

TULLOW OIL PLC

NOVEMBER TRADING UPDATE

17 NOVEMBER 2021 – Tullow issues the following statement to provide an update on its ongoing operations and expectations for the full year. The information contained herein has not been audited and may be subject to further review and amendment.

Rahul Dhir, Chief Executive Officer, Tullow Oil plc, commented today:

“We have delivered strong operational performance across both Jubilee and TEN this year and the Ghana drilling programme continues to be successful. Our decision to pre-empt Kosmos Energy’s acquisition of Occidental Petroleum’s interests in the Deep Water Tano (DWT) licence underscores our belief in the value and growth potential of our assets in Ghana. Elsewhere, the process to find a strategic partner in Kenya is progressing well and we have had success through selective infrastructure-led exploration with the Wamba well in Gabon. Finally, I am pleased to have welcomed Phuthuma Nhleko into the Tullow team as Chairman-designate and we look forward to working with him over the coming years as we execute our strategy and reach Net Zero by 2030.”

OPERATIONAL UPDATE

Production

- Group working interest production averaged 59,400 boepd to end October 2021, in line with expectations.
- Full year production guidance remains unchanged with a range of 58,000-61,000 boepd.
- Production guidance for next year will be provided in Tullow’s Trading Statement in January 2022 after work programmes and budgets are agreed with Joint Venture (JV) Partners across Tullow’s portfolio.

Ghana

- Ghana drilling campaign on track, with three of the four wells planned in 2021 now onstream.
- Significant improvement in operating performance sustained: combined uptime on both FPSOs is averaging c.97%; gas offtake from the Government of Ghana is averaging c.110 mmscfd; water injection rates on Jubilee are in excess of 200 kbwpd.
- Tullow has exercised its right of pre-emption related to the sale of Occidental Petroleum’s interests in the Jubilee and TEN fields in Ghana to Kosmos Energy. As a result, Tullow’s equity interests are expected to increase to 38.9% in the Jubilee field and 54.8% in the TEN fields. Completion of the transaction remains subject to finalising definitive agreements with Kosmos Energy/Anadarko WCTP Company and gaining approval from the Government of Ghana. ([See release](#)).

Jubilee

- Jubilee is currently producing c.28,700 bopd net to Tullow (gross c.81,000 bopd).
- Two new wells have been brought onstream this year (producer J56-P in July and water injector J55-WI in September). A third Jubilee well (producer J57-P) is due onstream in December 2021, ahead of schedule, and is expected to increase gross production from the Jubilee field to over 85,000 bopd.
- The Jubilee FPSO maintenance shutdown originally scheduled for September 2021 is now forecast to take place in April 2022. The shift allows the work scope to be optimised and gas enhancement works previously planned for a 2023 shutdown to be accelerated. An expected easing in COVID-19 restrictions should support a more efficient work programme.

TEN

- TEN is currently producing c.13,200 bopd net to Tullow (gross c.28,000 bopd).
- A gas injector (Nt06-GI) came onstream in October 2021 and is providing pressure support to existing Ntomme wells. Nt06-GI also encountered oil at the base of the well, de-risking the development potential of areas further to the north of Ntomme.

Non-operated

- Production guidance for the non-operated portfolio is c.17,000 bopd net to Tullow for the full year, in line with expectations.
- In Gabon, the Simba expansion project has made good progress with a successful infill well brought onstream in September 2021. A new 10-inch pipeline, which will allow increased offtake from the field, is expected to be operational in December 2021.
- In Côte d’Ivoire, the Espoir field is now back in production following an extended shutdown. Tullow continues to work with the Operator (CNR) to help prepare a remediation plan for the FPSO.

Kenya

- Following the submission of a draft Field Development Plan (FDP) to the Government over the summer, Tullow and its JV Partners have been working collaboratively with the Ministry of Petroleum & Mining to incorporate feedback and plan to submit a final FDP by the end of 2021 in line with licence commitments.
- As previously announced, the JV Partners are actively seeking a strategic partner for the project and constructive discussions continue with interested parties.

Exploration

- In Gabon, selective infrastructure-led exploration has led to the Wamba discovery which is adjacent to the non-operated Tchatamba South oil field. The discovery has the potential to deliver oil production from mid-2022, subject to capital allocation and budget decisions.
- In the emerging basins of Guyana and Argentina the focus remains on unlocking value from the substantial prospective resource base whilst seeking to reduce the Group's capital exposure.
- In Guyana, the Kanuku JV Partners plan to drill the Beebei-Potaro commitment well in mid-2022, targeting in excess of 200 mmbbls gross mean unrisks prospective resources across two targets.
- Following the GVN-1 well result, the JV Partners have notified the Government of Suriname that they have elected not to enter into the next phase of Block 47, and Tullow will exit this licence on 31 December 2021. Tullow has also decided to exit Block 54 at year end.

FINANCIAL UPDATE

- Full year Group capital expenditure is expected to be c.\$265 million (previously c.\$260 million), adjusted to take account of revised Kenya expenditure.
- Full year underlying operating cashflow¹ is expected to be c.\$600 million, and free cash flow is forecast to be c.\$100 million, subject to year-end working capital movements, and excluding any consideration received in respect of Uganda.
- Tullow is set to receive \$75 million from Total following a Final Investment Decision (FID) for the Lake Albert Development in Uganda. Whilst Tullow understands that both CNOOC and Total have now taken FID, it is uncertain whether the final parliamentary approval will be received before year end. Therefore, this payment may occur in early 2022.

Hedge portfolio as of 16 November	2021	2022	2023	2024
Hedged volume (bopd)	40,000	39,254	30,588	10,446
Weighted average floor protected (\$/bbl)	\$48/bbl	\$51/bbl	\$55/bbl	\$55/bbl
Weighted average sold call	\$67/bbl	\$77/bbl	\$74/bbl	\$74/bbl
Premium spend per barrel (\$/bbl)	(\$2.6)	(\$2.0)	(\$2.0)	(\$2.0)

BOARD UPDATE

On 25 October, Phuthuma Nhleko joined the Board as a non-executive Director and Chairman-designate of Tullow. Phuthuma will take over as Chair of Tullow from Dorothy Thompson, CBE, at the end of December 2021, at which point Dorothy will retire from the Board.

CONTACTS

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Notes to editors

Tullow is an independent oil & gas, exploration and production group, quoted on the London, Irish and Ghanaian stock exchanges (symbol: TLW). The Group has interests in over 40 exploration and production licences across 11 countries. In March 2021, Tullow committed to becoming Net Zero on its Scope 1 and 2 emissions by 2030.

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¹ Cash flow from operating activities including lease payments, before capital investment, decommissioning expenditure and debt service