TRADING STATEMENT AND OPERATIONAL UPDATE

Record full year results expected; 74% E&A success ratio in 2011

Basin-opening Zaedyus discovery; Jubilee Phase 1A development plan approved

18 January 2012 – Tullow Oil plc (Tullow) issues this Trading Statement in respect of its financial year to 31 December 2011. This is in advance of the Group's Full Year Results, which are scheduled for release on 14 March 2012. The Operational Update is in respect of recent production, development and exploration activities. The information contained herein has not been audited and is subject to further review.

HIGHLIGHTS

Exploration and Appraisal activities

- 74% exploration and appraisal success ratio in 2011; basin-opening Zaedyus discovery in French Guiana.
- New exploration partnering initiatives being pursued including a frontier exploration partnership with Shell in the Atlantic basin.
- Great progress on appraisal of Tweneboa-Enyenra-Ntomme (TEN) in Ghana; Ntomme-2A successfully encountered light oil in excellent quality sandstone reservoirs reinforcing the TEN resource base.
- Appraisal activities in Uganda in EA-1 have provided further valuable data; seismic campaign completed; important licence extensions received.
- Surveys in Kenya and Ethiopia completed; Ngamia-1 well in Kenya due to spud imminently.
- High-impact E&A programme consisting of approximately 40 wells planned for 2012.

Development and Operations activities

- Group working interest production averaged 78,200 boepd in 2011; production in 2012 is forecast to average between 78,000 and 86,000 boepd with an exit rate of over 90,000 boped expected.
- Gross Jubilee production is currently over 70,000 bopd and following a number of remedial activities is expected to average 70,000 to 90,000 bopd in 2012.
- Jubilee Phase 1A development plan now approved with drilling scheduled to commence in March 2012.
- TEN development Front End Engineering and Design (FEED) work is progressing in parallel with appraisal. Plan of Development to be submitted Q3 2012 with first oil expected c.30 months after approval.
- Tullow is finalising arrangements with the Ugandan Government to complete the $2.9 billion farmdown and commence basin development.

Group financials

- Record 2011 financial results expected; 2011 sales revenue of $2.3 billion forecast, over double 2010.
- 2011 full year capital expenditure of $1.4 billion.
- Forecast 2012 capital expenditure of $2.0 billion.
- Net debt at 31 December 2011 was approximately $2.8 billion.

COMMENTING TODAY, AIDAN HEAVEY, CHIEF EXECUTIVE SAID:

"Record revenues and cash flows from increased production and strong commodity prices combined with industry-leading exploration success underpin another very good year for Tullow in 2011. In 2012 we expect significant progress in Ghana and Uganda as we move forward with Jubilee well remediation and Phase 1A, TEN and the Lake Albert developments. We have an exciting exploration programme to open new basins, both onshore and offshore, and we hope to extend our reach in Africa and elsewhere along the Atlantic Margins with major new partnerships. There is much to look forward to in the year ahead."

Conference Call: In conjunction with this announcement Tullow has scheduled a conference call at 09:00 today. Details are included at the end of the release.

Trading statement

Production

Group working interest production for 2011 averaged 78,200 boepd. A further breakdown of these figures is provided in the Operational Update. Production figures in this update remain subject to final reconciliation and do not equate to sales volumes which averaged 66,800 boepd in 2011. This is due to variations in lifting schedules and because a portion of the production is delivered to host governments under the terms of Production Sharing Contracts.

Realised prices and oil discount

Realised commodity prices during 2011 were significantly higher than the 2010 levels. Realised oil price was approximately $112/bbl (pre hedge) and $108 (post hedge) and realised UK gas price was approximately 57p/therm (pre and post hedge).

The Group’s oil production sold at an average premium of approximately 1% to Brent during 2011.

Total revenue for 2011 is expected to be of the order of $2.3 billion, compared with $1.1 billion in 2010. The significant increase in revenue is due to higher sales volumes in 2011, principally due to Jubilee sales, together with the increased realised commodity prices.

Asset impairments

In respect of producing assets, Tullow expects to record an impairment charge to cost of sales of approximately $50 million. This relates to the M’Boundi field in the Congo and is driven by field performance.

