plc

2019 Full Year Results
12 March 2020



Disclaimer



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

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

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

Introduction

Agenda



Introduction



Financial Update



Operations Update



Conclusion

Presenters

Dorothy Thompson

Executive Chair

Les Wood

Chief Financial Officer

Mark MacFarlane

Chief Operating Officer

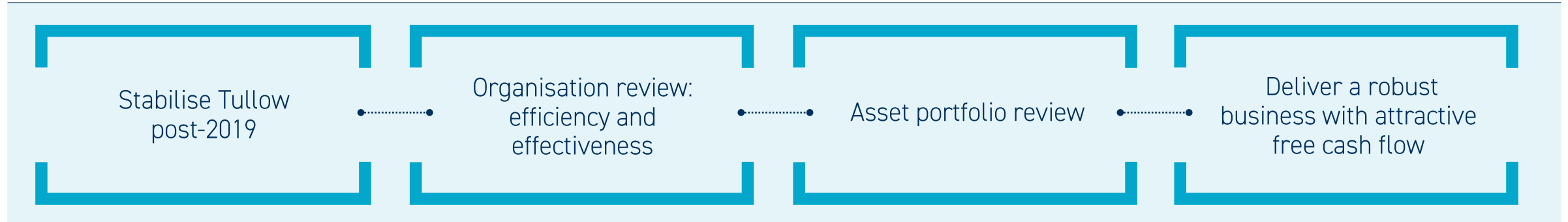
Strategic progress 1Q 2020

- 2020 oil production on track
 - New leadership delivering improvements
 - Integrated approach to production management
- Tullow reserves and resources verified
 - Reserves and resources base verified by external auditors
 - New development opportunities identified in producing fields
- Organisation being changed to a lean, centralised structure
 - Proposed closure of two satellite offices, key technical staff retained
 - Business and technical functions being centralised in London
- Government relationships prioritised
 - Active and regular engagement with key African stakeholders
 - Shared Prosperity agenda reaffirmed as key priority
- Financial strategy fit for purpose
 - Capital structure being shaped to be more conservative
 - Clear options for rebalancing through asset portfolio management
- Disciplined exploration
 - Exploration focus on Africa and South Atlantic margins
 - In depth analysis of prospects in Guyana

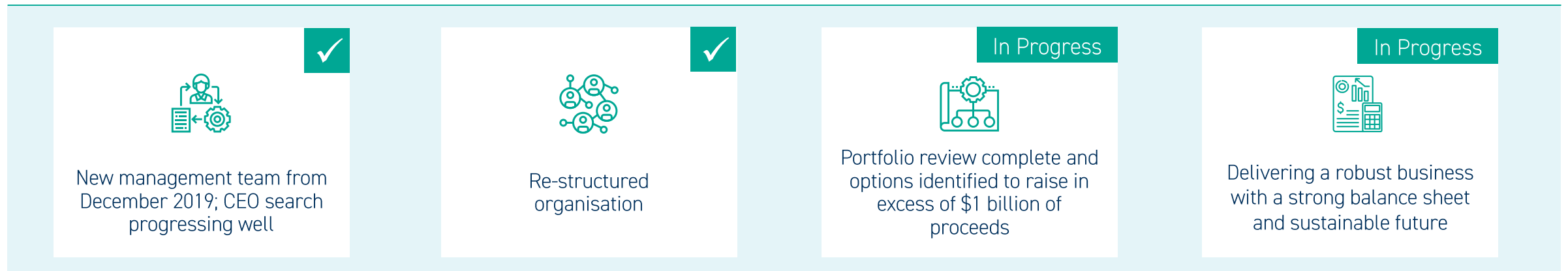


Business Review – framework & outcomes

Framework



Outcomes



Business Review conclusion

Assets

Low-cost production base, valuable discovered resources, attractive exploration portfolio

People

Highly skilled people dedicated to ensuring Tullow's future success

Confidence

Improved performance and portfolio actions will deliver a robust and sustainable business



FINANCIAL UPDATE

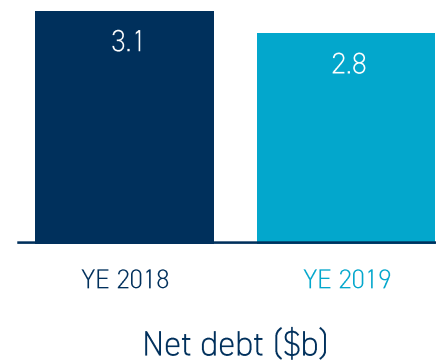
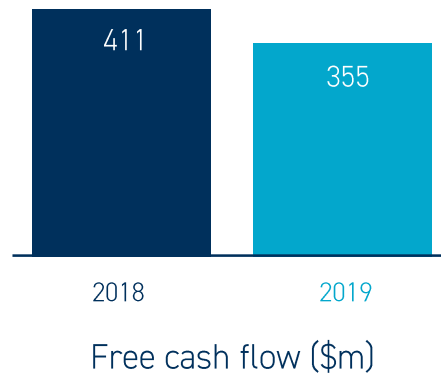
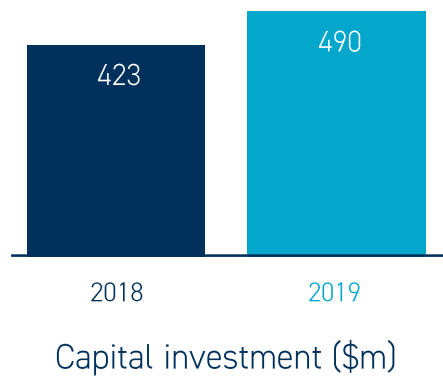
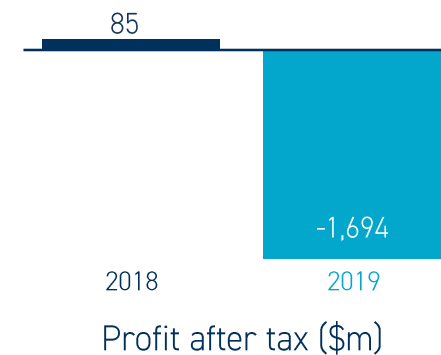
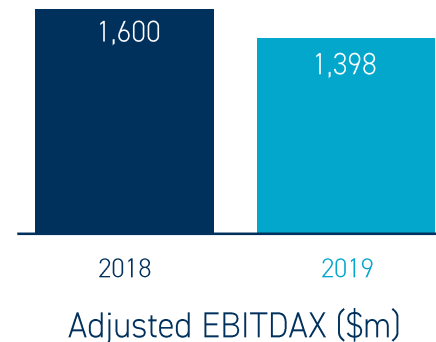
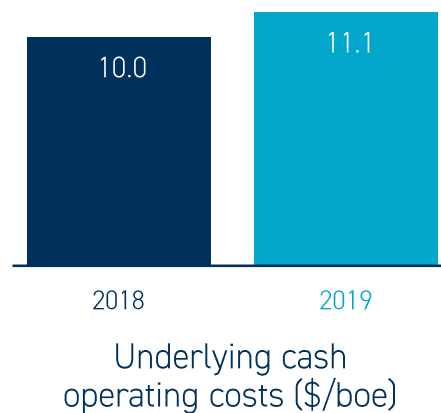
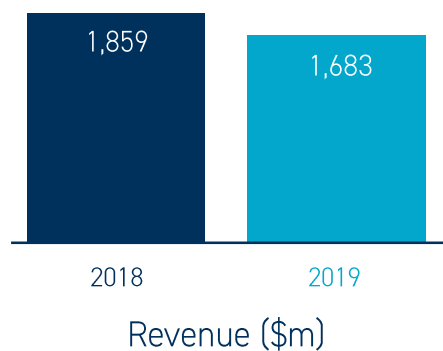
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Financial strategy

