THIS DOCUMENT AND THE ACCOMPANYING FORM OF PROXY ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant, fund manager or other appropriate independent financial adviser who is authorised under the Financial Services and Markets Act 2000 ("FSMA") if you are resident in the United Kingdom, or, if you are resident in Ireland, from a person, organisation or firm authorised or exempted pursuant to the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3) of Ireland or the Investment Intermediaries Act 1995 of Ireland, or, if you are resident in a territory outside the United Kingdom or Ireland, from another appropriately authorised independent financial adviser.

This document should not be forwarded or transmitted in or into or within any jurisdiction where to do so might constitute a violation of the registration or other local securities laws or regulations including, but not limited to, the United States or any Restricted Territory. This document, which comprises: (i) a circular prepared in accordance with the Listing Rules of the Financial Conduct Authority (the "**FCA**") and the Irish Listing Rules relating to the General Meeting and (ii) a prospectus relating to the New Ordinary Shares prepared in accordance with the Prospectus Rules of the FCA, has been (together with the documents incorporated into it by reference) approved by the FCA in accordance with section 87A of FSMA. This document has been filed with the FCA and made available, free of charge, to the public in accordance with Rule 3.2.1 of the Prospectus Rules by the same being made available at www.tullowoil.com and at Tullow's registered office at 9 Chiswick Park, 566 Chiswick High Road, London W4 5XT.

Tullow and the Tullow Directors, whose names appear on page 225 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of Tullow and the Tullow Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and contains no omission likely to affect its import.

If you sell or transfer, or have sold or otherwise transferred, all of your Existing Ordinary Shares (other than ex-rights) held in certificated form before 8.00 a.m. on 6 April 2017 (the "**Ex-Rights Date**"), you should send this document (and any Provisional Allotment Letter if and when received) as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or the transferee, except that such documents should not be forwarded or transmitted in or into or within the United States, any Restricted Territory or any other jurisdiction where doing so may constitute a violation of the registration or other local securities laws or regulations. If you sell or transfer, or have sold or otherwise transferred, only part of your holding of Existing Ordinary Shares (other than ex-rights) held in certificated form before the Ex-Rights Date, please consult immediately the stockbroker, bank or other agent through whom the sale or transfer was effected and refer to the instructions regarding split applications set out in Part 3 of this document and, if and when received, in the Provisional Allotment Letter. If you sell or transfer, or have sold or otherwise transferred, all or some of your Existing Ordinary Shares (other than ex-rights) held in uncertificated form before the Ex-Rights Date, a claim transaction will automatically be generated by Euroclear which, on settlement, will transfer the appropriate number of Nil Paid Rights to the purchaser or transferee.

The distribution of this document and the accompanying documents (including any Provisional Allotment Letter if and when received), any offering or public material relating to the Rights Issue and/or the transfer of Nil Paid Rights, Fully Paid Rights and/or the New Ordinary Shares, into jurisdictions other than the United Kingdom and Ireland may be restricted by law and therefore persons into whose possession this document and any accompanying documents come should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the registration or other securities laws of any such jurisdiction. In particular, subject to certain exceptions, such documents should not be distributed in or forwarded to, or transmitted in or into or within, the United States or any Restricted Territory. The attention of Overseas Shareholders and any person (including, without limitation, stockbrokers, banks and other agents) who has a contractual or other legal obligation to forward this document into a jurisdiction other than the United Kingdom or Ireland is drawn to paragraph 8 of Part 3 of this document. It is expected that this Prospectus will be passported into Ireland. However, there will be no public offer of the Nil Paid Rights, the Fully Paid Rights or the New Ordinary Shares in Ireland, and Ireland shall be deemed to be a Restricted Territory for the purposes of this Prospectus and the Rights Issue, until this Prospectus has been passported into Ireland.

