News Release

Interim Management Statement

16 May 2012 – Tullow Oil plc (Tullow) issues the following Interim Management Statement, for the period 1 January to 16 May 2012, 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 12pm today. The Group will announce its half yearly Trading Statement and Operational Update on 4 July 2012. Half year results will be announced on 25 July 2012.

Tullow's performance to date in the first half has been excellent. In Uganda, the Group completed the $2.9 billion farm down to CNOOC and Total, and is now progressing with exploration, appraisal and development activities. The Ngamia-1 well onshore Kenya has opened a new basin and de-risked significant prospectivity in the region. In Ghana, remedial work on the Jubilee production wells is progressing well, Jubilee Phase 1A development has commenced and the Plan of Development for the Tweneboa-Enyenra-Ntomme (TEN) project is expected to be submitted later this year. Further potential basin-opening exploration campaigns have also recently commenced in Guyana and Côte d'Ivoire. In addition, the Group remains on track to deliver total net production of 78,000 to 86,000 boepd for the full year.

OPERATIONAL UPDATE

WEST & NORTH AFRICA

Ghana

In 2012 to date, Jubilee field production has averaged approximately 67,000 bopd and cumulative production to date is now over 33 million barrels and 34 liftings have been completed. Remedial work to rectify well productivity issues has included the sidetracking and installation of an alternative completion design in one of the affected wells and, in parallel, a programme of acid stimulations. Initial results are encouraging and the remediation programme is expected to continue over the coming months. Gross production is expected to average between 70,000 and 90,000 bopd in 2012 and field capacity is expected to be reached in early 2013.

Government approval for the Phase 1A development was received in January and will include five additional producing wells and three injection wells. The first well was drilled in April and first production from the Phase 1A development is expected in the fourth quarter of 2012.

In the West Cape Three Points licence, the Teak-4 appraisal well encountered thin non-commercial reservoirs and the well has been plugged and abandoned. Discussions are on-going in relation to further appraisal and development plans for the Mahogany, Teak, Akasa and Banda discoveries.

In the Deep Water Tano licence, excellent progress was also made on the TEN appraisal programme over the period with three wells drilled. Enyenra-4A, a down-dip appraisal well encountered good oil bearing sands and proved a continuous oil column in the Enyenra field of approximately 600 metres. Owo-1RA, the re-drill of the original Enyenra discovery well, was tested during the period at a co-mingled rate of approximately 20,000 bopd and Ntomme-2A, a down-dip appraisal well, discovered high quality oil bearing reservoirs. Technical work on the TEN development, which includes the FPSO design competition, subsea FEED and associated tendering is progressing to plan. The schedule to submit the Plan of Development to the Minister of Energy is on track for submission during the third quarter. First production is expected approximately 30 months after receipt of Government approval.

Also in the Deep Water Tano licence, exploration drilling has commenced on the Wawa propsect and this will be followed by the Okure (previously Tweneboa Turonian-Deep) and Sapele wells prior to the end of the exploration period in January 2013.

Rest of the region

Production performance elsewhere in West & North Africa is in line with expectations.

The Group's Equatorial Guinea assets have performed strongly following first oil from the Akom North tie-back to the Okume Complex in January and good results from the planned well workover and infill drilling campaign on the Ceiba field which commenced at the beginning of the year.

Production performance from Tullow's Gabon assets is as expected and delivery of the programme of development wells is ongoing. On the Kowe licence, the Tchatamba South B-9 appraisal well was successfully drilled in April, encountering high levels of net pay in four stacked reservoirs and this will now be brought online.

Production from Mboundi field in Congo (Brazzaville) has stabilised following infill drilling and well workover programmes in the first quarter of 2012.

Exploration in the West African Equatorial Atlantic continued during the period. In Sierra Leone, the Jupiter-1 exploration well discovered 30 metres of hydrocarbon pay. The Mercury-2 well was then drilled and intersected thick water bearing sandstone reservoirs with oil shows. In CI-105 in Côte d'Ivoire, the Kosrou-1 well also encountered thick sandstone reservoirs with good oil shows but log analysis indicated that they were water bearing at this location. Whilst a hub-class discovery has yet to be made, the presence of oil shows, thick reservoirs and oil pay in thinner reservoirs is encouraging for the ongoing exploration programme. Drilling of the Paon-1X well in a Jubilee-type prospect in block CI-103, Côte d'Ivoire, has commenced and results are expected in June.

SOUTH & EAST AFRICA

Uganda

In February 2012, Tullow signed two Production Sharing Agreements (PSAs) relating to the Lake Albert Rift Basin with the Government of Uganda enabling the completion of the farm-down to CNOOC and Total for a total consideration of $2.9 billion. A significant programme of exploration and appraisal drilling and testing has now recommenced and will include up to 20 Exploration and Appraisal wells, well testing and the acquisition of further 3D seismic and gravity data.