- Balance sheet
 - More conservative approach to gearing and maintaining appropriate headroom
- Portfolio management
 - Proactively manage asset base to balance risk and deliver value
- Commodity risk management
 - Reduce volatility impact through sustained hedging programme
- Capital allocation
 - Apply strict capital allocation criteria to create value across the business
- Free cash flow focus
 - Optimise revenue, control costs and manage working capital to deliver free cash

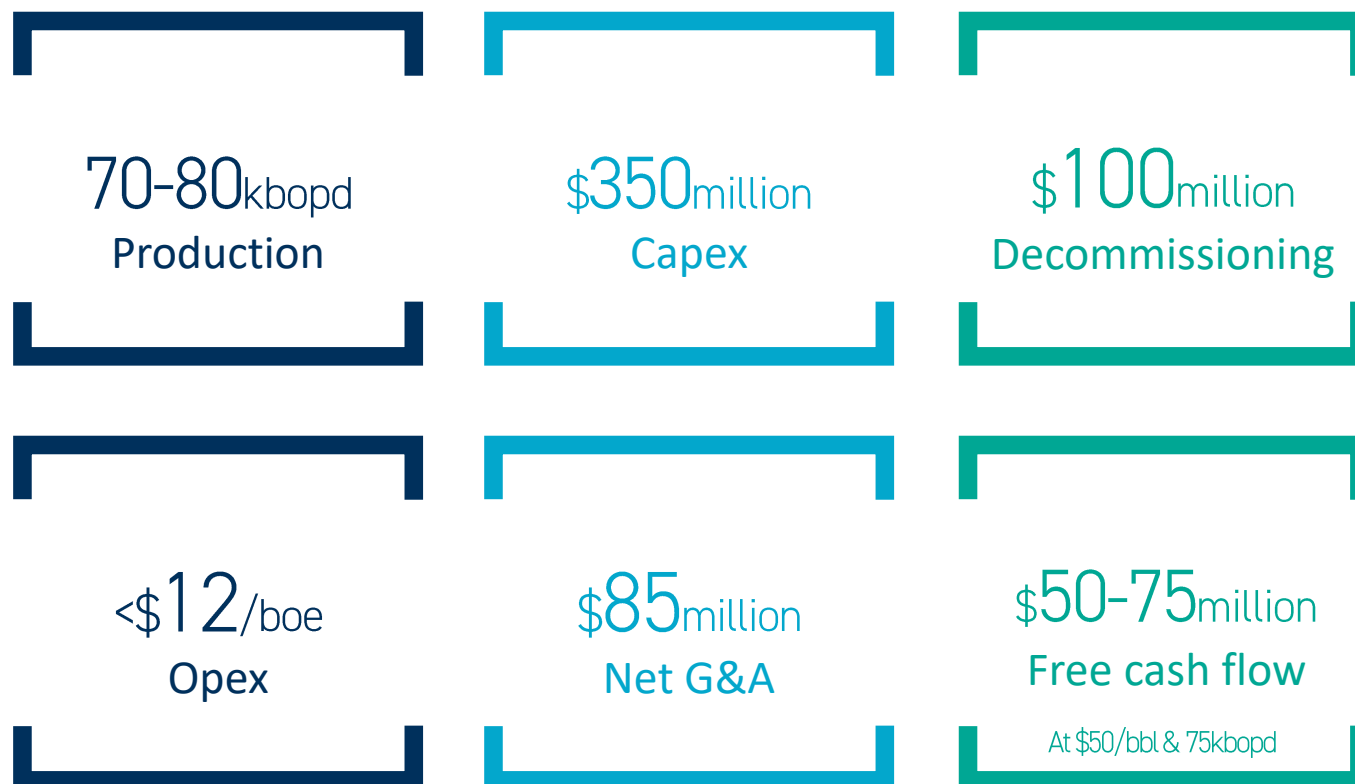


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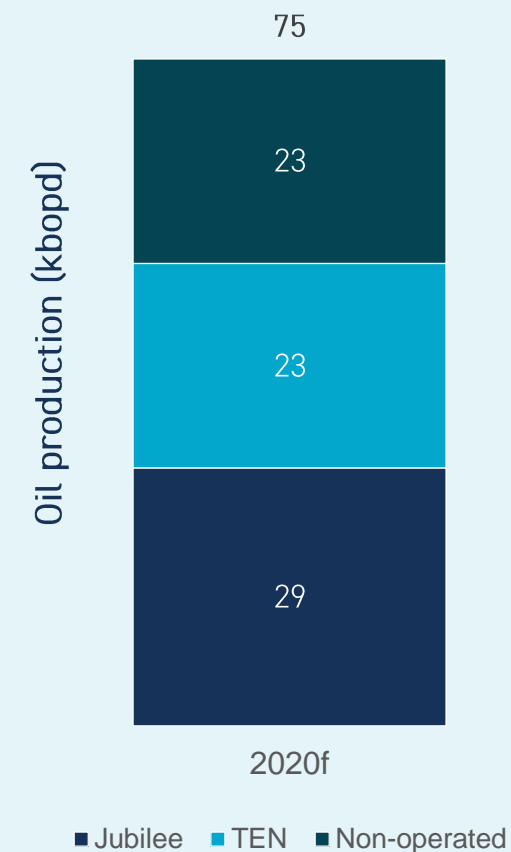
2020 Guidance