TULLOW OIL PLC

(Incorporated under the Companies Act and registered in England and Wales with registered number 03919249)

Proposed 25 for 49 Rights Issue of 466,925,724 New Ordinary Shares
at an Issue Price of 130 pence per share
and
Notice of General Meeting

Barclays
Joint Global Coordinator,
Joint Bookrunner, Joint Sponsor
and Joint Corporate Broker

J.P. Morgan Cazenove
Joint Global Coordinator,
Joint Bookrunner and Joint Sponsor

Morgan Stanley
Joint Bookrunner and Joint Corporate Broker

BNP PARIBAS
Co-Bookrunner

Crédit Agricole CIB
Co-Bookrunner

Société Générale
Corporate & Investment Banking
Co-Bookrunner

DNB Markets
Co-Lead Manager

ING
Co-Lead Manager

Natixis
Co-Lead Manager

Nedbank CIB
Co-Lead Manager

Davy
Irish Sponsor
and Irish Broker

YOU SHOULD READ THE WHOLE OF THIS DOCUMENT AND ALL DOCUMENTS INCORPORATED INTO IT BY REFERENCE IN THEIR ENTIRETY. IN PARTICULAR, YOU SHOULD TAKE ACCOUNT OF THE LETTER FROM THE CHAIRMAN OF THE COMPANY WHICH IS SET OUT IN PART 1 AND THE SECTION ENTITLED "RISK FACTORS" ON PAGES 20 TO 52 (INCLUSIVE) OF THIS DOCUMENT FOR A DISCUSSION OF CERTAIN FACTORS, RISKS AND UNCERTAINTIES THAT SHOULD BE TAKEN INTO ACCOUNT WHEN CONSIDERING WHAT ACTION TO TAKE IN RELATION TO THE RIGHTS ISSUE AND DECIDING WHETHER OR NOT TO PURCHASE NIL PAID RIGHTS, FULLY PAID RIGHTS OR NEW ORDINARY SHARES. YOU SHOULD NOT RELY SOLELY ON INFORMATION CONTAINED IN THE SUMMARY.

Investors should only rely on the information contained in this document and contained in any documents incorporated into this document by reference. No person has been authorised to give any information or make any representations other than those contained in this document and any document incorporated by reference and in the Provisional Allotment Letters and, if given or made, such information or representation must not be relied upon as having been so authorised by Tullow, the Tullow Board, the Underwriters, the Co-Lead Managers or the Irish Sponsor. Tullow will comply with its obligation to publish supplementary prospectuses containing further updated information required by law or by any regulatory authority but assumes no further obligation to publish additional information.

A notice convening a General Meeting to be held at the Company's offices at 9 Chiswick Park, 566 Chiswick High Road, London W4 5XT at 11.00 a.m. on 5 April 2017 is set out at the end of this document. A Form of Proxy for use in connection with the General Meeting is enclosed with this document. Whether or not you intend to attend the General Meeting in person, the Form of Proxy should be completed, signed and returned in accordance with the instructions printed on it so as to be received by Tullow's registrar, Computershare Investor Services PLC, at The Pavilions, Bridgwater Road, Bristol BS99 6ZY as soon as possible and, in any event, by no later than 11.00 a.m. on 3 April 2017. You may also submit your proxies electronically at www.investorcentre.co.uk/eproxy. If you hold Existing Ordinary Shares in CREST, you may appoint a proxy by completing and transmitting a CREST Proxy Instruction to the Registrar (CREST participant ID 3RA50), so that it is received by no later than 11.00 a.m. on 3 April 2017. The completion and return of a Form of Proxy (or the electronic appointment of a proxy) will not preclude you from attending and voting in person at the General Meeting or any adjournment thereof, if you wish to do so and are so entitled.

Your attention is drawn to the letter from the Chairman of Tullow which is set out in Part 1 of this document and which contains the unanimous recommendation of the Directors that you vote in favour of the Resolutions to be proposed at the General Meeting.

The Existing Ordinary Shares are listed on the premium listing segment of the Official List maintained by the FCA, on the secondary listing segment of the Official List maintained by the Irish Stock Exchange and on the main market of the Ghana Stock Exchange and are traded on the London Stock Exchange's, the Irish Stock Exchange's and the Ghana Stock Exchange's main market for listed securities. Applications will be made (i) to the FCA for the New Ordinary Shares to be admitted to the premium listing segment of the Official List of the UK Listing Authority, (ii) to the Irish Stock Exchange for the New Ordinary Shares to be admitted to the secondary listing segment of the Official List of the Irish Stock Exchange, (iii) to the London Stock Exchange for the New Ordinary Shares (nil and fully paid) to be admitted to trading on the London Stock Exchange's main market for listed securities, (iv) to the Irish Stock Exchange for the New Ordinary Shares (nil and fully paid) to be admitted to trading on the Irish Stock Exchange's main market for listed securities and (v) to the Ghana Stock Exchange and the Ghana SEC for the New Ordinary Shares (fully paid) to be admitted to listing and trading on the main market of the Ghana Stock Exchange. It is expected that Admission will become effective, and that dealings in the New Ordinary Shares, nil paid, will commence, at 8.00 a.m. on 6 April 2017.

