

4 June 2025

Current price

15.5p

TICKER

TLW

Market Cap

£226m

Net debt (31 March 2025)

US\$1.6bn

Free Float

82%

3mo Av. Daily Volume

6.0m

Brokers

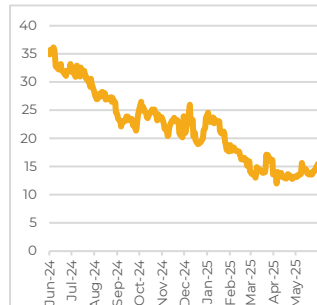
Barclays

Peel Hunt

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FTSE All-Share

Share Price Performance



Source: Bloomberg

Tulow is an independent energy company with deep operating experience building a better future through responsible oil and gas development in Africa.

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Tulow Oil

Ghana licences extended to 2040

Leading West African deep-water oil and gas operator

Tulow has announced the signature of a Memorandum of Understanding (MoU) for the extension of the licences covering its Jubilee and TEN fields in Ghana to 2040 on unchanged fiscal terms. These licence extensions unlock the potential for up to an additional 20 wells in the Jubilee field resulting in a potentially material increase in proven and probable reserves and an increase in gas sales on more secure terms. After allowing for the required additional investment, of up to US\$2bn, we raise our estimate for net asset value (NAV) to 64p (from 61p), based on our flat US\$75/bbl oil price deck (Figure 1), over four times the current share price. Moreover, the MoU demonstrates the constructive relationship the JV has with the Ghanaian government as well as providing a longer runway for production to support the holistic refinancing which Tulow is pursuing.

Partners in the West Cape Three Points and Deep Water Tano licences have signed an MoU with the Government of Ghana to extend the production licences to 2040. The existing expiry dates for the Jubilee and TEN fields were 2034 and 2036, respectively. The MoU includes approval to drill up to 20 additional wells in addition to the current, firm six well programme through 2026.

The MoU contains a number of principles helping to underpin continued development of the Jubilee and TEN fields including working to increase gas supply to 130mmcf/d from the current c100mmcf/d, a reduced price for Jubilee associated gas but with a guaranteed reimbursement mechanism for gas sales, and development support to Ghana National Petroleum Corporation and the Petroleum Commission.

Implementing the MoU requires submission for approval of a Jubilee Plan of Development Addendum, entering into new fully termed gas sales agreements, and the submission for parliamentary approval for the payment security mechanism and licence extensions which is planned before the end of 3Q25.

So far in 2025, Tulow has announced the disposal of its Gabonese and Kenyan assets for up to US\$420m of which US\$380m is expected to be received by YE25, repaid the US\$0.5bn principal due on the 2025 notes, extended the revolving credit facility to October 2025 on a reduced requirement of US\$150m and which is expected to be cancelled following receipt of the US\$300m due imminently on the Gabonese disposal, while identifying additional material cost savings once these disposals are completed. The company has now announced an MoU for a significant extension of its critical licenses in Ghana while it continues to pursue a holistic refinancing of its outstanding debt.

At a glance (Yr to Dec)	Production (kboed)	Net profit (US\$m)	Net debt (US\$m)	Leverage (x)	P/E ¹ (x)	EV/Debt Adj CF ¹ (x)
FY23A	62.7	(109.6)	1,608.4	1.4	n/a	2.6
FY24A	61.2	54.6	1,452.3	1.3	10.1	2.7
FY25E	45.1	250.3	935.0	1.1	1.1	1.9
FY26E	45.6	178.6	937.4	1.1	1.6	1.8
FY27E	45.9	243.6	731.6	0.9	1.2	1.5

Source: Bloomberg, Tulow, CAG Research. 1) Uses annual averages for historic share price and EV data.

NAV (10% discount rate; pro forma net of Gabon sale)

Location	CoC ¹	Liquids	Gas	Total	Risky NAV			Unrisked NAV		
	(%)	(mmbbl)	(bcf)	mmboe	(US\$m)	(US\$/boe)	(p/share)	(US\$m)	(US\$/boe)	(p/share)
Ghana	100%	176	260	220	2,180	9.92	120	2,180	9.92	120
Côte d'Ivoire	100%	1	4	1	(25)	(20.75)	(1)	(25)	(20.75)	(1)
Producing fields		177	264	221	2,154	9.75	119	2,154	9.75	119
Net (debt)/cash					(1,121)		(62)	(1,121)		(62)
Gash G&A (2 years)					(78)		(4)	(78)		(4)
Corporate					(1,199)		(66)	(1,199)		(66)
Core NAV		177	264	221	955	4.33	53	955	4.33	53
Uganda royalty	35%				129		7	368		20
Kenya	80%				85		5	85		5
Guyana residual	10%				0		0	0		0
Tangible NAV		177	264	221	1,169	5.29	64	1,409	6.38	78
Exploration prospects		0	0	0	0	0	0	0	0	0
All sources NAV		177	264	221	1,169	5.29	64	1,409	6.38	78

Source: Tullow, CAG Research. 1) Chance of Commerciality = Chance of Discovery x Chance of Development.

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