

9 March 2011

Tullow Oil plc – 2010 full year results



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.

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Tullow Oil plc – 2010 full year results

Introduction – Aidan Heavey

A transformational year for Tullow

- First Oil from Jubilee establishes Tullow as a successful deepwater operator
- Portfolio of major new oil fields to be developed
- Frontier exploration to open new basins in 2011
- Business well balanced and well funded to implement exploration-led strategy



Tullow Oil plc – 2010 full year results

Finance – Ian Springett

Creating shareholder value

Consistent and repeatable strategy

- Sustainable long term value growth
- Balance exploration, major projects & funding
- Safety, environment, stakeholders & people

- High-impact exploration portfolio
- Ghana: Jubilee discovery & fast track development
- Uganda: commercialisation, pre-emption & farmdown

Underpinned by financial strategy

- Strong, well funded balance sheet to enable growth
 - Debt and equity funding
 - Portfolio management
- Significant operational cash flow

- \$3.15bn debt facilities
- \$2.1bn equity placings
- Uganda transactions
- Jubilee Phase 1 first oil Nov 2010

2010 results summary

	2010	2009	Change
Sales revenue	\$1,090m	\$916m	+ 19%
Operating profit	\$235m	\$151m	+ 56%
Net profit	\$73m	\$31m	+ 137%
Basic earnings per share	6.1c	3.2c	+ 90%
Dividend per share	6.0p	6.0p	No change
Capital investment ¹	\$1,235m	\$1,085m	+ 14%
Cash generated from operations ²	\$762m	\$588m	+ 30%
Net debt ³	\$1,943m	\$1,144m	+70%

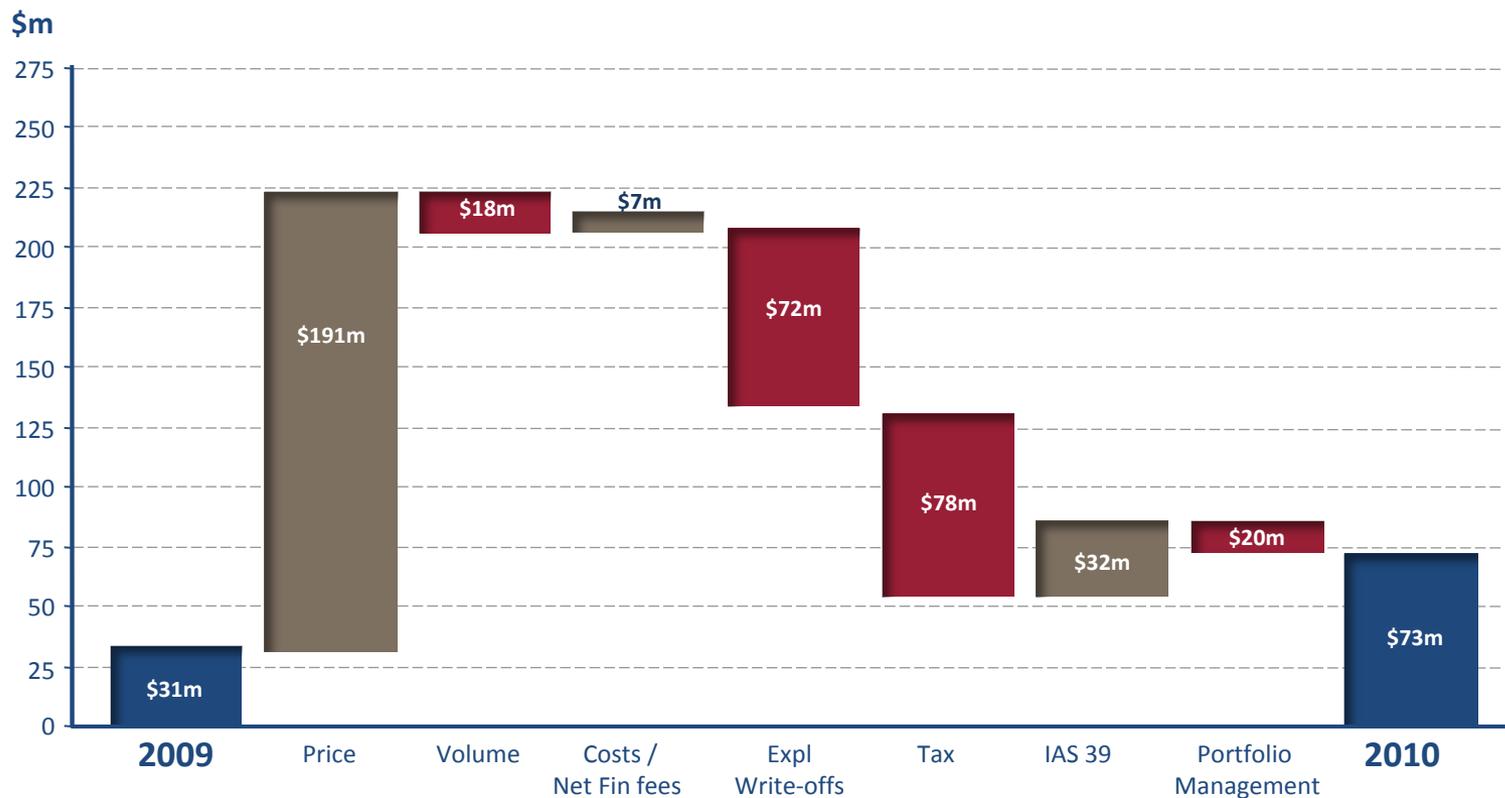
¹ 2010 excludes \$1,450m Heritage acquisition and \$340m Ghana FPSO

² Before working capital movements

³ Including all cash balances

Financial results significantly improved on 2009

Net income 2010 v 2009



2010 Net income improved primarily due to higher prices offset by lower sales volumes and higher exploration write-offs. Jubilee will transform 2011 financials.

Sources and uses of funds

Cash inflow \$3,164m

- Operating cash flow \$818m* (2009:\$464m*)
- Disposal of oil & gas assets \$7m (2009:\$17m)
- Equity placing \$1,453m (2009:\$622m)
- Net loan drawdown \$886m (2009:\$326m)

Cash outflow \$3,074m

- Advances to contractors \$172m (2009: \$nil)
- Heritage acquisition capex \$1,450m (2009: \$nil)
- Cash Capex \$1,182m (2009:\$1,189m)
- Finance costs & fees, dividends \$184m (2009:\$229m)
- Cash tax paid \$86m (2009:\$187m)

Net cash inflow \$90m

- Increase in cash balances

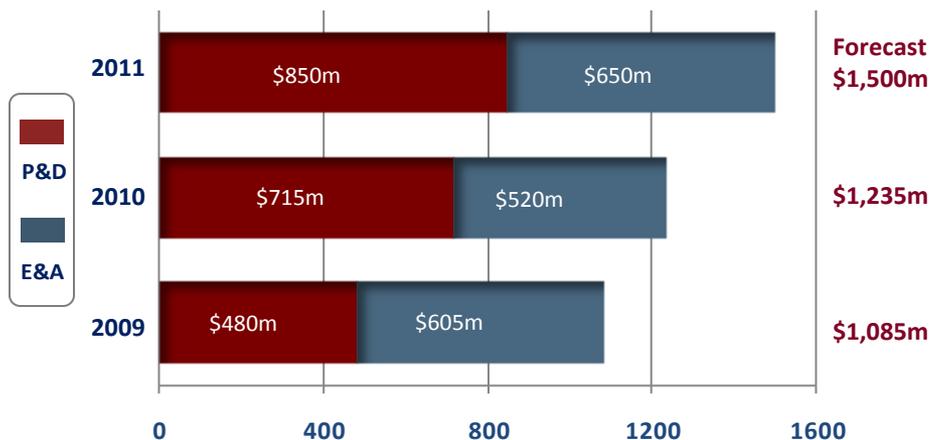
2010 Net cash inflow \$90m

(2009: \$228m outflow)