Exploration write-offs

Tullow’s exploration write-off for the 2011 is expected to be of the order of $135 million. This write-off is principally associated with unsuccessful 2011 exploration activities in the UK, Liberia, Gabon, Mauritania, Ghana and new ventures activity and licence relinquishments.

Capital expenditure

Capital expenditure for 2011 amounted to $1.4 billion excluding acquisitions. For accounting purposes, the purchase of the Kwame Nkrumah FPSO in Ghana was included as a capital addition in 2010. In May 2011, Tullow acquired Nuon Exploration and Production for a cash consideration of €300 million and the interests of EO Group Limited, comprising a 3.5% working interest in the West Cape Three Points licence offshore Ghana for a combined share and cash consideration of $305 million. Based on current estimates and work programmes, total capital expenditure for 2012 is forecast to be $2.0 billion. Approximately 45% of this investment will be allocated to exploration and appraisal and the remainder to selected development and production activities.

Derivative instruments

At 31 December 2011, the Group’s commodity derivative instruments had a net positive mark to market value of $42 million, exclusive of deferred premium. The movement in the mark to market position during the year has been materially driven by the Group’s oil hedging activity at relatively higher commodity prices throughout the year compared with the forward curve on 31 December 2011.

The Group’s interest rate derivative instruments had a net negative mark to market value of $7 million due to low dollar swap rates.

While all of the Group’s derivative instruments currently qualify for hedge accounting, a pre tax credit of approximately $20 million will be recognised in the income statement for 2011. The credit is in relation to the increase in time value of the Group’s commodity derivative instruments, materially caused by the Group’s oil hedging activity at relatively higher commodity prices throughout the year compared with the forward curve on 31 December 2011.

Commodity hedging summary

At 31 December 2011, the Group's commodity hedge position to the end of 2014 was as follows:

Hedge Position	2012	2013	2014
Oil Hedges			
Volume – bopd	34,500	21,000	10,000
Current Price Hedge - $/bbl	104.7	100.8	96.8
Gas Hedges			
Volume – mmscfd	23.83	10.97	1.81
Current Price Hedge - p/therm	56.5	64.0	70.7

Ghana share listing

On 27 July 2011, 3,531,436 ordinary Tullow shares were issued for a consideration of approximately $72.3 million in connection with Tullow's secondary listing on the Ghana stock exchange.

Net debt

Net debt at 31 December 2011 was approximately $2.8 billion and the unutilised debt capacity was approximately $825 million. The reserve based lending facility was increased by $0.95 billion during the year with the Group now having total debt facilities of $4.15 billion.

Operational Update

NEW PARTNERSHIP WITH SHELL

Tullow announces the signing of a non-binding Memorandum of Understanding with Shell to partner for new frontier exploration in select basins and geological plays around the Atlantic Basin. Tullow and Shell will pursue and evaluate transformational geological plays in underexplored frontier basins. This partnership combines the knowledge base and specialist capabilities of both companies to allow more effective derisking and development in areas of mutual interest with the potential to deliver exceptional results.

NORTH & WEST AFRICA

Tullow has exploration, appraisal, development and production interests in nine countries across North & West Africa: Ghana, Liberia, Sierra Leone, Côte d'Ivoire, Mauritania, Senegal, Equatorial Guinea, Gabon and Congo (Brazzaville).

Working interest production	2011 Average (boepd)	Current (boepd)
Ghana	23,500	25,000
Equatorial Guinea	13,050	10,500
Gabon		
Tchatamba	3,100	3,900
Niungo	2,950	2,700
Other Gabon	6,650	6,900
Côte d'Ivoire	3,750	3,700
Congo (Brazzaville)	3,000	2,400
Mauritania	1,400	1,400
North and West Africa Total	**57,400**	**56,500**

Ghana

Jubilee field Phase 1 & 1A developments

The Phase 1 development of the Jubilee field was completed in October 2011 when the last of the 17 initial wells was drilled, completed and brought on stream. All performance tests of the FPSO have been completed, uptimes for the first year of operation of the vessel have been best in class at over 95%. In addition, water injection design capacity for the FPSO was reached in October 2011 with rates over 235,000 bwpd now being injected into the reservoirs with pressure support being seen across the field. Gas reinjection has also reached 80 mmscfd and routine gas flaring has ceased. Overall, the Jubilee project was commissioned on time and with an excellent safety record, this has continued with zero Lost Time Incidents since the FPSO arrived at the Jubilee field over 18 months ago.