In EA-1, a significant inventory of prospects has been identified in an unexplored trend to the west of the River Nile. The Omuka well will test this new trend and is due to spud in the fourth quarter of 2012. In EA-2, the Ngege appraisal campaign is under way with two out of four wells successfully drilled to date. In EA-3A, at the southern end of the basin, CNOOC plan to commence drilling the Kanywataba-1 exploration well later this month.

Development planning is progressing through a number of integrated teams with our partners, and major production from the Lake Albert Basin is expected approximately 36 months after a plan for the basin-wide development is approved by the Government of Uganda. Concurrently, options are being considered to allow for the sale of small volumes of crude from well testing to industry, as well as some potential small scale power projects.

Kenya

Tullow has made an excellent start to its Rift Basin exploration campaign in Kenya with the discovery of over 100 metres of net light oil pay in the first exploration well, Ngamia-1 in Block 10BB. The Ngamia structure is the first prospect to be tested as part of a multi-well drilling campaign in Kenya and Ethiopia. Many leads and prospects over the Group's 100,000 sq km acreage position have been identified and following this discovery, the outlook for further success has significantly improved. Ngamia-1 is now being drilled to its target depth of 2,700 metres to test deeper prospectivity. Activity in the region is now expected to accelerate with additional drilling, well testing and seismic acquisition planned. This includes the drilling of the Twiga-1 prospect in Block 13T in the second half of 2012 and sourcing an additional rig to drill the Paipai prospect in Block 10A. Over the period, Tullow also increased its acreage position in Kenya, farming-in to Block 12B with a 50% Operated interest.

EUROPE, SOUTH AMERICA & ASIA

Europe

Production in Europe is in line with expectations. In the UK, the Ketch 10 well (block 44/28b) was completed on 27 April 2012. The well successfully targeted the central part of the Carboniferous Ketch field and appraised the higher virgin-pressured western compartment and flow tested at 25 mmscfd. The well is scheduled to come on stream later this month. In Norway, Tullow pre-qualified as an Operator on the Norwegian Continental Shelf on 27 January 2012.

South America

Following the basin-opening Zaedyus discovery in French Guiana in September 2011, a drillship has been contracted by the joint venture to commence a comprehensive exploration and appraisal programme in June. The first well will appraise the discovery made by Zaedyus-1 and explore for deeper objectives, followed by an exploration wildcat well. Planning is also ongoing to acquire two large 3D seismic surveys; a 4,700 sq km Eastern Slope survey and a 620 sq km Cebus survey either side of the Cingulata fan system containing Zaedyus and other mapped turbidite fans.

Drilling of Jaguar-1 well in Guyana commenced in February 2012. Drilling has progressed as planned and is expected to complete in Q3 2012. In Block 47 in Suriname, a 3,000 sq km 3D programme is expected to commence in May. In April, Tullow was awarded Block 15 in the offshore Uruguay licensing round. The block is 8,030 sq km and Tullow has committed to shoot a 300 sq km 3D seismic survey.

South Asia

Bangora field production in Bangladesh has been limited to around 103 mmscfd since the beginning of the year. A workover of one of the wells is planned in Q2 to bring production back to the plant capacity of 120 mmscfd. In Pakistan, the Jabbi-1 gas exploration well in the Kohat exploration licence reached a total depth of 4,020 metres and is currently undergoing testing.

In March 2012, Tullow announced its intention to begin a process to divest its Asia businesses.

FINANCIAL UPDATE

Year to date financials are in line with expectations. Capital expenditure for 2012 is expected to be in the region of US$2.0 billion. As of 30 April 2012, net debt is approximately US$0.5 billion and un-utilised debt capacity is approximately US$2.7 billion.

OUTLOOK

Tullow is continuing to deliver outstanding results from its high impact, exploration-led growth strategy. The Uganda farm-down and strong production performance give Tullow a firm financial foundation to carry out its extensive work programmes in Africa and the Atlantic margins. Tullow is confident that, having delivered industry-leading basin-opening exploration success already this year, and with key developments progressing well, the Group will deliver further significant growth in 2012.

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Notes to Editors

Tullow is a leading independent oil and gas, exploration and production group and is quoted on the London, Ghana and Irish Stock Exchanges (symbol: TLW.L). The Group has interests in over 100 production and exploration licences in 22 countries which are managed as three regional business units: West & North Africa, South & East Africa and Europe, South America and Asia.

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 focused on gas in the UK Southern North Sea where it has significant interests in the Caister-Murdoch System and the Thames area and in the Netherlands where it has offshore gas production, development and exploration opportunities.

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.

For further information please refer to our website at **www.tullowoil.com**.

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