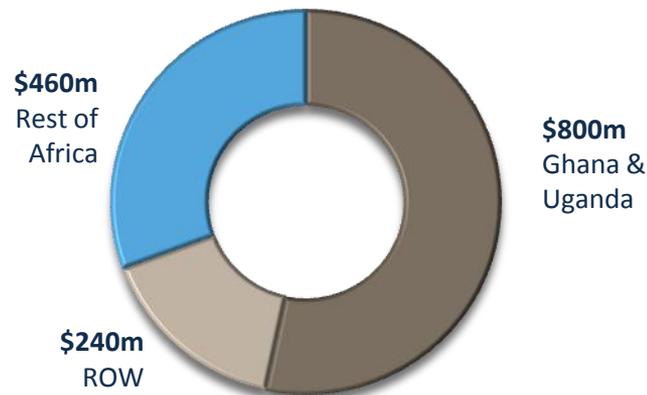
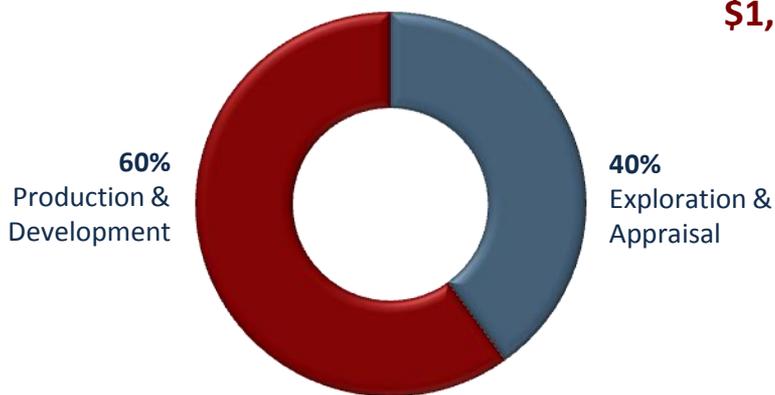
* After working capital

Significant 2011 capital expenditure

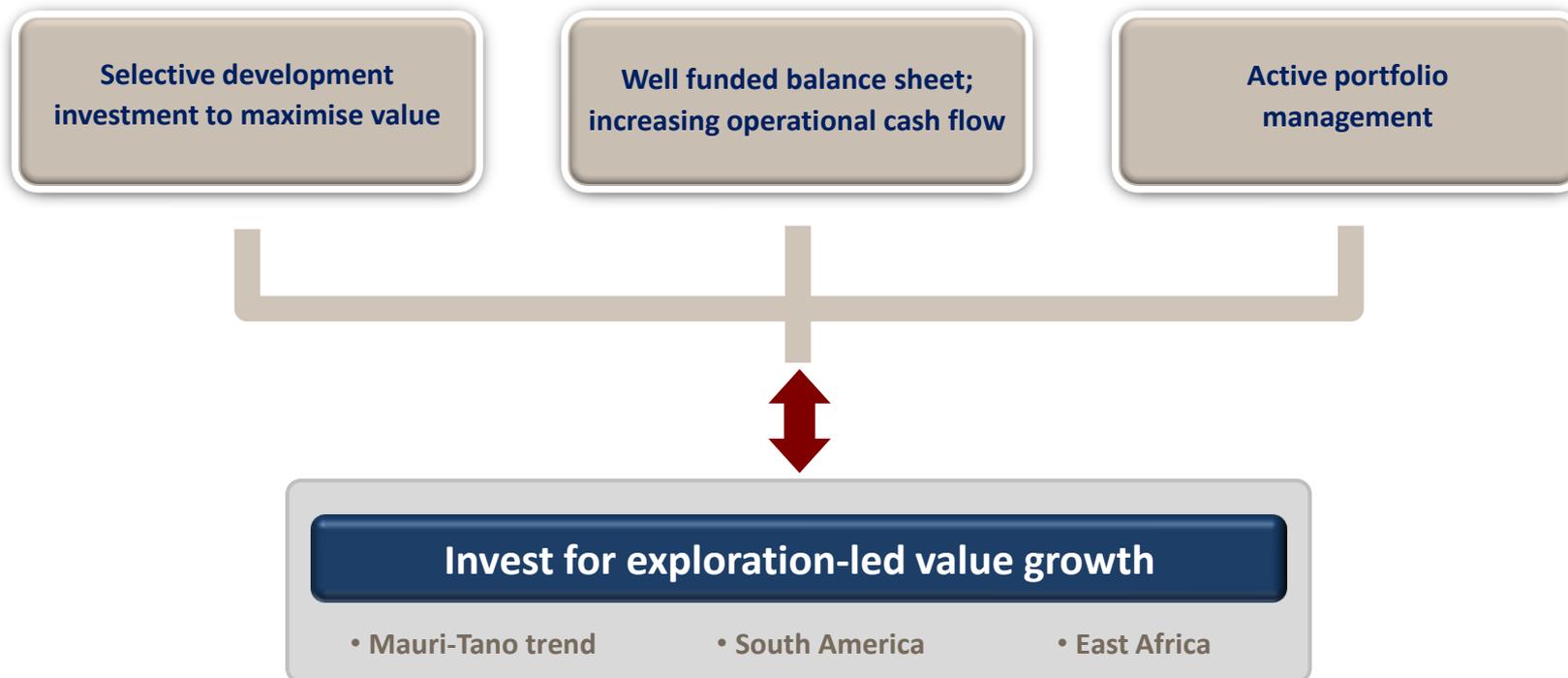


- \$1,500m forecast for 2011
 - Ghana: Jubilee phase 1a development & Owo/Tweneboa appraisal & development
 - Uganda: Exploration drillout and Lake Albert development
 - High-impact exploration: Africa & South America
- 2011 capital split:
 - 60:40 between P&D and E&A
 - >50% Ghana & Uganda; >80% Africa

2011 Current forecast capex \$1,500 million



Implementation of financial strategy





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Production & Development – Paul McDade

Jubilee Phase 1 – World-class project now on production

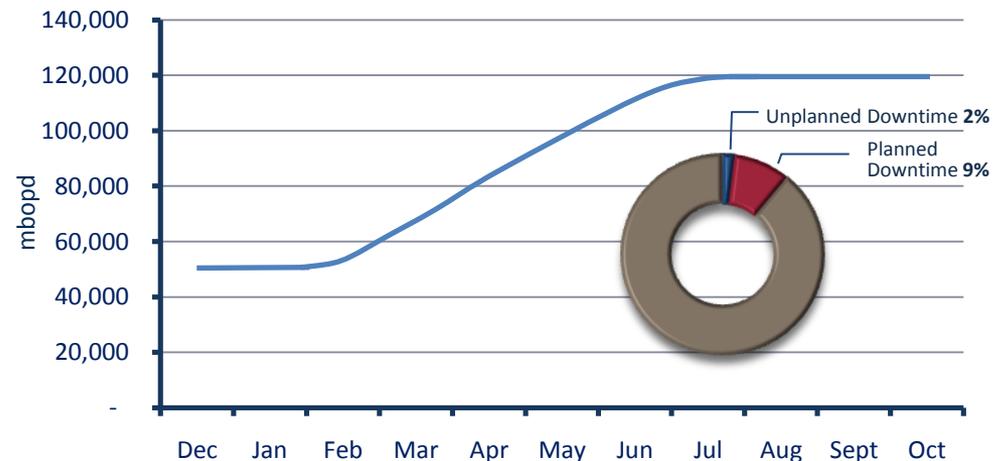
Exceptional delivery

- Jubilee field discovered June 2007
- FPSO arrived in Ghana on schedule June 2010
- Production commenced 28 Nov 2010
- Presidential First Oil Ceremony 15 Dec 2010
- First cargo lifting 5 Jan 2011
- 40 months from discovery to production
- Capital cost of \$3.30bn within 5% of budget