Gross production from the field reached 88,000 bopd during 2011 before declining to approximately 70,000 bopd at year-end, with an average production for the year of 66,000 bopd. The cause of this decline in well productivity has been identified as a technical issue related to the design of the well completions and is not expected to have any impact on field reserves and resources. Remedial work aimed at recovering lost well productivity has commenced with the successful sidetracking of the J-07 production well utilising a new completion design. The well was flow tested to the rig at rates of up to 15,000 bopd and started production to the FPSO in early January. The production rate is being gradually increased to allow close monitoring of the performance of the new completion over the next two to three months. It is expected that the redesigned completion will be utilised in the new Phase 1A wells and the sidetracks of a further three existing Phase 1 wells in 2012. The cost of these Phase 1 recompletions, including J-07, will be approximately $400 million gross.

Government of Ghana approval for the next phase of development, Phase 1A, was received on 9 January 2012. This development will consist of eight new wells; five producers and three additional water injectors and the expansion of the subsea network. It will be conducted over an 18 month period. The total cost of Phase 1A is expected to be approximately $1.1 billion. The Phase 1A production wells are expected to commence drilling in February 2012.

Jubilee field production will ramp back up in 2012 towards the field plateau rate of 120,000 bopd as the Phase 1 remedial programme begins to take effect from January 2012 and the new Phase 1A wells are brought on stream from the second quarter. Production is expected to average between 70,000 to 90,000 bopd in 2012. The final outcome will be dependent on the well performance achieved, the downtime required to execute the recompletions and the scheduling of available rigs for other operations to ensure the Group's exploration and appraisal commitments are also fulfilled.

On 29 December 2011, Tullow, on behalf of the Jubilee Partners, acquired ownership of the Kwame Nkrumah FPSO from Modec. This acquisition was made following the excellent performance of the vessel in 2011 and reflects the Partners' belief that ownership of the vessel will maximise commercial value and operational flexibility. Modec will continue to provide operations and maintenance services under a new contract.

Tweneboa-Enyenra-Ntomme (TEN) Cluster Development

Significant progress was made in appraising the discoveries in the Deep Water Tano block; Tweneboa, Enyenra, and Ntomme, collectively known as the TEN cluster. Current planning envisages that the three accumulations will be most efficiently developed together in an integrated development scheme through a single production facility.

Appraisal drilling on the Enyenra field has continued including the re-drill of the Owo-1 discovery well in December 2011, to allow testing and coring. The Owo-1RA well will now be flow tested and the pressure response will be monitored by pressure gauges deployed in the Enyenra-2A (7.2 kms to the South) and Enyenra-3A (6.5 kms to the North) wells. This is to determine the level of reservoir connectivity which will assist in the selection of the appropriate development scheme. The Enyenra-4A well (a further 6.8 kms south of Enyenra-2A) will then be drilled later in January 2012 to determine the southern extent of the Enyenra field.

The Ntomme field is currently being appraised by the Ntomme-2A well. The well has successfully encountered 35 degree API oil in high quality sandstone reservoirs which reinforces the overall TEN resource base potential. The well, located over four kilometres south of the Tweneboa-3 sidetrack which discovered the Ntomme field, was planned to test the potential for an oil leg beneath the Ntomme gas condensate discovery. Drilled into an area of weaker seismic response, the well successfully encountered 45 metres of high quality stacked reservoir sandstones in a gross vertical reservoir interval of approximately 87 metres containing 39 metres of net oil pay. Pressure data demonstrate the potential for an oil column of 125 metres below the Ntomme gas-condensate accumulation. This new information will be incorporated into the ongoing work to integrate seismic, pressure and hydrocarbon phase data in order to further progress the TEN development. Ntomme-2A was drilled by the Ocean Olympia drillship to a depth of 3,905 metres in a water depth of 1,730 metres and it is now planned to deepen the well to 4,010 metres. On completion of operations, and in order to determine the level of reservoir connectivity in the Ntomme field, gauges will be suspended in the Tweneboa-3 sidetrack prior to a planned Drill Stem Test at the Ntomme-2A location.