Subject, among other things, to the passing of the Resolutions, it is expected that Qualifying Non-CREST Shareholders (subject to certain exceptions) will be sent a Provisional Allotment Letter on 5 April 2017, and Qualifying CREST Shareholders (subject to certain exceptions) will receive a credit to their appropriate stock accounts in CREST in respect of the Nil Paid Rights to which they are entitled on 6 April 2017. The Nil Paid Rights so credited in CREST are expected to be enabled for settlement by Euroclear as soon as practicable after Admission.

The Underwriters, the Co-Lead Managers, the Irish Sponsor and any of their respective affiliates, acting as an investor for its or their own account, may, in accordance with applicable legal and regulatory provisions and subject to the Underwriting Agreement, engage in transactions in relation to the Nil Paid Rights, the Fully Paid Rights, the New Ordinary Shares and/or related instruments for their own account in connection with the Rights Issue or otherwise. Accordingly, references in this Prospectus to the Nil Paid Rights, the Fully Paid Rights and/or the New Ordinary Shares being issued, offered, subscribed,

acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by, the Underwriters, the Co-Lead Managers, the Irish Sponsor and any of their respective affiliates acting as investors for their own account. Except as required by applicable law or regulation, the Underwriters, the Co-Lead Managers and the Irish Sponsor do not propose to make any public disclosure in relation to such transactions. In addition, the Underwriters, the Co-Lead Managers, the Irish Sponsor or their respective affiliates may enter into financing arrangements (including swaps or contracts for difference) with investors in connection with which the Underwriters, the Co-Lead Managers, the Irish Sponsor or their respective affiliates may from time to time acquire, hold or dispose of Nil Paid Rights, Fully Paid Rights and/or New Ordinary Shares.

Qualifying Non-CREST Shareholders should retain this document for reference pending receipt of a Provisional Allotment Letter. Qualifying CREST Shareholders should note that they will receive no further written communication from Tullow in respect of the Rights Issue. They should accordingly retain this document for, among other things, details of the action they should take in respect of the Rights Issue. Qualifying CREST Shareholders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this document and the Rights Issue. Holdings of Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Rights Issue. Fractions of New Ordinary Shares will not be allotted to Qualifying Shareholders and, where applicable, fractional entitlements will be rounded down to the nearest whole number of New Ordinary Shares.

The latest time and date for acceptance and payment in full for the New Ordinary Shares is 11.00 a.m. on 24 April 2017. The procedures for acceptance and payment for the Nil Paid Rights are set out in Part 3 of this document and, for Qualifying Non-CREST Shareholders (other than, subject to certain exceptions, those with registered addresses in the United States or any Restricted Territory), also in the Provisional Allotment Letter (if and when received). Qualifying CREST Shareholders (other than, subject to certain exceptions, those with registered addresses in the United States or any Restricted Territory) should refer to paragraphs 5 of Part 3 of this document.

Save as explicitly set out herein, this document and the Provisional Allotment Letter do not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, Nil Paid Rights, Fully Paid Rights or New Ordinary Shares to or by any person with a registered address, or who is located, in the United States or any Restricted Territory or in any other jurisdiction in which such an offer or solicitation is unlawful. It is expected that this Prospectus will be passported into Ireland. However, there will be no public offer of the Nil Paid Rights, the Fully Paid Rights or the New Ordinary Shares in Ireland, and Ireland shall be deemed to be a Restricted Territory for the purposes of this Prospectus and the Rights Issue, until this Prospectus has been passported into Ireland. The Nil Paid Rights, the Fully Paid Rights, the New Ordinary Shares and the Provisional Allotment Letters will not be registered or qualified for distribution to the public in the United States or under the securities laws of any Restricted Territory and may not be offered, sold, taken up, exercised, resold, renounced, delivered, distributed or otherwise transferred, directly or indirectly, in, into, within or from such jurisdictions except pursuant to an applicable exemption from, and in compliance with, any applicable securities laws and any specific procedures that are adopted by Tullow with respect to the United States or a particular Restricted Territory. Save as explicitly set out herein, there will be no public offer of the Nil Paid Rights, the Fully Paid Rights or the New Ordinary Shares in the United States or any Restricted Territory or any other jurisdiction where doing so may constitute a violation of the registration or other local securities laws or regulations of such jurisdiction.