Production ramp up to 120,000 bopd

- Production ~70,000 bopd from 5 wells
- Injection ~110,000 bwpd into 2 wells
- Further 4 producers and 5 injectors planned
- Gas injection to commence in March 2011
- Facilities unplanned downtime - 2%
- Plateau production expected in July



Jubilee and WCTP development opportunities

Jubilee Phase 1a

- Infill programme of 5 to 8 wells
- Designed to maintain FPSO plateau
- Sanction in 2011; to commence in 2012

Jubilee Phase 1b

- Concepts include tie-back to existing FPSO or new cluster development
- Selection subject to Jubilee performance, FPSO capacity and nearby E&A success
- Sanction likely in 2013+

Mahogany East Area (MEA)

- MEA resource range 40 - 80 - 200mmbo
- Declaration of Commerciality - September 2010
- POD & further appraisal being discussed with GoG
- Prospectivity provides additional upside ~200mmbo

Teak Area

- Successful Teak-1 with Teak down-dip underway
- Potential contributor to Phase 1b or Mahogany East cluster development

Jubilee Unit Area Reserves and Resources (mmbo)			
	Phase 1 17 wells	Phase 1a 5-8 wells	Phase 1b 10-20 wells
Low	250	60	160
Mid	370	100	205
High	590	215	260



Enyenra & Tweneboa – Ghana's next major development

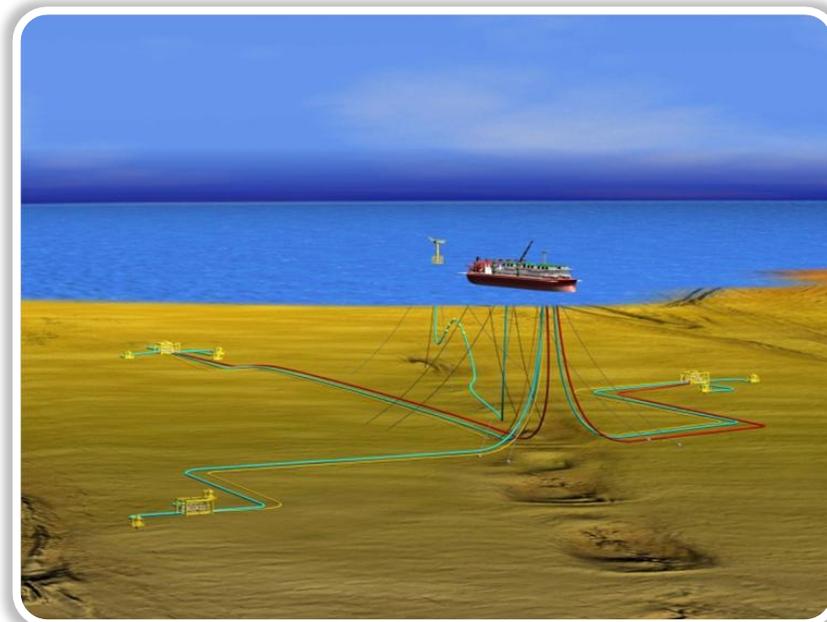
Extensive appraisal and testing

- Successful Enyenra-2A and Tweneboa-3
- Further appraisal in 2011 ~ 2-4 wells
- Well Testing planned to establish reservoir communication, well productivity & fluid data
- Appraisal data will allow refinement of development options

	Resources		
	P90	P50	P10
Enyenra oil (mmbo)	100	200	550
Tweneboa hydrocarbons (incl Enyenra gas condensate - mmboe)	100	200	650

Development options

- Joint Enyenra/Tweneboa FPSO development being considered
- Combined liquid production 75-125,000 bopd
- Gas utilised for gas cycling and export
- Declaration of Commerciality - end 2011
- Submission of Plan of Development - 1H 2012
- First oil ~ 2.5 years post Project Sanction



Uganda – Preparing for an active 2011

Memorandum of Understanding (MOU)

- Delay in recent weeks due to Ugandan elections
- MOU terms agreed and documentation being finalised

Operational Restart

- Drilling operations restarted in Block 2 – Kigigole 6, Ngege-2
- Ogec rig on standby for restart of operations in Block 1
- Weatherford slant rig en-route from Mombassa, further two rigs being contracted
- Extended Well Test equipment in field for a 2Q start-up

Basin Development

- FEED completed for Nzizi and Kasamene fields
- Nzizi gas to power start-up expected late 2012
- Kasamene development may be rolled into overall basin development
- Working actively with partners to advance the basin-wide development plans
- Significant oil production still anticipated in 2015

Good development progress across global portfolio

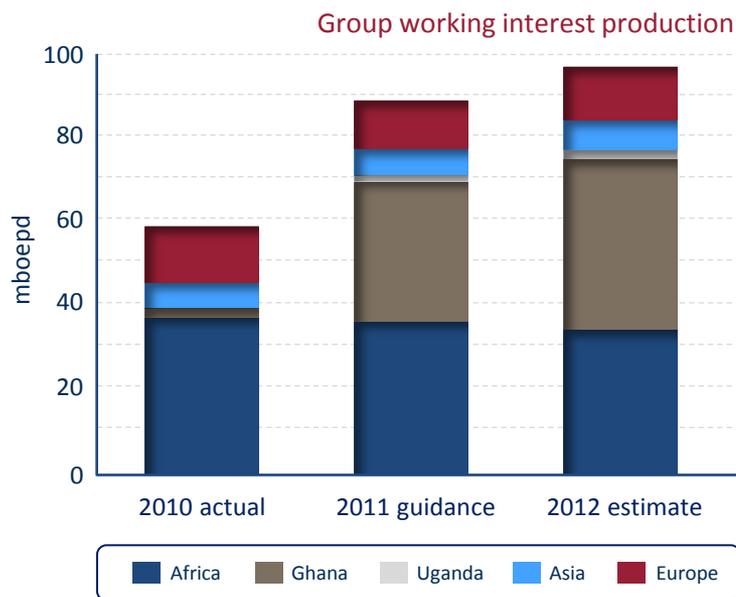
Africa

- **Côte d'Ivoire** - FPSO upgrade completed in 2010 in preparation for infill drilling in 2012-2013
- **Equatorial Guinea** - 4-D time lapse seismic acquired in preparation for further infill drilling and tie backs
- **Gabon** - Production performance maintained; 50 wells in 2011 - infill drilling and incremental developments
- **Mauritania** - Banda oil tie-back to Chinguetti and Banda gas to power under review
- **Namibia** - Kudu gas pricing discussions being progressed with Nampower

Europe & Asia

- **UK** - further Ketch infill drilling and three near field exploration wells planned
- **Pakistan** - Shekhan-1 Extended Well Test under way