Key guidance figures



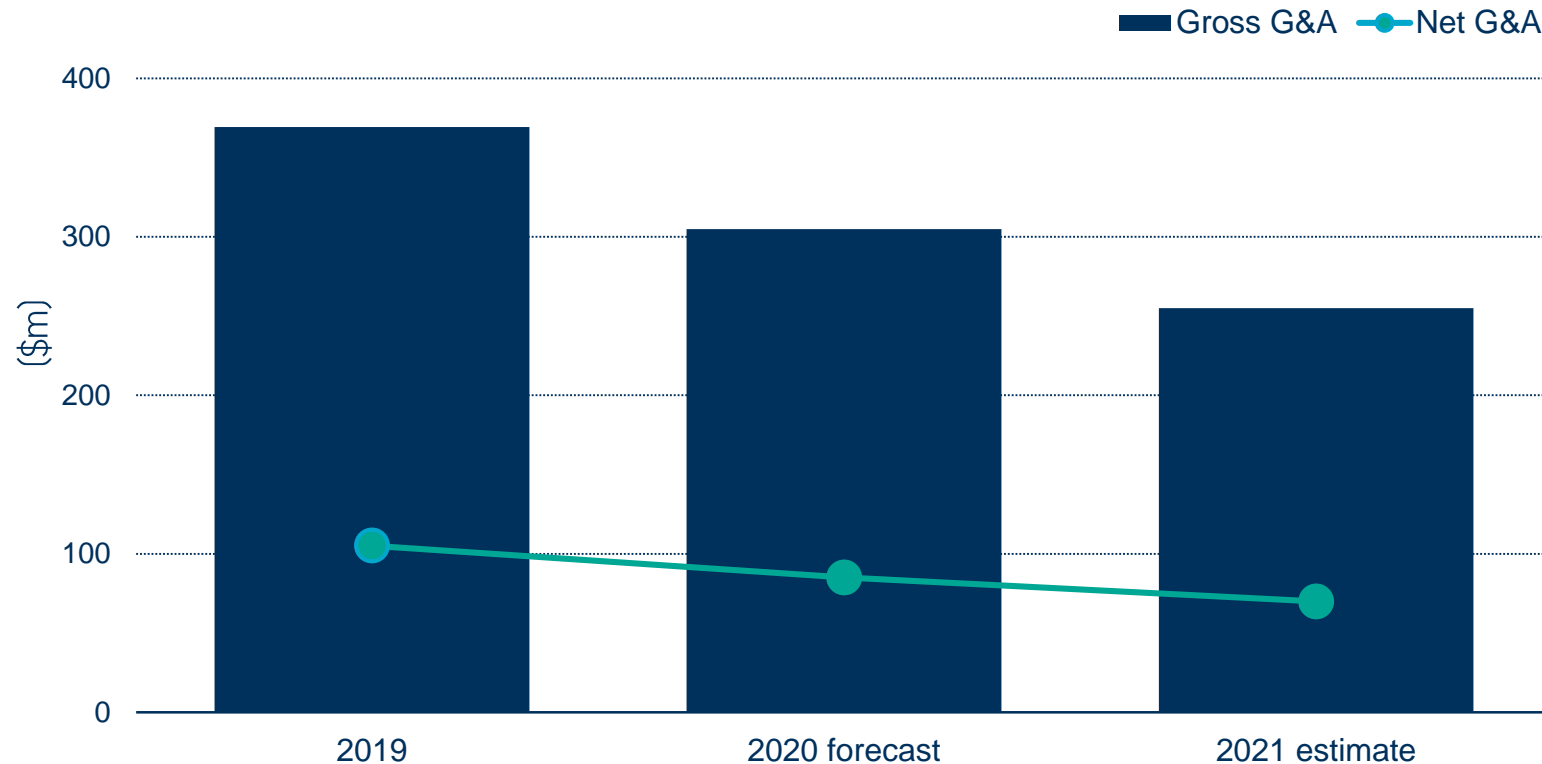
In light of recent market volatility, we will again critically review costs and capital investment

Group production breakdown



Reducing our cost base

Gross and net G&A reductions

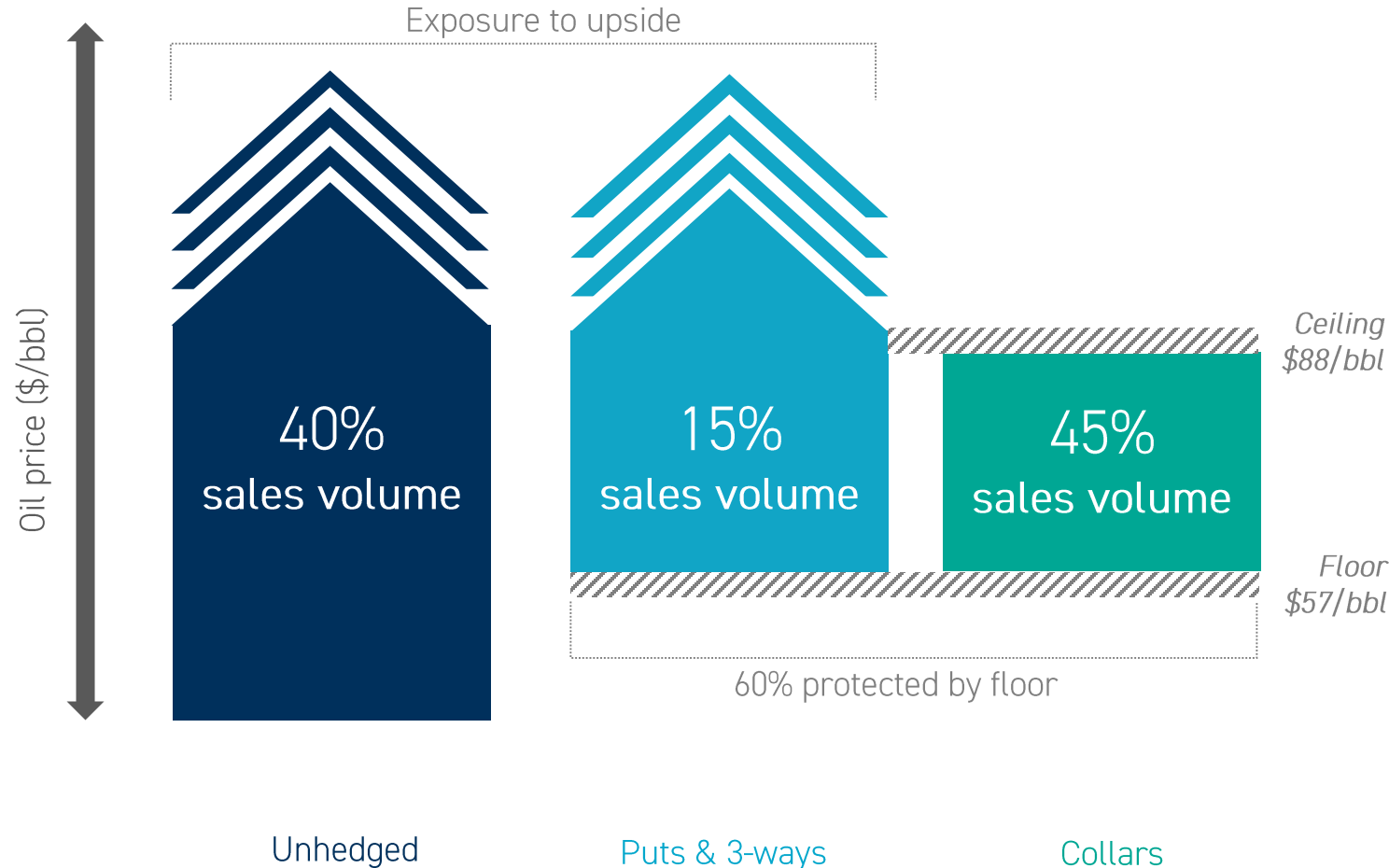


Targeting
\$200m net
cash savings over
three years

- Efficient and effective organisation
- 35% headcount reduction so far
- Proposed office closures in Dublin and Cape Town
- Savings being realised across opex, capex and net G&A

