

Interim Management Statement

12 May 2011 – Tullow Oil plc (Tullow) issues the following Interim Management Statement, for the period 1 January to 11 May 2011, in accordance with reporting requirements of the EU Transparency Directive. This statement is issued in advance of the Group's Annual General Meeting which is being held at Haberdashers' Hall in London, at 11am today. The Group will announce its half yearly Trading Statement and Operational Update on 5 July 2011.

Tullow has performed very strongly to date in 2011. In Ghana, the Jubilee field production ramp-up is on track and our exploration and appraisal programmes there continue to deliver excellent results. New basin-opening exploration campaigns have also commenced with the spudding of the Zaedyus well in French Guiana in March and the Montserrado well in Liberia is expected to spud in June. Significant progress has been made in Uganda with the signing of agreements with the Government, CNOOC and Total, allowing the new partnership to restart exploration and to accelerate the development of the basin.

OPERATIONAL UPDATE

Ghana

Following First Oil at the end of 2010, gross production from the Jubilee field has increased to over 70,000 bopd from five wells and water and gas injection has begun. Plateau production of 120,000 bopd is expected to be reached in July as the remaining four production wells are completed and brought on line. Jubilee Phase 1A project planning work is at an advanced stage and a Plan of Development will be submitted to the Government of Ghana in the coming months with work expected to commence in 2012. The development plan for Mahogany East is currently being discussed with the Government; options under consideration include a standalone development and integration with other discoveries.

Extensive exploratory appraisal activity in the Deepwater Tano licence has continued in 2011, focused on proving up the hydrocarbon resource potential of the Enyenra and Tweneboa fields. The Tweneboa-3 & 4 wells, drilled in January and April respectively, successfully proved the southern and western extent of the Tweneboa field. The Enyenra-2A appraisal well, drilled in March, proved the Enyenra field to be a major light oil discovery. The forward programme includes well tests on both fields and two additional Enyenra appraisal wells. Development planning work has continued in parallel with appraisal drilling and a combined Plan of Development is expected to be submitted to the Government of Ghana at the beginning of 2012.

The West Cape Three Points licence drill-out campaign commenced in February 2011 with the Teak-1 and Teak-2 exploration wells. Both wells successfully encountered hydrocarbons demonstrating significant upside potential for further appraisal. The Banda Deep prospect is currently being drilled and will be followed by drilling of the South Central Channel (Makore) and Dahoma Updip prospects.

Uganda

Significant progress has been made towards completing the farm down and accelerating the development of the Lake Albert Rift Basin. On 15 March, Tullow signed a Memorandum of Understanding with the Government of Uganda which provided a clear process to resolve key outstanding issues surrounding tax, licence extensions and consents for Tullow to finalise the purchase of the Heritage interests and subsequently farm down to CNOOC and Total. The Sale and Purchase Agreements (SPAs) for the farm down were signed on 29 March. The remaining conditions are now being finalised and the deals are expected to complete within the next few weeks. The transactions, which include a total cash consideration payable to Tullow of US\$2.9 billion, will create an aligned partnership with each partner having a one third interest in the EA-1, EA-2 and EA-3A licences.

Since the beginning of the year, drilling operations have continued in EA-2 and, following the signing of the SPAs, operational activity in EA-1 and EA-3A has been reactivated. In EA-2, three successful appraisal wells,

Nsoga-2, Kigogole-6 and Ngege-2, have been drilled and an extensive 3D seismic campaign covering the Kasamene, Ngiri, Nsoga and Kigogole discoveries is in progress. In EA-1, the Jobi-East exploration well and the Mpyo-3 exploratory appraisal well are currently drilling and results are expected later this month.

Preparations are now underway for a major programme of Exploration and Appraisal drilling, seismic acquisition and well testing across the basin in the second half of the year. This programme includes the high-impact Omuka well in EA-1 which could de-risk the West of Nile trend and the drilling of the high-impact Kanywataba prospect in EA-3A. In total, five rigs are expected to be operational with Tullow acting as interim operator while CNOOC and Total establish their in-country operating capability.

Development planning for the basin has continued throughout the year and we anticipate discussing this, in collaboration with CNOOC and Total, with the Government of Uganda over the coming months. Tullow is also working with the Government to finalise opportunities for the early sale of crude to local industry and power users including the crude produced as a result of testing activities. Development plans for the Nzizi gas field as fuel for a new Integrated Power Project are also being discussed.

Rest of Africa

Production performance from the rest of the African portfolio is in line with expectations.