Strong production growth in 2011

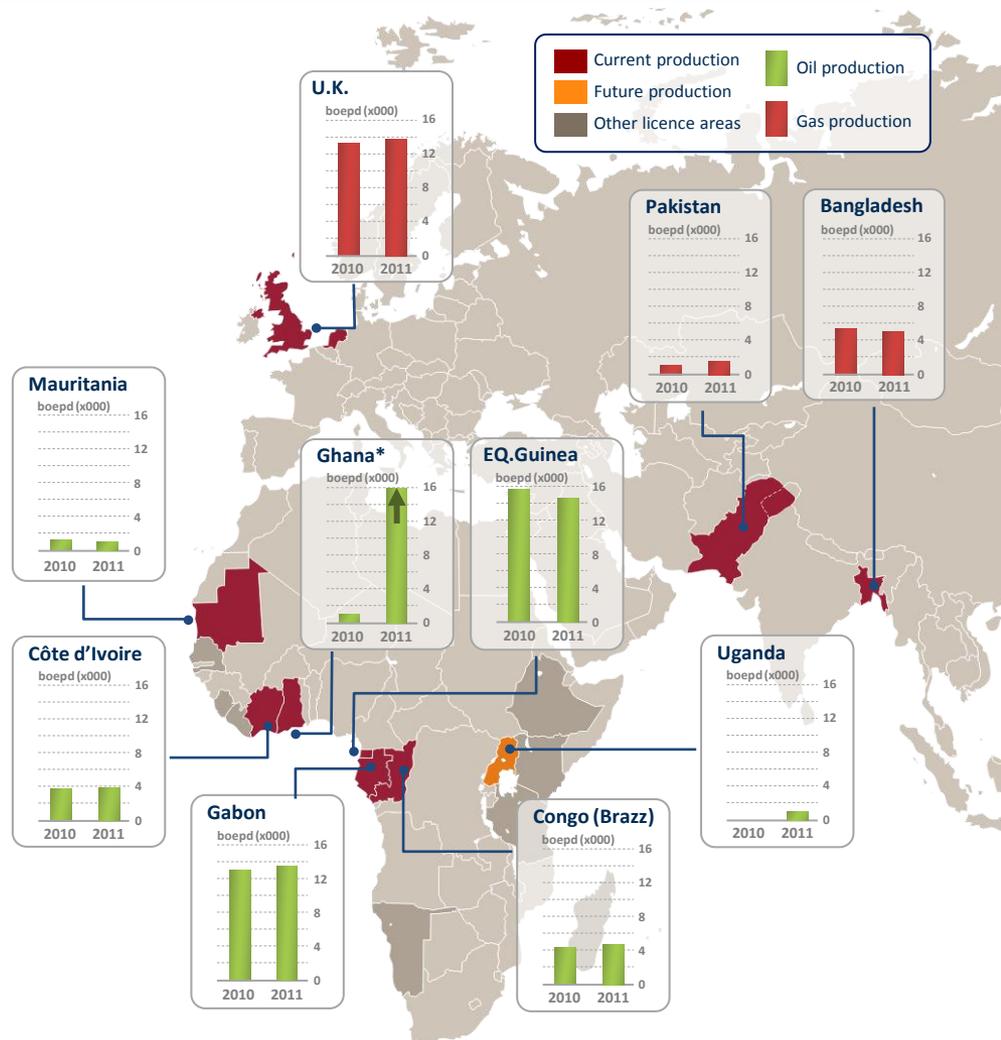


Strong 2010 production – 58,100boepd

- Excellent performance from existing assets versus initial 2010 guidance of 55-57k boepd

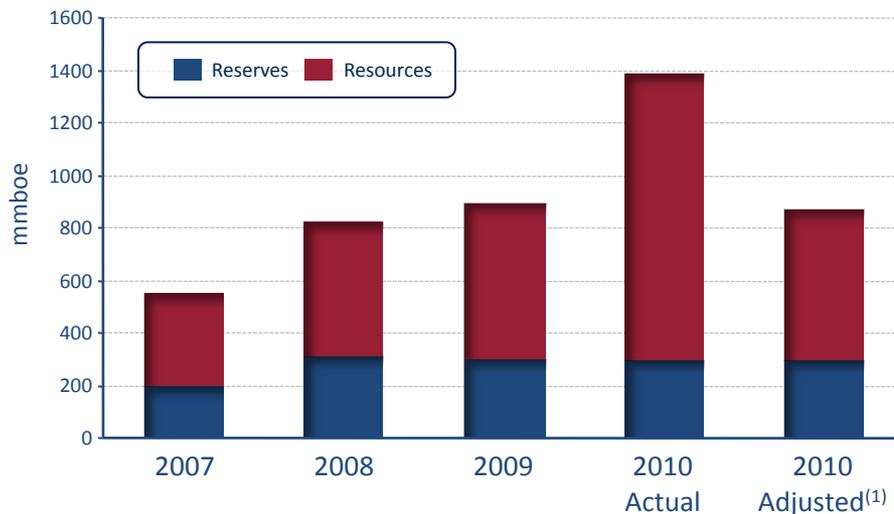
2011+ production to grow significantly

- 2011 production guidance 86-92k boepd
- Jubilee ramp up throughout 1H 2011



* 2011 Ghana average net production forecast to be c.33,000 bopd

Reserves and Resources summary

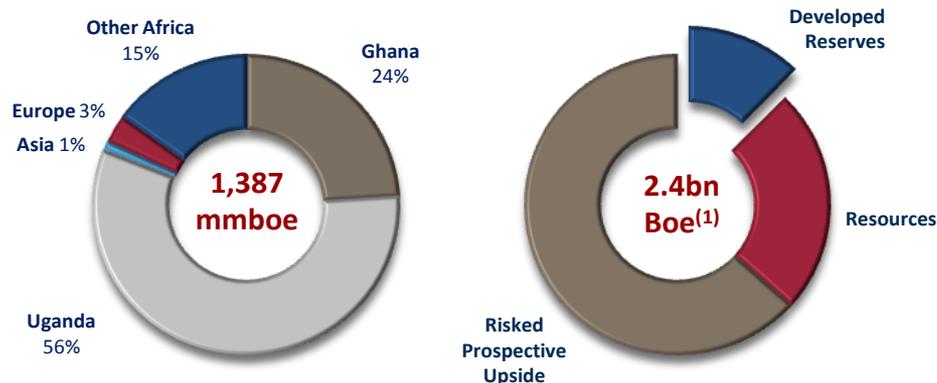


Reserves and Resources 1,387 mmboe

- Commercial reserves 294 mmboe
- Contingent resources 1,093 mmboe
- Ghana & Uganda Resources to migrate to Commercial Reserves in short term

Total resource potential 2.4 billion boe

- Developed reserves - 12% of total
- Reserve and Resource life - > 25 years
- Risked prospective upside c.1.5 billion boe



Three year reserves replacement – 250%

(1) Adjusted reserves and resources based on sale of 66.67% Uganda – 869 mmboe

Conclusion

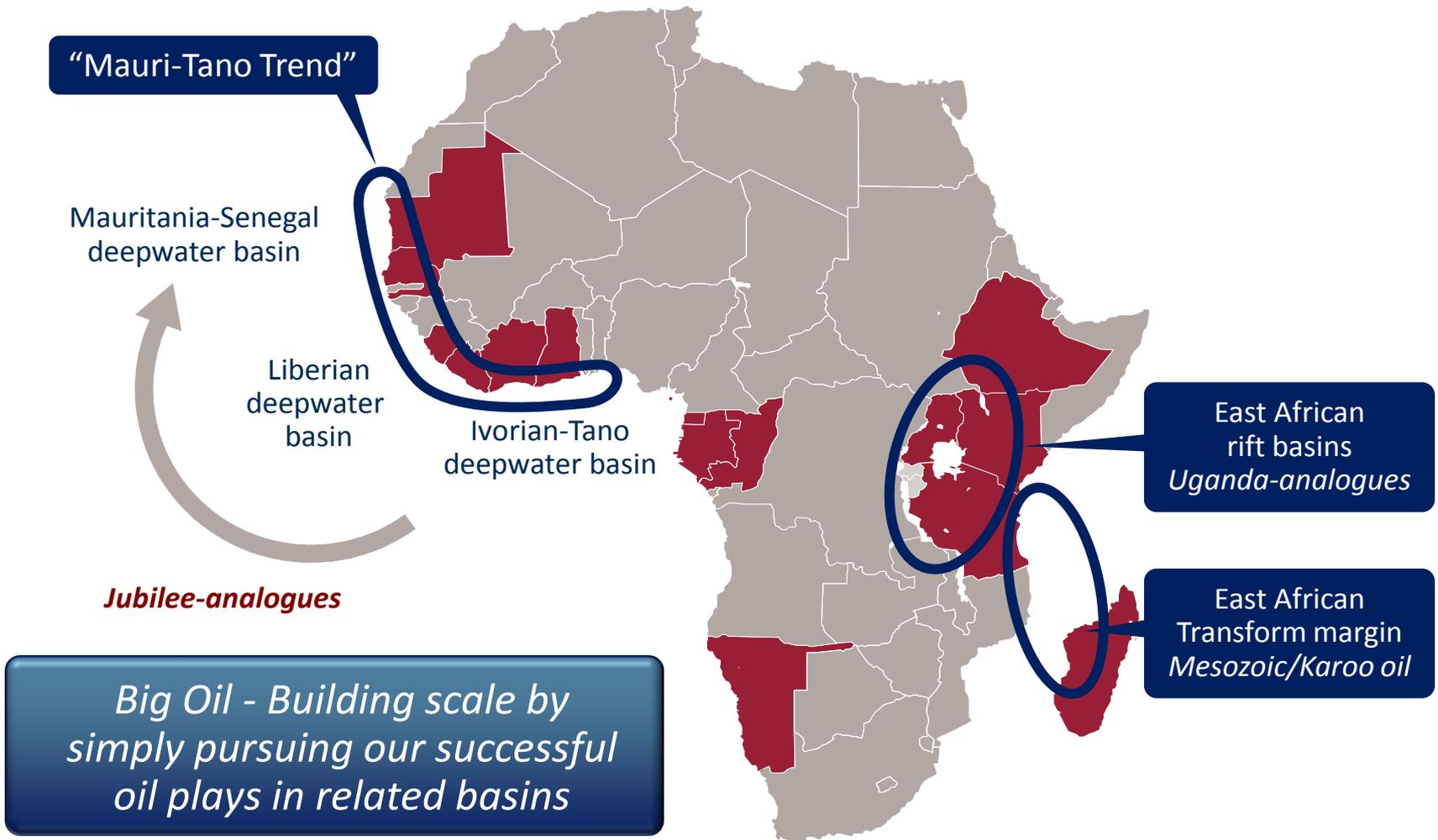
- Strong safety and environmental performance
- Tullow established as a competent deepwater operator
- Enyenra/Tweneboa – next Operated deepwater mega-project
- Five rig programme planned for Uganda E&A drillout
- Global development portfolio fuels significant production growth