Prudent commodity risk management

2020 hedging position



\$57/bbl floor
for 60% of 2020
sales volumes

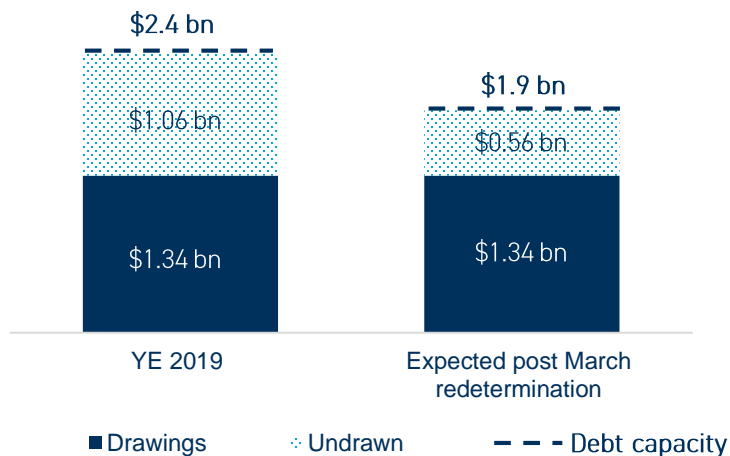
- Hedging policy:
 - 60% hedged in current year
 - 30% hedged in year 2
- Systematic layering in of hedges for an average cost of \$3/bbl
- c.\$45/bbl 2020 free cash flow break-even oil price

Targeting a more conservative capital structure

Capital structure – current position

Facility	Maturity	Outstanding (YE 2019)
Convertible bonds	2021	\$300 million
Senior notes	2022	\$650 million
Reserves based lending (RBL)	2024	\$1,345 million
Senior notes	2025	\$800 million

March 2020 RBL redetermination



Debt capacity post-redetermination expected to be \$1.9 billion resulting in c.\$700 million liquidity headroom of undrawn facilities and free cash

Managing liquidity

Liquidity:

- Expected headroom of c.\$700 million is appropriate in light of reduced capital commitments

Portfolio management:

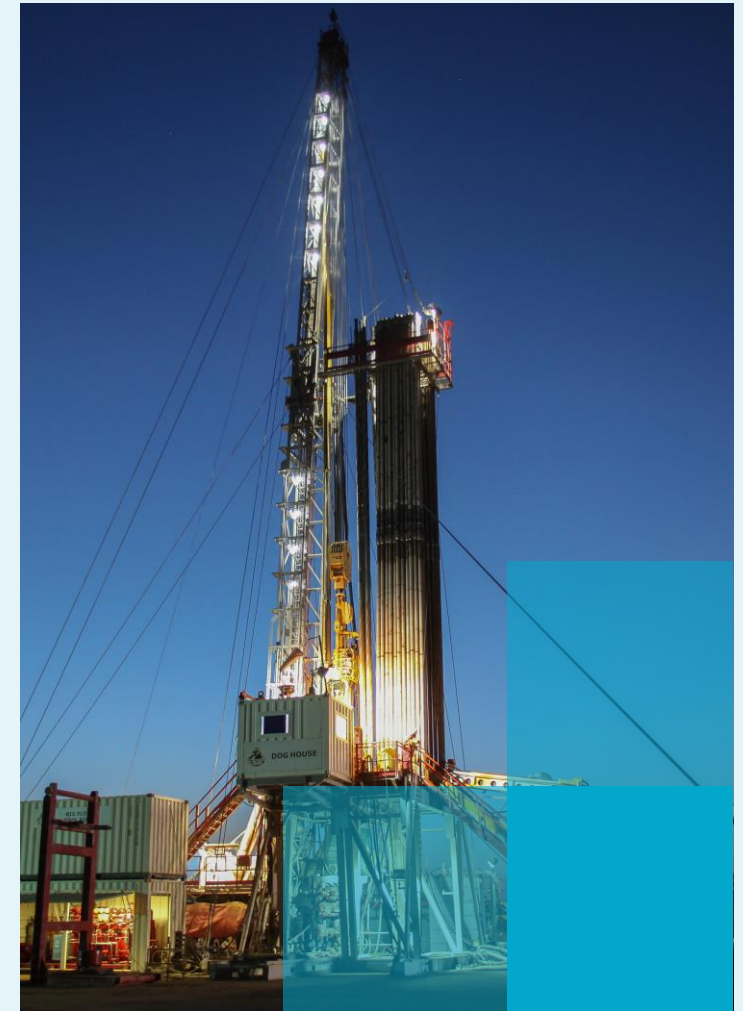
- Portfolio management will be a key component of managing liquidity
- Portfolio review complete with options to raise proceeds in excess of \$1 billion

OPERATIONS UPDATE

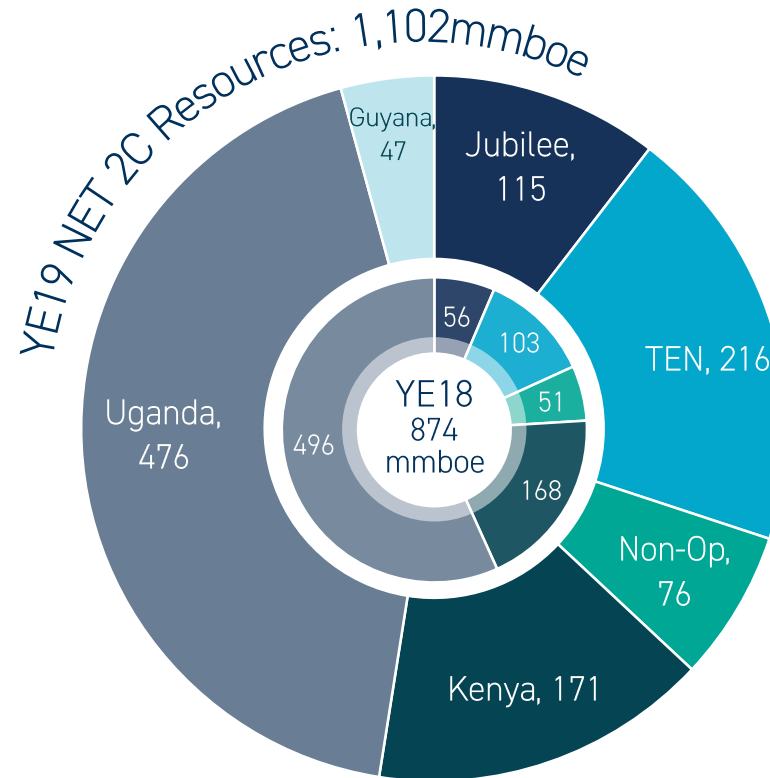
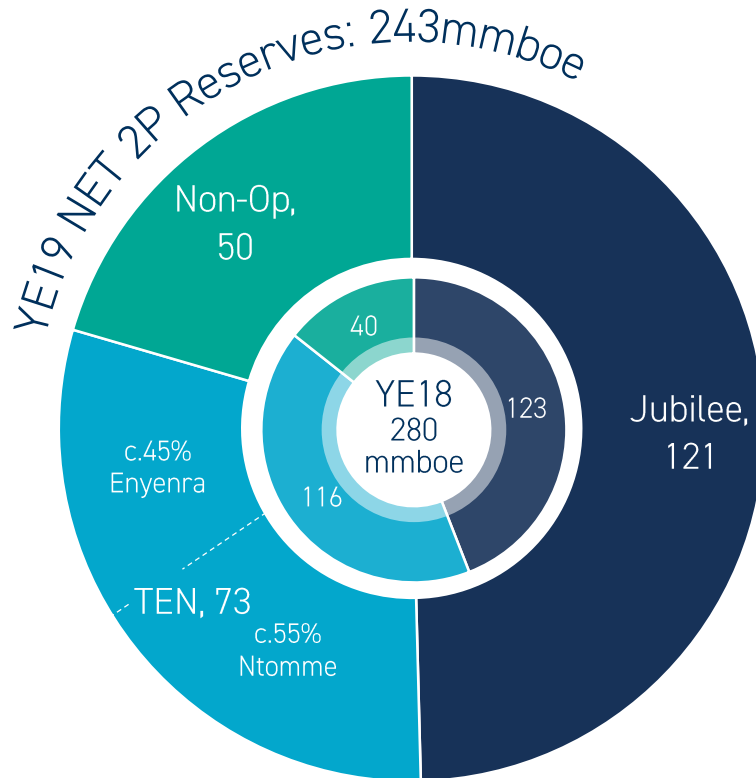
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Operating priorities