In Gabon, Tullow backed into the Gwedidi and Mbigou production licences in the Omoueyi Block in April adding net production of 200 bopd. On the Limande licence, a successful appraisal well was drilled on Limande-South in March and has been side-tracked and completed as a horizontal production well. It is now being tied back to the main facilities and should be on line in the coming days.

In Mauritania, the Pelican/Cormoran well in Block 7 was drilled in January. It successfully appraised the Pelican gas field, discovered good quality gas bearing reservoirs in the Cormoran prospect and tagged Petronia, a gas bearing Cretaceous prospect. The Gharabi well in Block 6, drilled in February, was unsuccessful. This result has no impact on Tullow's plans for its Mauritanian acreage.

In the West African Equatorial Atlantic region, a three well exploration campaign will begin in June with the drilling of the Montserrado (formally Cobalt) well in Liberia followed by the Jupiter-1 and Mercury-2 wells in Sierra Leone.

Unrest in Côte d'Ivoire resulted in Force Majeure being declared in both deepwater exploration blocks CI-103 and CI-105 during February. However, the situation has not affected production operations from the Espoir field which has remained on line throughout.

In early 2011, Tullow completed its 50% farm-in to six East African Rift Basin licences in Kenya and Ethiopia. In May, Tullow as operator commenced an airborne gravity survey across the acreage and the first two commitment wells in Blocks 10A and 10BB in northern Kenya are expected to commence in September 2011. In March, Tullow also gained a 10% interest in Block L8 offshore Kenya with an option on an additional 5%.

South America

In French Guiana, drilling on Zaedyus, the first of several Jubilee-type prospects identified on 3D seismic, commenced in March. Following delays experienced while drilling the upper section of the well, a result is now anticipated in early August.

In Guyana, drilling is expected to commence on the Jaguar prospect in the Georgetown Block at the end of July.

Europe

Production performance in the UK has remained stable. The Cameron exploration well in block 44/19b commenced drilling in April and the Ketch-10 development well is expected to commence drilling in the third quarter.

In the Netherlands, Tullow completed a transaction with Gas Plus to increase its equity in E15c by 10%. Tullow also participated in the non-operated Muscovite exploration well with a 4.3% interest. The well found only residual gas and was plugged and abandoned.

South Asia

In Pakistan, extended well testing at the Shekhan-1 discovery well in the Kohat Block continues. This will assist in planning for an appraisal programme in the discovery area in 2011/12. Preparations are also under way for the second exploration well in the block with Jabbi-1 expected to spud by the end of May.

Performance from the Bangora field in Bangladesh has remained strong, producing consistently at or near the contractual maximum rate of 120 mmscfd.

FINANCIAL UPDATE

Capital expenditure for 2011 is expected to be in the region of US\$1.5 billion. In April, Tullow increased its reserves based lending facility by US\$500 million to US\$3.0 billion and now has total debt facilities of US\$3.65 billion. Net Debt at 30 April 2011, before receipt of the Uganda farm down proceeds, was approximately US\$2.1 billion with unutilised debt capacity of approximately US\$900 million.

OUTLOOK

2011 is another transformational year for Tullow. Strong production growth is forecast as production significantly ramps up at Jubilee. Major development decisions are to be made for Enyenra/Tweneboa and Jubilee and a number of significant wells with basin opening potential in West Africa and South America are drilled. The completion of the Uganda transaction will enable Tullow to accelerate the basin development plan with CNOOC and Total, and begin to realise the significant potential of the region. Jubilee production revenues, together with the Uganda farm down proceeds, mean that the Group will have a very healthy balance sheet to fund significant exploration and development programmes and deliver future growth.

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Notes to Editors

Tullow is a leading independent oil & gas, exploration and production group, quoted on the London and Irish Stock Exchanges (symbol: TLW) and is a constituent of the FTSE 100 Index. The Group has interests in over 90 exploration and production licences across 22 countries and focuses on four core areas: Africa, Europe, South Asia and South America.

In Africa, Tullow has production in Ghana, Gabon, Côte d'Ivoire, Mauritania, Congo (Brazzaville) and Equatorial Guinea with two large appraisal and development programmes in Ghana and Uganda. Tullow also has exploration interests in Gabon, Côte d'Ivoire, Liberia, Sierra Leone, Mauritania, Senegal, Tanzania, Madagascar, Namibia, Kenya and Ethiopia.

Tullow's European interests are primarily focused on gas in the UK Southern North Sea where it has significant interests in the Caister-Murdoch System and the Thames area. The company also has interests offshore the Netherlands.

In South Asia, Tullow has exploration and production in Bangladesh and exploration interests in Pakistan. In South America, Tullow has exploration interests in Guyana, French Guiana and Suriname.

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