The TEN Development Project has made significant progress since the initiation of the FEED works in August 2011. The subsea infrastructure FEED is being undertaken by IntecSea in London and the FPSO FEED is being undertaken by three proven FPSO contractors in the form of a Design Competition. The latter is being performed in Singapore and Tullow has set up a local project office to support this work and the future construction of the FPSO.

The FEED works and ongoing appraisal work will provide the necessary information to finalise the TEN Plan of Development (PoD) which is expected to be submitted to the Government of Ghana in the third quarter of 2012 alongside a formal declaration of commerciality. First production from the TEN cluster is anticipated approximately 30 months after Government of Ghana approval.

Exploration and Appraisal activity

Exploration and Appraisal activity in Deep Water Tano will be completed during 2012 with the drilling of up to three exploration wells on the block. The candidates include: Wawa-1 to target hydrocarbons which may have migrated into a significant potential trap up-dip from the TEN oil and gas-condensate fields; Turonian Deep-1, a material multi-objective prospect below the TEN oil and gas-condensate fields; Sapele-1 which will test a prospective turbidite lobe immediately south of the Jubilee Field.

In the West Cape Three Points licence, the Teak-3 well was drilled in November and confirmed a northern extension of the Teak discovery, across a major fault. This will be followed by at least one further appraisal well, Teak-4, and a flow test during 2012. The forward plan for the Mahogany East Area remains under discussion with the Government of Ghana.

Redetermination

In October 2011, the partnership completed the first equity redetermination of the Jubilee Unit Area. The net result is that Tullow's working interest in the Jubilee Unit Area has reduced slightly from 36.45% to 35.48%. The revised Unit equities became effective from 1 December 2011.

Liberia & Sierra Leone

Tullow is seeking to extend the Jubilee play in Ghana around the West African coast with an exploration campaign in Liberia and Sierra Leone which commenced in the second half of 2011, using the Transocean Discoverer Spirit drillship. In November 2011, the Montserrado-1 well made a non-commercial oil discovery in Liberia. Further analysis is being carried out following this result which will enable the partners to consider follow-up exploration targets in the late Cretaceous play.

Following the well in Liberia, the rig moved to Sierra Leone to drill tophole section of the Mercury-2 well in November 2011 before the Jupiter-1 exploration well commenced. Drilling operations on the Jupiter-1 well are ongoing with a result expected by the end of January 2012. The rig will then return to the Mercury-2 location to complete the drilling of the well in the first quarter of 2012.

Côte d'Ivoire

Production in 2011 from the Espoir Fields averaged 17,500 boepd (gross) despite downtime related to compressor problems. All four main gas compressors are now operational and gas exports have recovered to full capacity. A drilling campaign of at least eight wells on both West Espoir and East Espoir is planned to start in the fourth quarter of 2012. This campaign should rejuvenate Espoir field production and extend the life of the field.

Following the lifting of Force Majeure for both deepwater exploration blocks, CI-103 and CI-105, it is planned to drill one well in each block during the first quarter of 2012. The Eirik Raude rig has been released from Ghana and is en-route to drill the Kosrou prospect followed by the Paon prospect. Tullow continues to monitor on-going discussions between the Ghanaian and Ivorian governments regarding the demarcation of their maritime border.

Mauritania

During the second half of 2011 the Chinguetti field production has continued to decline but at a reduced rate with full year production averaging 7,000 bopd gross. Potential for further production optimisation in 2012 and beyond continues to be evaluated.

Tullow signed the new C-10 exploration Production Sharing Contract (PSC) in Mauritania on 27 October 2011 at an operated equity of 59%. This licence is equivalent to the majority of the previous PSC A and B licences, is over 10,000 km^2 and carries a two well commitment in the first three years. Tullow is planning a number of exploration activities across its various exploration licenses in 2012 including 3D seismic acquisition and drilling.

In addition, Tullow has been granted extensions to the remainder of the previous PSC A and B and increased its equity in these licenses to 67.3% and 64.1% respectively. These licences contain the Banda, Tevet and Tiof oil and gas discoveries. Tullow is now operator and is progressing the development of the Banda oil and gas discovery with project concepts under review.