- Safe operations
 - Continuous improvement
- Stabilising production
 - Addressing operational challenges and improving performance
- Controlled and integrated operations management
 - Subsurface
 - Well delivery
 - Production and maintenance
 - Commercial
 - Fully integrated planning
- Focused development
 - Progressing major development projects in East Africa



Audited group reserves and resources



Robust, independently
audited reserves and
resources base

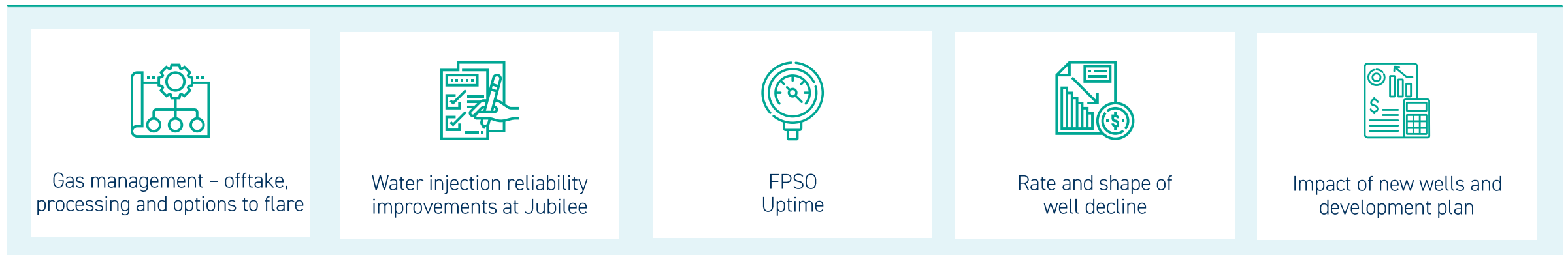
- 2P Reserves:
 - Jubilee: Reserves remain flat
 - TEN: Reduction due to Enyenra downgrade
 - Non-op: 25% reserves increase
- 2C Resources:
 - Jubilee: Increase from new opportunities
 - Ntomme: Increase from new opportunities
 - Enyenra: Transfer from reserves
 - Non-op: Increase from new opportunities across portfolio

Ghana – Making significant improvements

Management and accountability

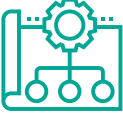






Realistic forecasting assumptions



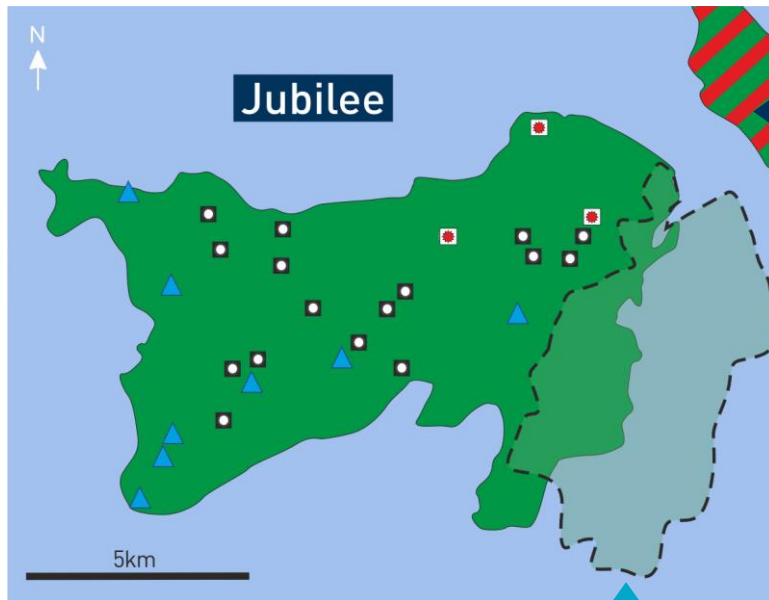
Ghana – Year-to-date production performance

Delivering against key forecasting assumptions

 <p>Gas management – offtake, processing and options to flare</p>	 <p>Water injection reliability improvements at Jubilee</p>	 <p>FPSO Uptime</p>	 <p>Rate and shape of well decline</p>	 <p>Impact of new wells and development plan</p>
<ul style="list-style-type: none"> • Jubilee gas handling increased to c.175 mmscfd • Govt. nominations policy changed - 125 mmscfd from Jubilee/TEN • Flaring approval up to 90 mmscfd 	<ul style="list-style-type: none"> • System optimisation during planned maintenance • Operating at design capacity • Water injection taskforce in place 	<ul style="list-style-type: none"> • YTD Jubilee and TEN uptime of >95% • Working to remain at these levels • Focus on continuous improvement 	<ul style="list-style-type: none"> • Fields performing in line with expectations • Integrated subsurface understanding • Enyenra field reassessment 	<ul style="list-style-type: none"> • Ntomme producer well ongoing • Next well: Jubilee water injector • Ongoing optimisation of well selection and drilling schedule

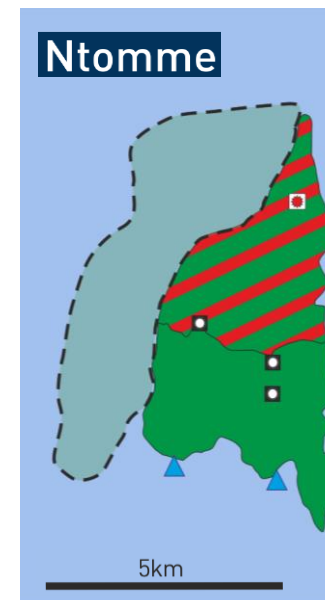
Jubilee and TEN YTD production in line with guidance; operational improvements delivering results

