CAPITAL ACCESS

21 November 2025

Tullow Oil

Trading statement – guidance updates

Current price
8p

TICKER
TLW

Market Cap
£121m

Net debt (30 June 2025)
US$1.6bn

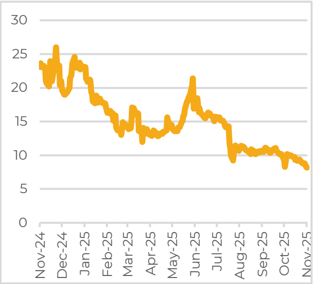
Free Float
82%

3mo Av. Daily Volume
5.4m

Brokers
Barclays
Peel Hunt

Index
FTSE All-Share

Share Price Performance



Source: Bloomberg

Tullow 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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Leading West African deep-water oil and gas operator

In its November trading statement, Tullow reiterated 2025 guidance and provides initial guidance for 2026, including production of 34-42kboed, reflecting the previously disclosed production issues at the Jubilee field. This guidance is highly sensitive to the performance of the J73-P production well which is due onstream around year end together with the results of an extensive five well Jubilee drilling programme planned for 2026, which will benefit from the previously completed 4D seismic programme and an Ocean Bottom Node survey which is currently in progress. Tullow has also flagged alternative options to manage its 2026 bond refinancing.

Production through October averaged 40.7kboed, very similar to the 1H25 average, including in composition. The company reiterated production guidance for the year toward the lower end of the 40-45kboed range with capex and decommissioning expenditure guidance maintained at cUS$185m and cUS$20m, respectively. Guidance for cost optimisation savings was also reaffirmed for 2025 at c$US10m and $US50m over the next three years compared to 2024.

For 2026, besides production guidance of 34-42kboed, capex and decommissioning are expected at around cUS$200m and cUS$25m respectively with pre-financing free cash flow at US$70-100m assuming US$65/bbl oil. YE25 net debt is now guided to cUS$1.2bn (from cUS$1.1bn).

Tullow's prime focus remains to refinance the group's capital structure, including benefitting from the US$420m in disposals completed during the year with expected receipts due in 2025 in excess of US$380m. Besides its regular refinancing discussions, Tullow notes that it is progressing alternative options with certain of its creditors, including an amend and extend exercise and other forms of liability management transactions, given current conditions and the upcoming May 2026 bond maturity.

Tullow's guidance indicates a higher YE25 net debt outcome than our current forecast and a weaker outlook for 2026. The company notes total receivables due from the Ghanaian Government of over US$200m, even partial receipt of which would make a meaningful difference to its financial position. Tullow is taking prudent steps ahead of the maturity of the cUS$1.3bn face value of the outstanding bonds, in the event refinancing has not been completed. The bond price has recovered sharply from the spring low and is holding fairly steady at around 86 cents on the dollar. Clearly a successful refinancing would remove a key uncertainty for investors and potential investors.

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*	52.1	(55.0)	1,452.3	1.4	n/a	2.6
FY25E	41.3	62.7	1,041.4	1.6	2.4	2.2
FY26E	44.6	73.5	1,072.7	1.4	2.0	1.8
FY27E	45.5	162.3	879.6	1.1le	0.9	1.4

*Source: Bloomberg, Tullow, CAG Research. 1) Uses annual averages for historic share price and EV data. *Restated to treat Gabon as a discontinued operation.*

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