Equatorial Guinea

Ceiba field production fell below 15,000 bopd gross in the second half of the year due to delays to a workover and an infill drilling campaign. The campaign commenced in January 2012, will consist of three well workovers and the drilling of at least six infill wells. Higher field production levels in 2013 and 2014 are anticipated as a consequence of this activity.

Okume Complex production was also slightly below expectations in the second half of the year declining to current levels of around 60,000 bopd gross due to a delay on the Akom North field tieback. First oil from Akom North will be achieved later in January 2012 and a rig is being secured for an infill drilling campaign in 2013.

Gabon

Tullow's production in Gabon gradually grew to 13,500 bopd net in the second half of 2011 due to contributions from the Limande-South well and the successful Tchatamba-B8 well, offset by downtime on Tchatamba and Turnix and completion issues on Limande-7.

The first half of 2012 will see a significant increase in activity with three wells onshore at Niungo as well as the drilling of the appraisal-development Tchatamba-B9 well offshore.

Interpretation of new 3D data over northern Kiarsseny is nearing completion and two exploration wells are expected to be spudded in the fourth quarter of 2012. The Big Oba prospect in DE-7 and the Nkongono prospect in the Ogueyi block were both unsuccessful and the Ogueyi block has since been relinquished. Acquisition of further 2D seismic data is planned to delineate further prospects in the DE-7 and Nziembou blocks.

Congo (Brazzaville)
Production from the M'Boundi Field fell due to issues with the water injection system which have now been resolved and production volumes are recovering. Water injection will increase during 2012 with the installation of a second high volume pump in the field. Infill drilling and workover activity continues on the field, with 19 wells drilled in 2011. Production has stabilised at around 22,000 bopd gross and is projected to recover in the next few months as voidage replacement occurs with sustained water injection rates.

SOUTH & EAST AFRICA
Tullow has exploration, appraisal and development interests in 6 countries across South and East Africa: Uganda, Kenya, Ethiopia, Namibia, Tanzania and Madagascar.

Uganda
Farm-down
On 15 March 2011, 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 to allow Tullow to finalise the purchase of the Heritage interests and subsequently farm down. The Sale and Purchase Agreements (SPAs) for the farm-down were signed with CNOOC and Total on 29 March 2011.

Tullow initially forecast that completion would take place a few weeks after the SPAs were signed but the process has taken considerably more time than originally envisaged. While the delays have been frustrating, good progress was made in the second half of 2011 and almost all outstanding issues have now been dealt with. Once final Government of Uganda approval is received, Tullow will then complete the transaction and move towards presenting a development plan for the discovered resources in the Lake Albert Basin.

Exploration and Appraisal
In Exploration Area 1, appraisal drilling on the Jobi-East discovery commenced with Jobi-East-5 in August 2011 and Jobi-East-2 in September 2011. Jobi-East-5 provided valuable data for regional reservoir mapping but was drilled just outside the closure of the field. Jobi-East-2 successfully extended the field five kilometres north encountering a total net hydrocarbon bearing reservoir of 22.5 metres.

In August 2011, an extensive 3D seismic campaign was successfully completed to support the development of the Kasamene, Ngiri, Nsoga and Kigogole fields. The quality of information is excellent and the data has undergone fast track processing and will assist materially in developing these fields.

In Exploration Area 2, well testing activity began with successful testing completed on the Kigogole field. In October 2011, Tullow received confirmation of the continuation of the appraisal periods for Kasamene, Wahrindi, Kigogole, Nsoga, Ngege and Ngara for an additional year and well testing is due to commence shortly.

Upon completion of the farm-down, the Kanywataba prospect at the southern end of the basin will be drilled. The prospect has been defined by 2D seismic and is ready to drill. A significant inventory of prospects has also been identified in EA-1 in a play that extents to the west of the river Nile. The Omuka well will test this new play and is scheduled for the first half of 2012. Following our recent success in EA-1 a significant number of appraisal wells are also planned in the block. In EA-2 drilling activity will focus on further appraisal of the Ngege, Nsoga and Waraga discoveries.