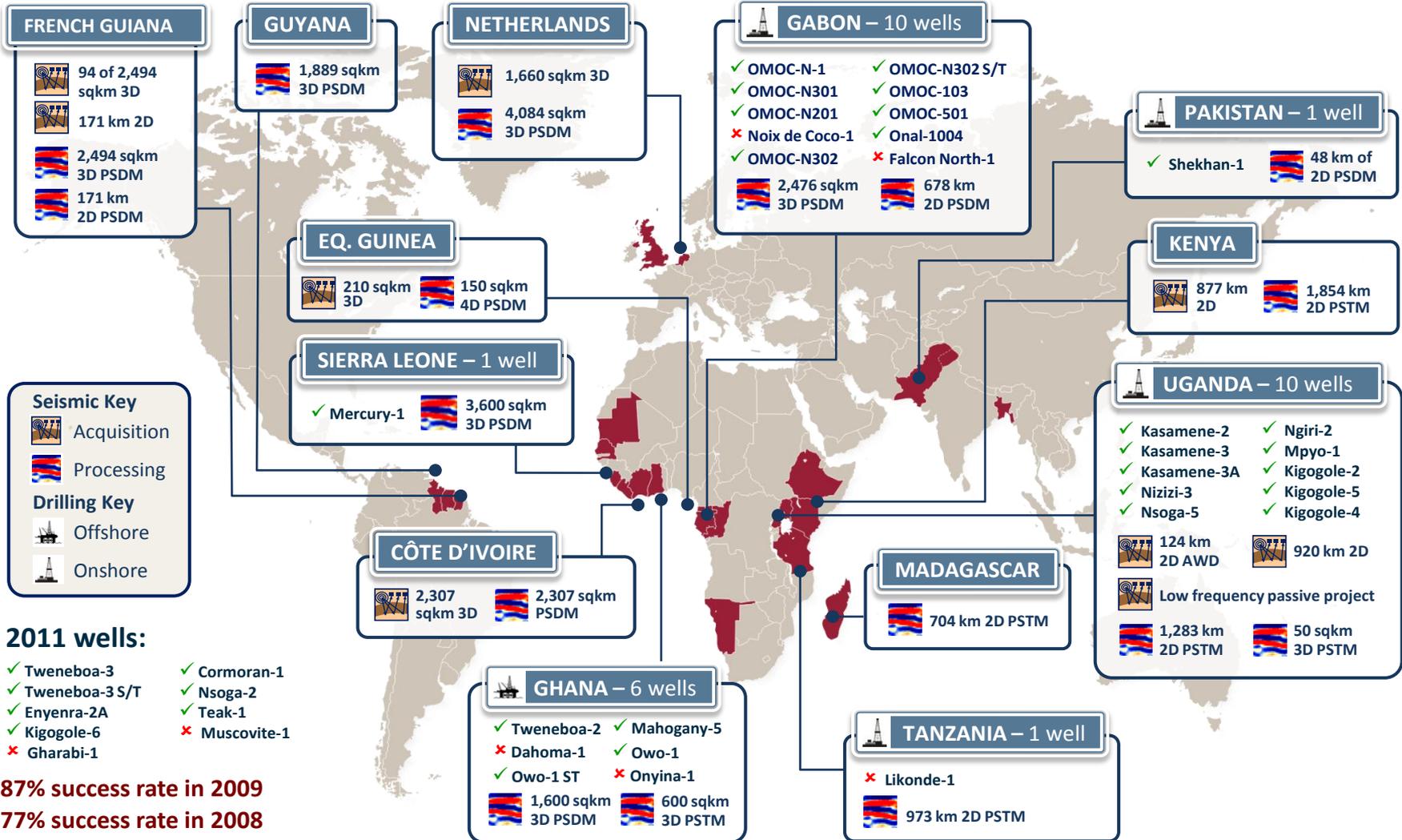
Tullow Oil plc – 2010 full year results

Exploration and Appraisal – Angus McCoss

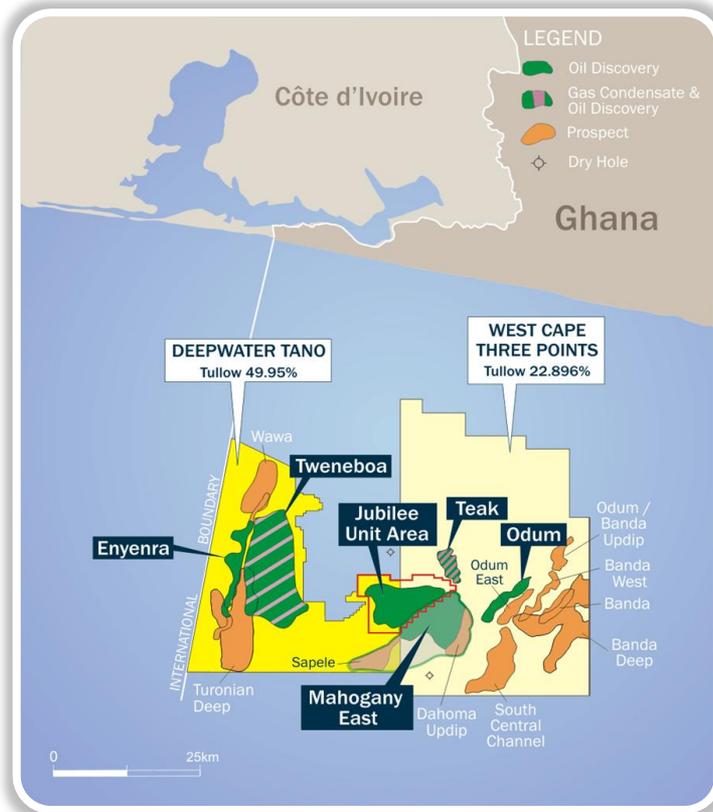
Exploration-led value growth continues to “move the needle”