Ghana – Future production delivery



Robust Jubilee Reserves

- Reserves additions in 2019 almost offsetting production
- Multiple future drilling opportunities in under-developed North East area
- South East area development under way



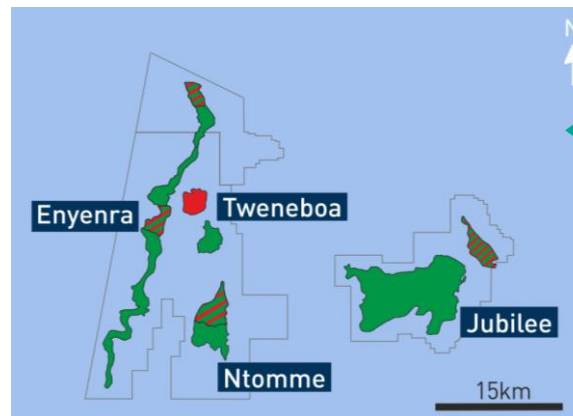
Ntomme opportunities

- 2P reserves remain robust
- Drilling of new production well ongoing; tie-in Q2 2020
- Focus on further development opportunities
- 4D seismic identified reserves addition opportunities in Ntomme Far West

Jubilee South East

Phase 1:

- Four wells + manifold + subsea infrastructure
- Estimated ultimate recovery of 57 mmbo gross reserves
- Expected to deliver peak rate of 15 kbopd gross production



Enyenra reassessment

- 2P reserves reduction; reserves transferred to 2C
- Working to improve subsurface understanding and re-evaluate development plan
- Focused on low cost development to maximise value

LEGEND:

Oil Discovery	Gas Condensate & Oil Discovery	Production Well	Gas Injector
Gas Discovery		Water Injector	

Non-operated portfolio

Reliable cash-generative production

Stable

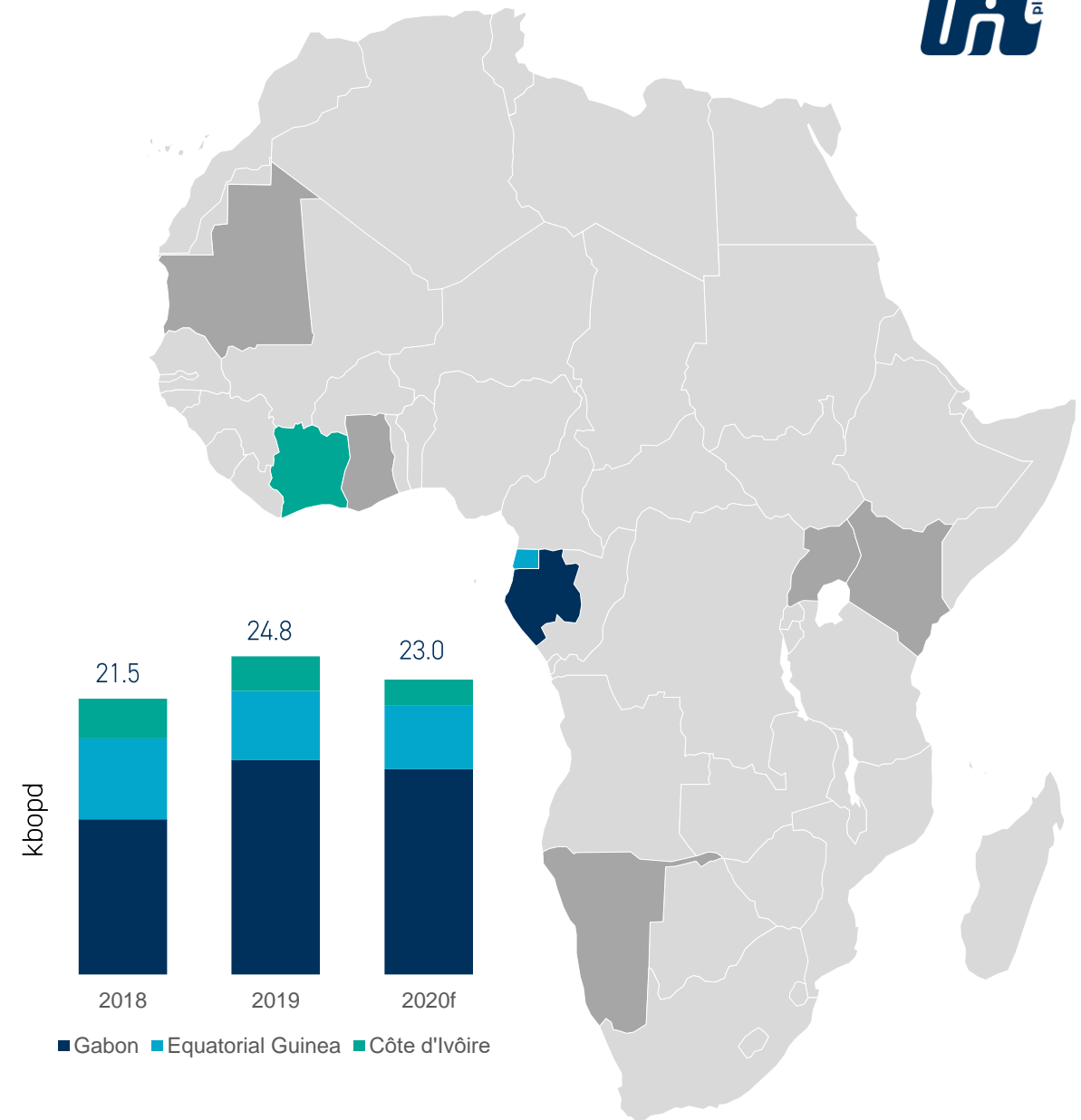
Continued good performance, in line with guidance

Valued partner

Subsurface expertise support across the portfolio

Growth potential

Development expansion identified at Simba, alongside other opportunities



Disciplined exploration activity

Guyana

Data integration from 2019 campaign

Suriname

Goliathberg-Voltzberg North spud 4Q20

Côte d'Ivoire

2D onshore seismic programme

Peru

Marina unsuccessful
Data integration

Namibia

Total planned drilling in
adjacent block in 2020

Argentina

Seismic operations in 2020

Comoros

Potential 2021
drill options

KEY



2019 Wildcats



2019 Seismic



2020 Wildcats



2020 Seismic

Focused team

New leadership team
centralised in London

Reinforcing our strategy

Near-field short-cycle, new plays in
proven basins and selected frontier
opportunities

Rebuilding in Africa

Utilise existing rich dataset to
build portfolio in a cost and time
effective manner

East Africa – Continued project progress

Kenya



2019 Progress



- ✓ Commercial HOTs signed
- ✓ Upstream land gazetted
- ✓ Well tenders received
- ✓ FEEDs complete
- ✓ First crude shipment
- ✓ Draft water agreement
- ✓ First Lamu Port berth
- ✓ ESIAs completed
- ✓ Financing launched
- ✓ Upstream EPC tender issued