Lake Albert Rift Basin Development
Tullow has continued to plan for development of the discovered resources in the Lake Albert Basin throughout 2011. The final development plan will detail the delivery of production volumes in excess of 200,000 bopd. Preliminary findings of this ongoing study have been presented to the Government of Uganda for consideration. This includes refinery options to supply petroleum products in the East Africa region as well as pipeline export routes to international markets. The target for achieving oil production from the primary phase

of the development is 2015/16. The government has given its support for the sale of small quantities of crude oil, produced by testing, to local industry and commercial agreements are being finalised.

Discussions with the Government on early commercialisation of the Kaiso-Tonya area fields (Nzizi, Mputa and Waraga), with the supply of gas and crude oil into the domestic power market, are advancing well and it is anticipated that conclusion of an integrated area development will be achieved in 2012.

Kenya and Ethiopia

A Full Tensor Gradiometry (FTG) Gravity Survey acquired across all the Kenya - Ethiopia licence blocks, covering an area of around 100,000 sq km, has been completed and processed. The data quality is excellent and there are similarities with the FTG acquired in Uganda in 2009. A 1,000 km 2D seismic programme is underway in the South Omo Block in Ethiopia.

In Kenya, a 500 km 2D seismic programme has started in Block 13T which will be followed by a 1,350 km 2D survey in Block 10BA. The Weatherford 804 rig has reached the well site in preparation for a late January 2012 spud of the Ngamia well, which has an anticipated depth of 3,000 metres. This is later than originally expected following delays in the mobilisation of the rig. The rig will then move to drill the 4,500 metres deep Paipai-1 well in Block 10A in the second quarter of 2012 before moving to Ethiopia to drill a well in the South Omo Block in the third quarter of 2012.

Tullow has now completed the farm-in to offshore Block L8 holding a 15% equity position with a 5% additional equity option. The high-impact Mbawa-1 well will be drilled in the third quarter of 2012 where Tullow has identified a potential oil prone area amongst this gas rich province.

Namibia

A new Kudu Petroleum Agreement was signed on 24 October 2011 and a new 25 year Production Licence was issued by the Minister of Mines & Energy on 10 November 2011. Design concepts for both the offshore development and onshore Power Station have been agreed and FEED tenders are ready to be issued once commercial agreements have been finalised. Negotiations with NamPower on the commercial agreements are well-advanced and expected to be completed in early-2012.

Madagascar and Tanzania

In Madagascar, over 450 km of good quality 2D seismic data has been acquired in Blocks 3109 and 3111 which is being processed. The seismic data covers the trend that has proven successful for oil in Block 3113 directly to the south. A well is planned for Block 3111 in late-2012. Tullow is actively seeking a farm-in partner for its Madagascan acreage. The Aminex operated CarOil 6 rig spudded the Ntorya-1 well on 22 December 2011 in the Mtware block in Tanzania.

EUROPE, SOUTH AMERICA & ASIA

EUROPE

Tullow has exploration, appraisal, development and production interests in eight countries across Europe, South Asia and South America: UK, Netherlands, Bangladesh, Pakistan, French Guiana, Guyana and Suriname.

Working interest production[1]	2011 Average (boepd)	Current Production (boepd)
CMS Area	11,500	10,850
Thames Area	1,000	600
Netherlands[2]	3,000	7,500
Europe Total	**15,500**	**18,950**
Asia Total	**5,300**	**5,250**
Europe, South America and Asia Total	**20,800**	**24,200**

[1] Includes condensate [2] Production in 2011 was for the second half only.

UK

UK production was in line with expectations during the year averaging 12,500 boepd.

In the Caister Murdoch System (CMS) area, the Katy development project, consisting of a single well tie-back to the CMS facilities, was sanctioned in September 2011. The KA10 infill well in the Tullow-operated Ketch facility spudded in mid-November 2011 and is currently drilling ahead in-line with expectations, the well is planned to start production in March 2012. A decision on development options for the Cameron discovery will be made with partners in the first half of 2012.

In August 2011, the Ensco 92 drilled the 49/30b-10 well on the Foxtrot prospect as a potential tie-in to Thames. The well targeted the Upper Bunter sandstone formation, however, the sands were found to be water wet. The well has been suspended for potential later re-entry of a deeper Rotliegendes play.