83% global exploration and appraisal success rate in 2010



Ghana E&A programme delivering excellent results



Ghana gross resource upside potential ~4.0 billion barrels

Six fields discovered since 2007

- Jubilee – world-class producing oil field
- Mahogany East appraised – tie back to Jubilee
- Odum – potential satellite development
- Tweneboa – significant oil and gas-condensate field
- Enyenra – major new light oil field under appraisal
- Teak - significant oil & gas-condensate discovery
- 21 E&A wells - 2 water-bearing (Dahoma & Onyina)

Deepwater Tano 2011 appraisal programme

- Deepwater Millennium drill-ship contract extended
- Tweneboa-4 appraisal well
- Enyenra-3A up-dip & Enyenra-4A down-dip appraisal wells
- Enyenra/Tweneboa flow and interference testing

West Cape Three Points 2011 high-impact wells

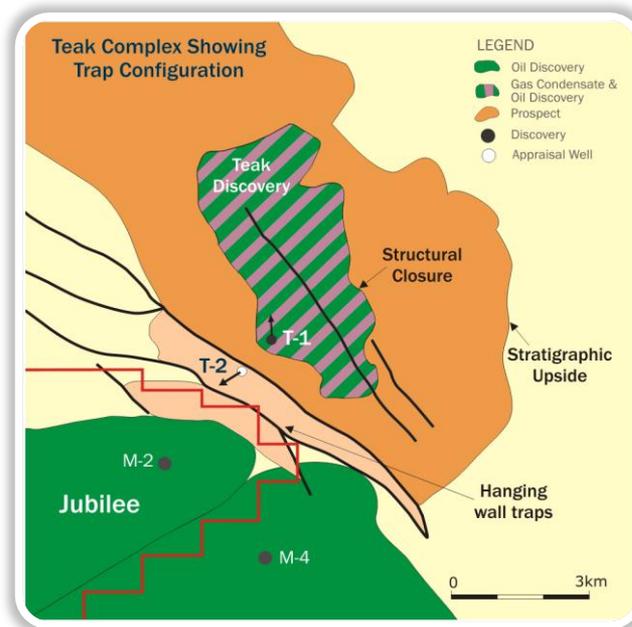
- Atwood Hunter semi-sub contracted; additional rig planned
- Teak-2 exploratory appraisal well between Teak & Jubilee
- Banda Deep exploration well
- South Central Channel exploration well
- Dahoma Up-dip - Mahogany East appraisal well

Two new fields in Ghana – Enyenra & Teak



Enyenra-Tweneboa Area

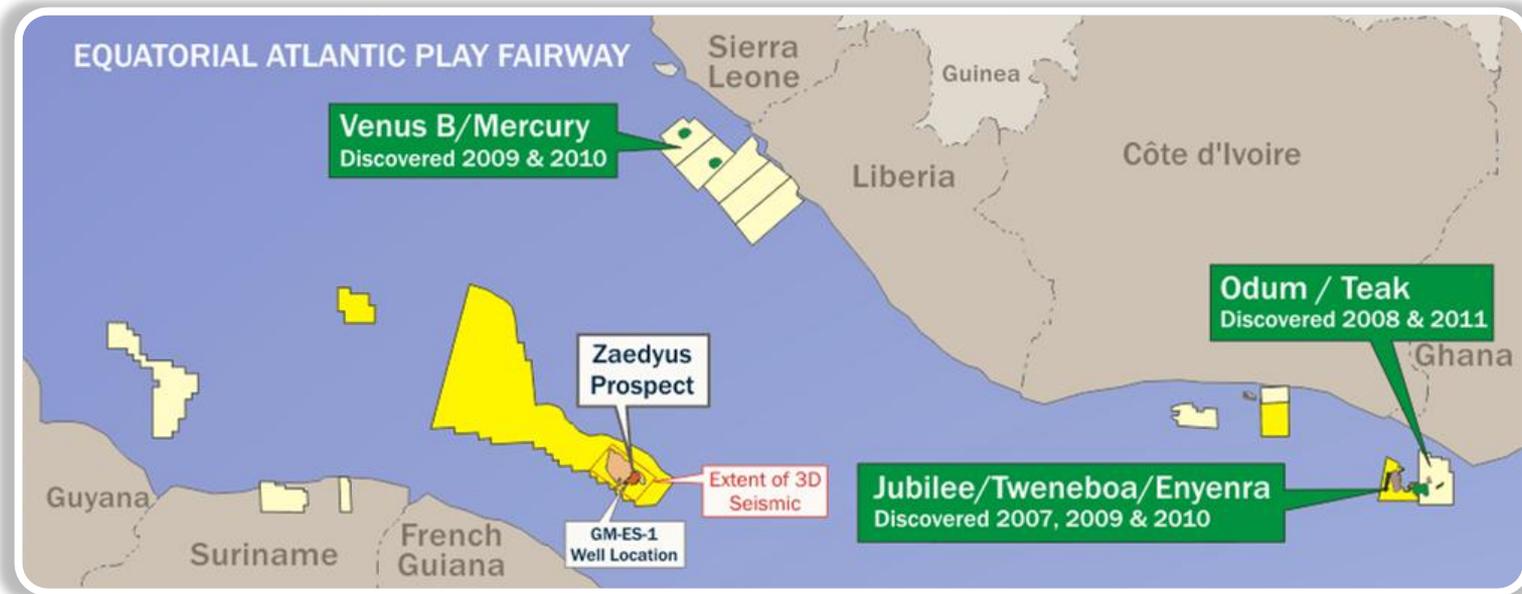
- Turbidite channels & fans in vast 200 sqkm system
- Excellent quality reservoirs
- Tweneboa – significant oil and gas-condensate field
- Enyenra – major new light oil field
- Critical geological risks removed by En-2A & Tw-3/3ST



Teak

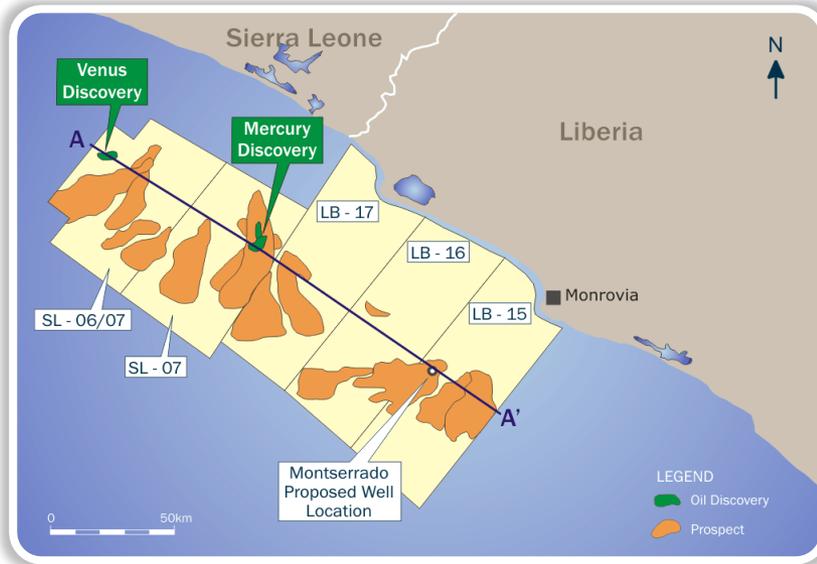
- 73m net hydrocarbons in Campanian & Turonian
 - 50-100-200 mmboc (~70% liquids)
- Excellent quality reservoirs
- 50sqkm structural closure up-dip from Teak-1
- Reviewing down-dip stratigraphic upside potential
- Teak-2 drilling fault block between Teak & Jubilee