Steps to FID

Joint Venture workstreams

- Contractor selection and award of major EPC contracts
- Completion of Project Finance
- Progress submitted Field Development Plan

Government of Kenya responsibility

- Finalisation of commercial and water agreements
- Land acquisition
- Approval of ESIAs
- Approval of Field Development Plan



Uganda

Completed milestones

- ✓ FEED studies
- ✓ Tilenga ESIA approval
- ✓ Pipeline route geophysical and geotechnical studies
- ✓ Land acquisition for central processing facility
- ✓ Contracts ready for award

Remaining milestones

- Pipeline and Kingfisher ESIAs
- Finalisation of key commercial agreements

Conclusion

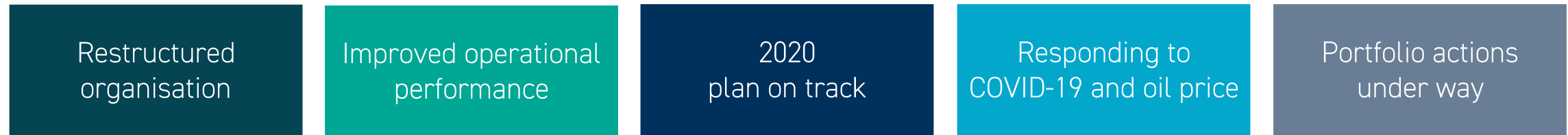
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Looking forward to a sustainable future

A focused strategy



Underpinned by a more conservative capital structure



Delivering a robust business

Appendix

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Committed to sustainability



Aligning and supporting the UN Sustainable Development Goals

New Sustainability Report

Reporting in line with the Task Force on Climate related Financial Disclosures recommendations



Published end of March 2020

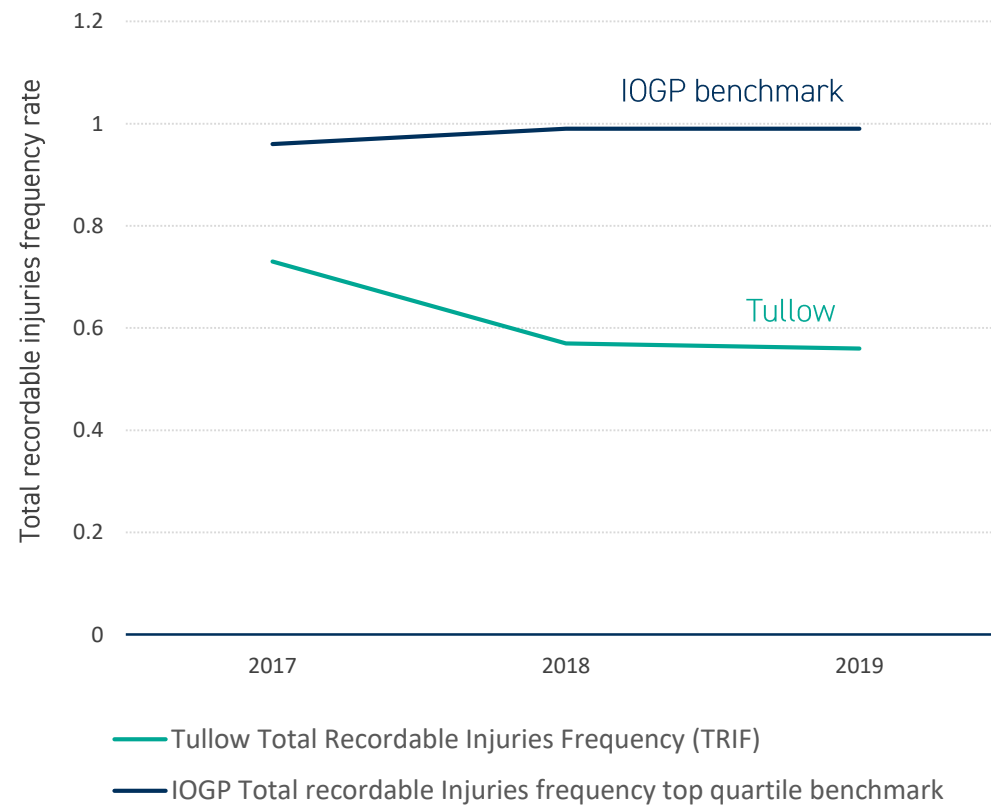


Responsible Operations

- Top quartile safety performance
- 24% reduction in Process Safety events in 2019
- Zero Lost Time Incidents at Ghana and Kenya
- Process Safety Fundamentals IOGP* working group
- >1,000 hours of process safety training

*International Association of Oil and Gas Producers

Top quartile safety performance



IOGP Life-saving rules adopted, applying industry-wide approach



Shared Prosperity

Socio-economic investment

- \$4.6 billion socio-economic contribution over last 5 years
- \$413 million in payments to government in 2019
- Gifted 125 bcf of gas to Ghana, sufficient to meet ~45% of domestic gas demand