Netherlands

The non-operated Nuon portfolio acquired in May 2011 is producing between 7,000 to 8,000 boepd, an improvement on the rates at the time of the acquisition. The GdF Suez L15-FA 107 well was brought on-stream in November 2011 following successful fraccing and testing. The well tested around 30 mmscf/d and is anticipated to recover around 25 bcf of gas.

In 2012, an additional four non-operated wells are expected to be drilled on the acreage. In addition, the operator has embarked upon a significant well and reservoir management campaign in late Q4 2011 with over 25 JDA wells to be worked over by mid-2013, extending field life by 10 years. The combined net incremental production of these activities is expected to be over 1,500 boepd. In addition, Tullow purchased 51,174 sq km of PGS MegaMerge 3D seismic data in the Dutch Southern North Sea. This data will be interpreted to assist Tullow's position in the NAM-operated JDA area and also to further our understanding for future regional exploration of the Dutch sector.

In 2010, Tullow acquired 1,600 kms of 3D seismic data over the Tullow-operated E-block. A risked and ranked prospect inventory has been processed and in 2012 we have committed to a rig to drill the play opening Vincent prospect in Block E11.

French Guiana

In early September 2011, Tullow announced that the Zaedyus exploration well offshore French Guiana made a significant oil discovery. This proved the extension of the Jubilee play across the Atlantic and opened up a new oil basin.

Drilling operations continued until mid-November 2011 with an extensive data gathering programme being conducted including sidetracking of the well in order to cut a core. A liner was run over the main oil bearing reservoir and the well was suspended for future re-entry. The rig went off contract on 23 November 2011. Core studies are currently underway and the initial phase will be completed in early-2012.

The Joint Venture partners are discussing a comprehensive follow-up exploration and appraisal programme which will include 3D seismic acquisition and a drilling programme, scheduled to commence in mid-2012.

The Ministerial Order granting Tullow, Shell and Total approval for both the transfer and renewal of the Guyane Maritime permit is expected to be published shortly.

Guyana

The start of drilling in the Georgetown Block, where Tullow holds a 30% non-operated equity, was delayed by the late release of the Atwood Beacon rig, which was being used by other parties in Suriname. The rig was eventually released to the Georgetown Joint Venture partners at the end of November 2011 and was on location in Georgetown at the end of the first week in December 2011.

Suriname

In Block 47, Tullow finalised the farm-out of 30% equity to Statoil and planning is now well advanced with regard to the 3D seismic acquisition programme (greater than 2500 sq km) which will commence in the second quarter of 2012, subject to the necessary environmental approvals. The 3D programme is scheduled to take approximately four months to complete.

On the onshore Coronie licence, drilling operations began at the beginning of December 2011 on the first of five initial exploration wells. The first well has been drilled with oil shows encountered in the well supporting the geological concept and is encouraging for the following four wells in the program. It is anticipated that drilling operations will continue until the second quarter of 2012.

Bangladesh

Production from the Bangora field averaged just over 100 mmscfd and 325 bpd of condensate during 2011. This was slightly lower than planned due to well maintenance issues. The field is expected to maintain production of 100 mmscfd in 2012 although downtime will be increased due to the installation of new compression facilities being installed in late 2012 to ensure optimal hydrocarbon recovery from the field.

Pakistan

Activity in Pakistan has focused on the Kohat licence where the Shekhan gas and condensate discovery was made in 2010. 3D seismic is being planned for 2012 over Shekhan to assist further appraisal following successful extended well testing in 2011.

Elsewhere, a combination of 2D and 3D seismic is being planned over a number of other leads and prospects. This should provide exploration, appraisal and development well locations for a 2013/4 drilling programme. The second exploration well on the licence, Jabbi-1, which was spudded in mid-2011, is currently drilling and is expected to complete in early 2012.