Jubilee play pursued throughout Equatorial Atlantic region



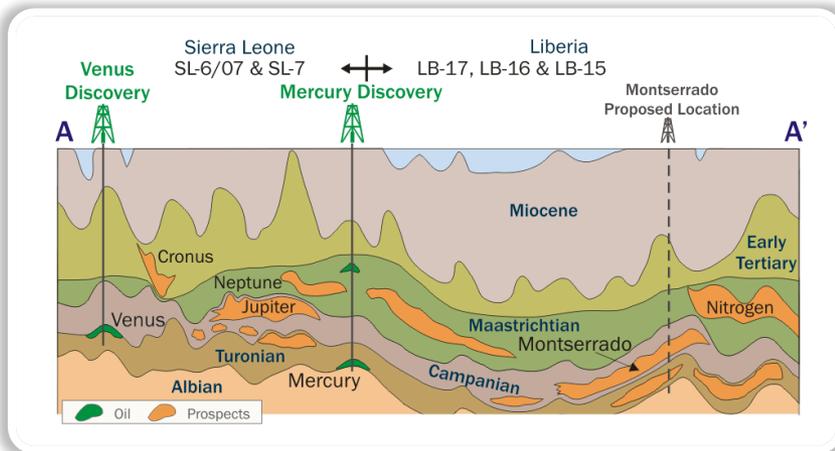
- Industry-leading acreage on Late Cretaceous turbidite sweet spots throughout Equatorial Atlantic region
- Geological model being successfully tested
 - Turbidite channels & fans deposited during Late Cretaceous continental drift
 - Drilled offshore Ghana, Côte d'Ivoire, Liberia & Sierra Leone
 - Turbidites imaged in high-quality 3D seismic on both sides of Atlantic
 - Widespread marine source-rock & effective seals
 - Now established through drilling offshore West Africa
 - Extent of Cretaceous oil in Suriname being tested along "Guyanas Trend"

Following up on Liberian basin discoveries

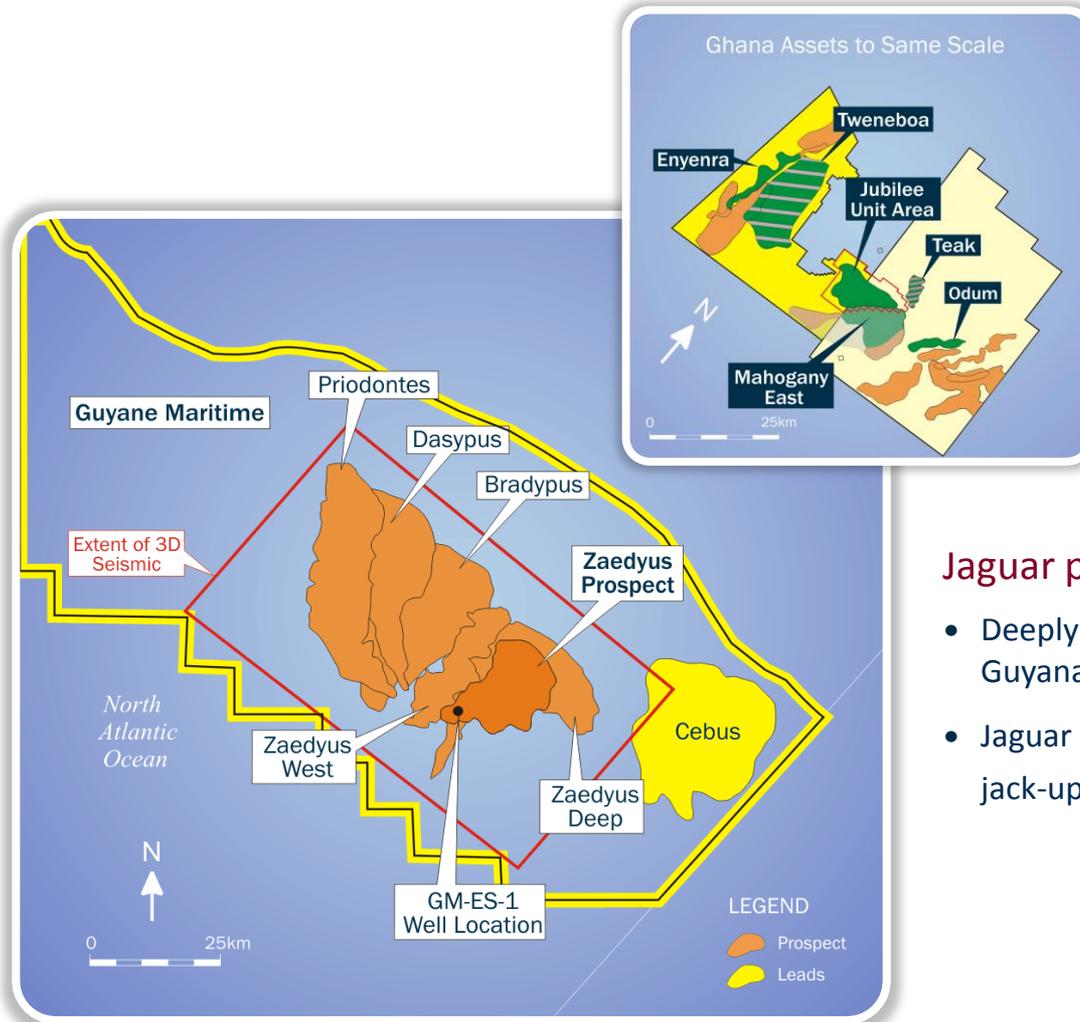


Mercury & Venus follow up in Liberian Basin

- Critical Jubilee-play risks overcome through immediate success at Venus B-1 & Mercury-1
- Operator has confirmed Discoverer Spirit drill-ship to start follow-up 2011 campaign
 - Sierra Leone - Mercury appraisal well & Jupiter exploration well
 - Liberia - Montserrado-1 wildcat to drill high-impact Jubilee-scale Cobalt prospect



Testing the Jubilee-play in South America



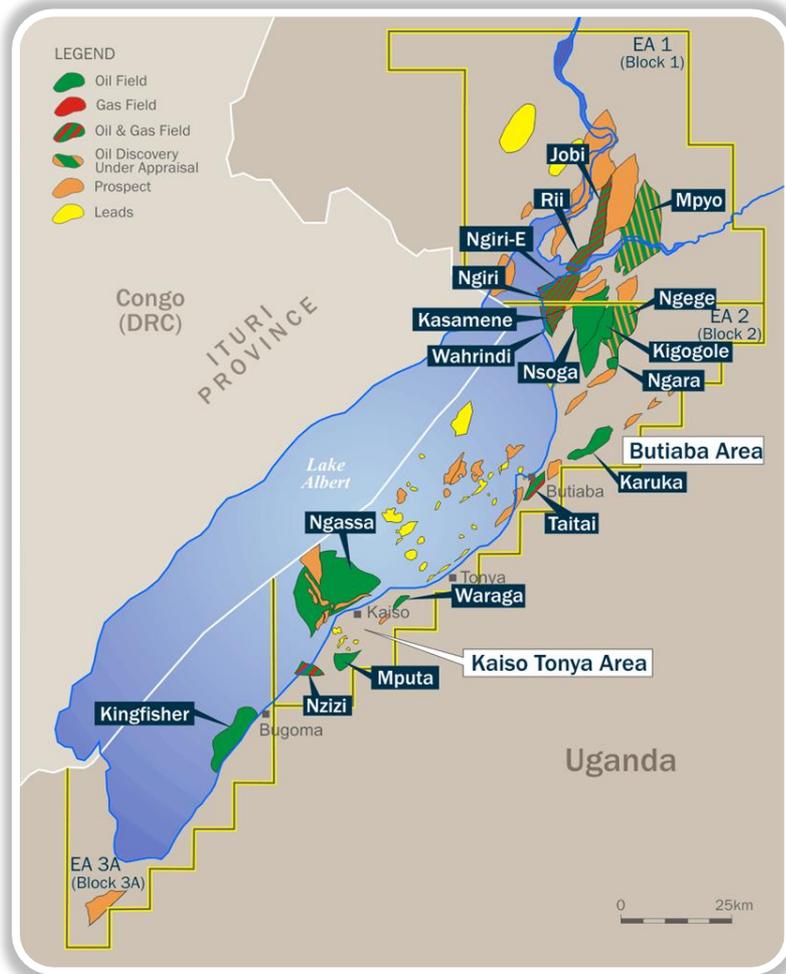
Drilling Zaedyus in French Guiana

- Giant turbidite fan system confirmed by 3D seismic
 - Bigger than the Ghana fan system
 - Numerous prospects mapped
 - High risk with high reward potential
 - Extensive regional follow-up
- Zaedyus currently being drilled by ENSCO-8503 semi-sub; 70-100 day well