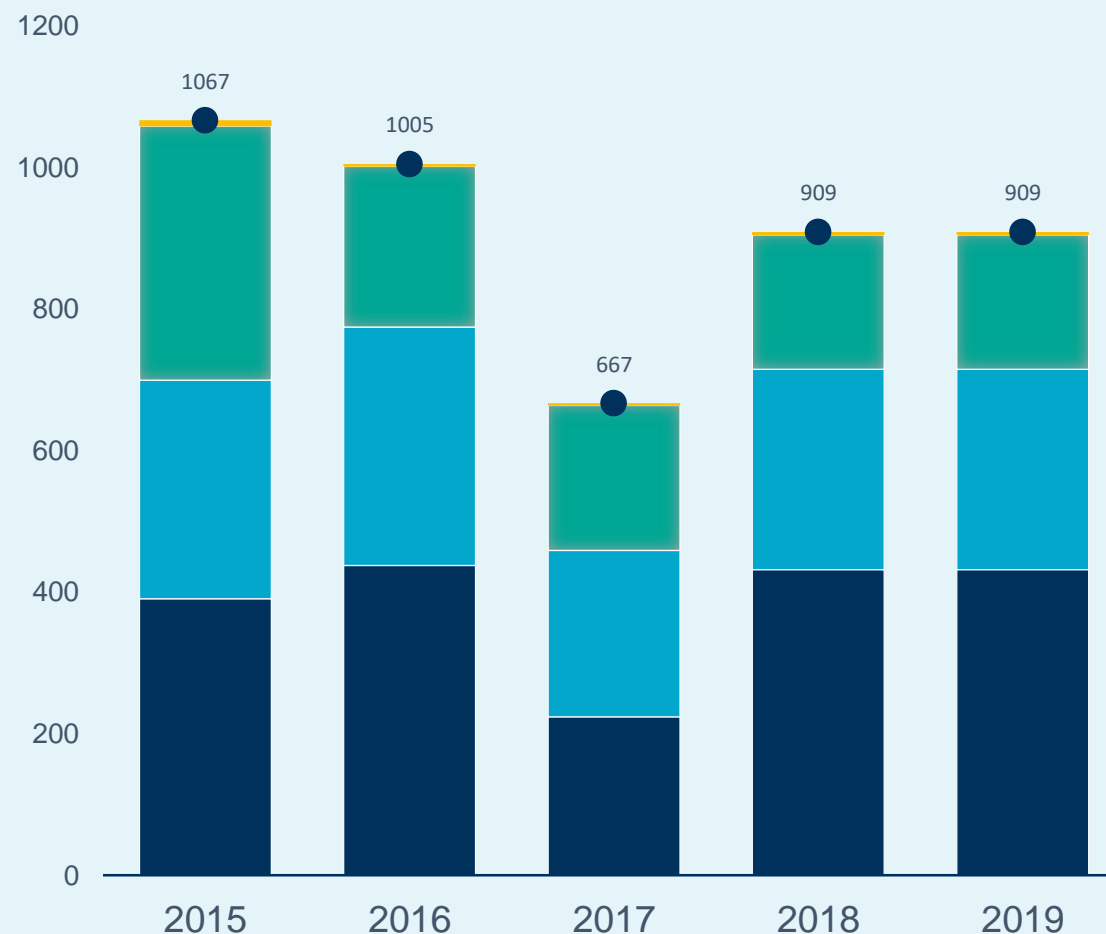
Local Content

- \$1.5 billion spent with local suppliers over last 5 years
- Supported creation of 88,000 jobs and access to >\$4.5 million in financing for local businesses through Invest in Africa

Building local skills

- >500 educational scholarships, 3000 bursaries supported since 2012

Socio-economic Contribution (\$Million)



Environmental Stewardship

- Climate Change designated Principal Risk owned by Board
- Reporting in line with Task Force on Climate related Financial Disclosures
- Portfolio robust to IEA scenarios
- 2020 Scorecard KPI: define strategy to achieve Net Zero emissions (Scope 1&2)
- Lower than sector average on carbon emissions intensity

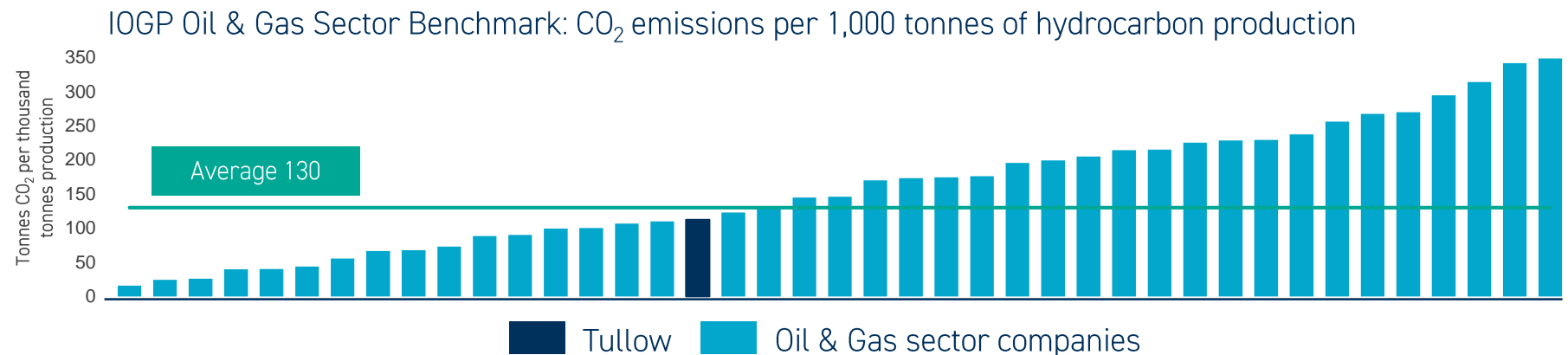
	Net present value of portfolio ¹	
	Stated Policies ¹	Sustainable Development Scenario ²
Ghana		
Non-op		
Kenya		
Uganda		
Exploration		

- +20-50% impact on NPV
- +10-20% impact on NPV
- 0 -9% impact on NPV
- 10 -20% impact on NPV
- 20 -30% impact on NPV

¹2040 - \$103/bbl

²2040 - \$59/ bbl

Sensitivity analysis shows portfolio is robust in the IEA scenarios (WEO 2019)



¹ relative to Tullow's long-term corporate planning oil price of \$65/bbl

Equality & Transparency

- First oil company to publicly support contract transparency
- Leading disclosure on Modern Slavery in Transparency in the Supply Chain Report
- Female Board representation at 38%
- African Board representation at 25%



Workforce Advisory Panel
Established and meeting monthly to
ensure regular feedback is heard

Inclusion & Diversity progress in 2019

AFRICAN representation in the workforce

51% of workforce
64% of new hires
18% of senior managers



FEMALE representation in the workforce

32% of workforce
45% of new hires
20% of senior managers



2020 Key Data

Oil production (kboepd)	2020 forecast
Ghana	52.0
<i>Jubilee</i>	<i>29.0</i>
<i>TEN</i>	<i>23.0</i>
Equatorial Guinea	5.0
Gabon	16.0
Côte d'Ivoire	2.0
Group total	75.0

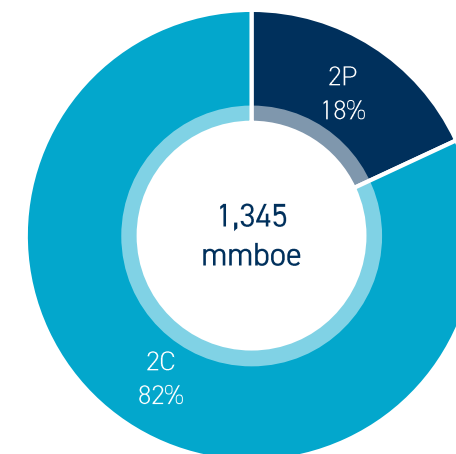
Operating costs ¹ (\$/boe)	2020 forecast
Ghana	9.0
Equatorial Guinea	20.0
Gabon ²	22.0
Côte d'Ivoire	19.0

Depreciation (\$/boe)	2020 forecast
Ghana	22.0
Equatorial Guinea	5.0
Gabon ²	9.0
Côte d'Ivoire	13.0

¹ Data on a working interest basis ² Includes royalties

Capex (\$m)	2020 forecast
Ghana	140
Non-Op	80
Kenya	40
Uganda	15
Exploration	75
Group total	350

Group Reserves and Resources (at 31 Dec 2019)



2020 hedge structure	Bopd	Bought put (floor)	Sold call	Bought call
Collars	33,000	\$57.60	\$79.21	-
Three-way collars (call spread)	12,000	\$56.42	\$77.82	\$87.68
Total / weighted average	45,000	\$57.28	\$78.84	\$87.68

2021 hedging position at 31 December 2019: c.22,000 bopd hedged with an average floor price protected of c.53/bbl

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