CURRENTLY PLANNED 2012 EXPLORATION AND APPRAISAL ACTIVITY

Country	Block	Prospect	Interest	Spud Date
Ghana	Deepwater Tano	Owo-1RA	49.95% (op)	In progress
	Deepwater Tano	Ntomme-2A deepening	49.95% (op)	In progress
	Deepwater Tano	Owo-1RA DST	49.95% (op)	Q1 2012
	Deepwater Tano	Enyenra-4A and DST	49.95% (op)	Q1 2012
	Deepwater Tano	Enyenra-3A DST	49.95% (op)	H2 2012
	Deepwater Tano	Wawa-1	49.95% (op)	Q2 2012
	Deepwater Tano	Turonian Deep-1	49.95% (op)	Q2 2012
	Deepwater Tano	Sapele-1	49.95% (op)	Q4 2012
	West Cape Three Points	Teak-4	26.40%	H1 2012
Liberia	LB-15/16/17	Strontium-1	25%	Q4 2012
Sierra Leone	SL-07B-11	Jupiter-1	20%	In progress
	SL-07B-11	Mercury-2A	20%	Q1 2012
Côte d'Ivoire	CI-105	Kosrou-1	22.37%	Q1 2012
	CI-103	Paon-1	45% (op)	Q2 2012
Mauritania	Various	Campaign	Various	Q4 2012
Madagascar	Block 3111	Berenty-1	100% (op)	Q3 2012
Tanzania	Mtwara	Ntorya-1	25%	In progress
French Guiana	Guyane Maritime	Zaedyus appraisal	27.50%[#]	Q3 2012
	Guyane Maritime	Dasypus-1	27.50%[#]	Q4 2012
Guyana	Georgetown Block	Jaguar	30%	Q1 2012
Kenya	10BB	Ngamia-1	50% (op)	Q1 2012
	10A	Paipai-1	50% (op)	Q2 2012
	L8	Mbawa-1	15% + 5%[##]	Q3 2012
Ethiopia	South Omo	Nyami-1	50% (op)	Q4 2012
Uganda	EA-1	Jobi-East - 2 wells	33.33%	2012
	EA-3A	Kanywataba-1	33.33%	2012
	EA-1	Mpyo - 3 appraisal wells	33.33%	2012
	EA-2	Ngege - 4 appraisal wells	33.33% (op)	2012
	EA-1	Ondyek-A	33.33%	Q2 2012
	EA-1	Raa-A	33.33%	Q3 2012
	EA-1	Omuka-A	33.33%	Q3 2012
	EA-1	Alwala-A	33.33%	Q4 2012
	EA-1	Ngiri-E	33.33%	Q4 2012
	EA-1	Rii South-B	33.33%	Q4 2012
Gabon	Kiarsseny	Gnondo-1	52.78% (op)	Q4 2012
The Netherlands	K8	K8-FC-W (308)	9.95%	Top hole drilled
	L13	Sigma-1	9.95%	Q3 2012
	E11	Vincent-1	30% (op)	Q4 2012
Pakistan	Kohat	Jabbi	40%	In progress
Suriname	Coronie	5 well campaign	40%	In progress

[#] Tullow will have a 27.5% interest once Shell receive Government consents for their additional interest and operatorship

[##] Option to increase interest to 20%

CONFERENCE CALLS

A conference call hosted by Aidan Heavey (Chief Executive), Paul McDade (Chief Operating Officer), Angus McCoss (Exploration Director) and Ian Springett (Chief Financial Officer) will be held today at 09:00 (GMT).

To access the calls, please dial the appropriate number below 10 minutes before the call and ask for the Tullow Oil Trading Statement and Operational Update conference call. A replay facility will be available three hours after the conference call until 24 January 2012. The telephone numbers and access codes are:

European Conference Call		Replay Facility	
UK Participants	020 7784 1036	UK Participants	020 7111 1244
Irish Participants	01 659 0423	Irish Participants	01 486 0902
Access Code	9748909	Access Code	9748909#

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Disclaimer

This announcement contains certain operational and financial information in relation to 2011 that is subject to final review and has not been audited. Furthermore it contains certain forward-looking statements that are subject to the usual risk factors and uncertainties associated with the oil & gas exploration and production business. Whilst the Group believes the expectations reflected herein to be reasonable, the actual outcome may be materially different owing to factors either within or beyond the Group's control, and accordingly no reliance may be placed on the figures contained in such forward looking statements.

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