Jaguar prospect to be drilled Q3 2011

- Deeply buried Jubilee-sized turbidite fan offshore Guyana
- Jaguar to be drilled by Atwood Beacon HPHT jack-up rig; estimated 130 day well

Uganda : Lake Albert Rift Basin E&A success continues



High success ratio through technical excellence

- 38 out of 39 wells found hydrocarbons
- High quality seismic & FTG unlock basin potential
- Main play fairways mapped in detail
- Ramping up to 5 rigs, including slant rig

Prolific oil basin under appraisal

- >1 billion barrels discovered (P50)
- Appraisal results generally better than P50 prognosis
- Well #33 (Nigiri-2) finds thickest oil pay (40m)

Exploration potential

- 1.5 billion barrels yet to find (P50)
- Additional 1 billion barrels in upside potential (P10)
- Basement play potential studied through global analogues

Exploring in Kenya & Ethiopia to replicate Ugandan success

Three Major Rift Trends

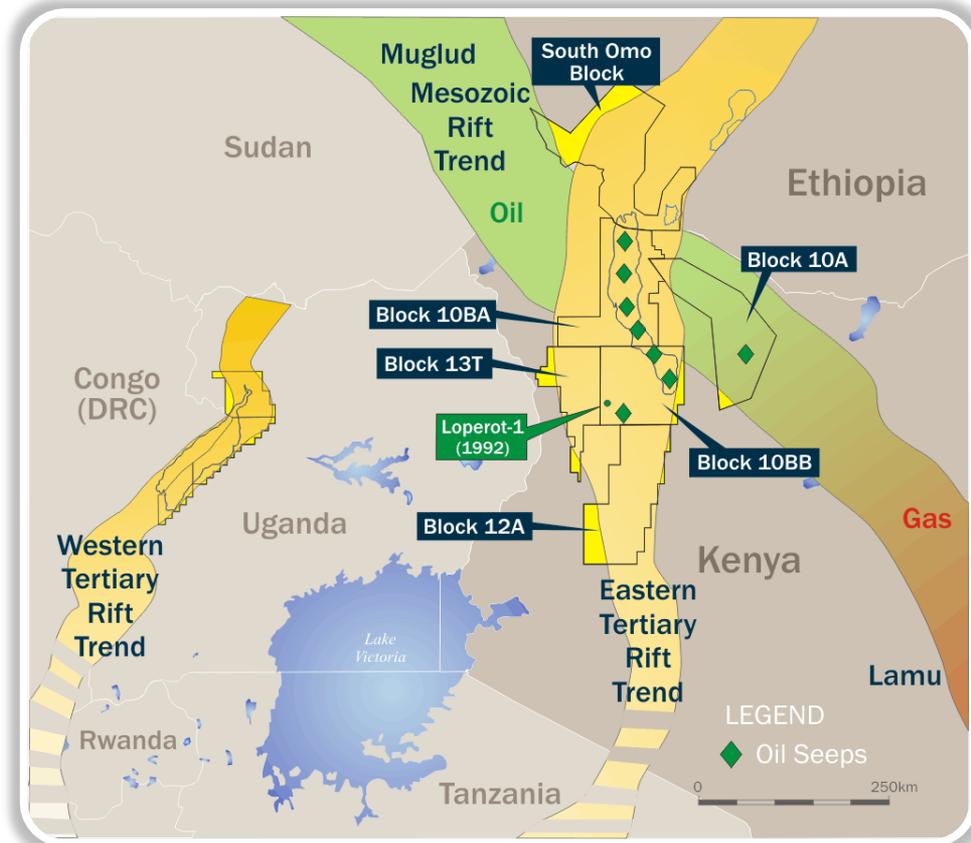
- Western Tertiary Rift Trend
 - Lake Albert Rift Basin – 2.5 Bbo
 - Prolific Victoria Nile Delta Play
- Eastern Tertiary Rift Trend
 - More volcanic – less prospective?
 - Loperot-1 (1992) - 13m oil pay
- Mesozoic Rift Trend (Sudan-Kenya)
 - Sudan Muglud Basin – 6.8 Bbo
 - Kenya Block 10A – Oil seeps

“X” marks the sweetspot

- Oil Trends cross in Tullow acreage
- Omo Delta like Victoria Nile Delta

Transformational potential

- Kenyan-Ethiopian acreage 10x Ugandan
- Regional geological insights leveraged



2011 Exploration and Appraisal programme

Country	Block	Prospect	Interest	Gross upside*	Spud Date
Ghana	Deepwater Tano	Tweneboa-4	49.95% (op)	650 mmboe**	Q2 2011
		Tweneboa-DST			Q2 2011
		Enyenra-3A	49.95% (op)	550 mmbo**	Q3 2011
		Enyenra-DST			Q3 2011
	Enyenra-4A	Q4 2011			
	West Cape Three Points	Teak Downdip	22.9%	40 mmboe	In Progress
		Banda Deep/Cenomanian		260 mmboe	Q2 2011
		South Central Channel		280 mmboe	Q2 2011
Dahoma Updip		95 mmboe		Q3 2011	
Sierra Leone	SL-06/07	Jupiter	10%	250 mmboe	2H 2011
	SL-06/07	Appraisal	10%	50 mmboe	2H 2011
Liberia	Block 15	Montserrat (Cobalt)	25%	650 mmboe	2H 2011
Mauritania	Block 6	Sidewinder	22.4%	800 mmboe	2H 2011
Côte d'Ivoire	CI-103	Fan 4 West	45%	230 mmboe	2H 2011
	CI-105	Lower Bandama Channel	22.37%	300 mmboe	2H 2011

* Estimated P10

** Includes discovered and prospective volumes

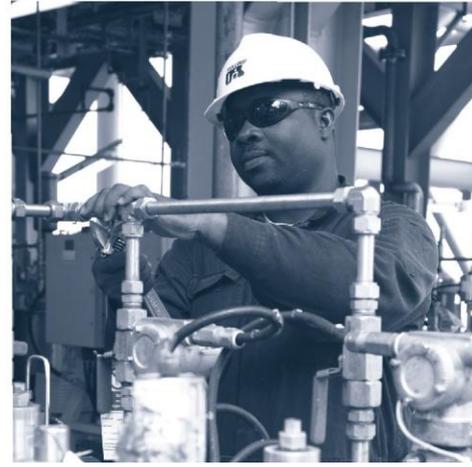
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2011 Exploration and Appraisal programme (cont.)

Country	Block	Prospect	Interest	Gross upside*	Spud Date
Uganda	Block 1&2	Butiaba E&A	Various	1,000 mmboe	In progress
Kenya	10BB	North Kerio	50%	75 mmboe	2H 2011
	10A	Paipai	50%	230 mmboe	2H 2011
Tanzania	Mtwara	Sudi	50%	200 mmboe	2H 2011
French Guiana	Guyane Maritime	Zaedyus	27.5% (op)#	700 mmbo	In Progress
Guyana	Georgetown	Jaguar	30%	700 mmboe	Q3 2011
Suriname	Coronie	5 Well Campaign	40%	250 mmbo	Q2 2011
Pakistan	Kohat	Jabbi	40%	60 mmboe	1H 2011
UK	44/19b	Cameron	22.5%	20 mmboe	Q2 2011
	49/29d	Foxtrot	100%	25 mmboe	Q3 2011

* Estimated P10

Tullow will have a 27.5% interest once Shell receive Government consents for their additional interest



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Conclusions – Aidan Heavey

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