The Nil Paid Rights, the Fully Paid Rights, the New Ordinary Shares, the Provisional Allotment Letters and this document have not been approved or disapproved by the United States Securities and Exchange Commission, any state securities commission in the United States or any other United States regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Nil Paid Rights, the Fully Paid Rights, the New Ordinary Shares, the Provisional Allotment Letters or the Rights Issue or the accuracy or adequacy of this document or any other offering document. Any representation to the contrary is a criminal offence in the United States.

The Nil Paid Rights, the Fully Paid Rights, the New Ordinary Shares and the Provisional Allotment Letters have not been, and will not be, registered under the Securities Act or the relevant laws of any state or other jurisdiction of the United States and may not be offered, sold, resold, pledged, taken up, transferred, delivered or distributed, directly or indirectly, into, in or within the United States except pursuant to an applicable exemption from such registration requirements. There will be no public offer of the Nil Paid Rights, the Fully Paid Rights, the New Ordinary Shares or the Provisional Allotment Letters in the United States.

The New Ordinary Shares are being offered and sold only (i) outside the United States in “offshore transactions” within the meaning of, and in accordance with, Regulation S under the Securities Act

("**Regulation S**"), and (ii) within the United States to a limited number of persons reasonably believed to be "qualified institutional buyers" ("**QIBs**"), as defined in Rule 144A ("**Rule 144A**") under the Securities Act, in reliance on Rule 144A or pursuant to another exemption from registration under the Securities Act and applicable state securities laws. Prospective investors are hereby notified that sellers of the New Ordinary Shares may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

In addition, until 40 days after the commencement of the Rights Issue, an offer, sale or transfer of the Nil Paid Rights, the Fully Paid Rights, the New Ordinary Shares or the Provisional Allotment Letters within the United States by a dealer (whether or not participating in the Rights Issue) may violate the registration requirements of the Securities Act if such offer, sale or transfer is made otherwise than in accordance with an applicable exemption from registration under the Securities Act.

It is expected that this Prospectus will be passported into Ireland. However, there will be no public offer of the Nil Paid Rights, the Fully Paid Rights or the New Ordinary Shares in Ireland, and Ireland shall be deemed to be a Restricted Territory for the purposes of this Prospectus and the Rights Issue, until this Prospectus has been passported into Ireland.

The Nil Paid Rights, the Fully Paid Rights, the New Ordinary Shares and the Provisional Allotment Letters have not been, and will not be, registered under the applicable securities laws of any Restricted Territory. Accordingly, subject to certain exceptions, the Nil Paid Rights, the Fully Paid Rights, the New Ordinary Shares and the Provisional Allotment Letters may not be offered, sold, resold, pledged, taken up, transferred, delivered or distributed, directly or indirectly, into, in or within any Restricted Territory or to, or for the account or benefit of, any person who is located in or a resident of a Restricted Territory.

The Nil Paid Rights, the Fully Paid Rights, the New Ordinary Shares and the Provisional Allotment Letters may be subject to selling and transfer restrictions in certain other jurisdictions. Prospective investors should read the restrictions described in paragraph 8 of Part 3 of this document. Each purchaser of the Nil Paid Rights, the Fully Paid Rights and/or the New Ordinary Shares will be deemed to have made the relevant representations described therein and elsewhere in this document.

The release, publication or distribution of this document, in whole or in part, in jurisdictions other than the United Kingdom and Ireland may be restricted by law and, therefore, any persons who are subject to the laws of any jurisdiction other than the United Kingdom or Ireland should inform themselves about, and observe, any applicable requirements. Failure to comply with any such restrictions or requirements may constitute a violation of the securities laws of any such jurisdiction. This document has been prepared to comply with the requirements of English law, the Listing Rules, the Irish Listing Rules, the Prospectus Rules and the rules of the LSE and information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside England.

Barclays Bank PLC, acting through its investment bank ("**Barclays**"), J.P. Morgan Securities plc (which conducts its UK investment banking business as J.P. Morgan Cazenove, "**J.P. Morgan Cazenove**"), Morgan Stanley & Co. International plc ("**Morgan Stanley**") and Nedbank Limited, acting through its corporate and investment bank ("**Nedbank**"), which are each authorised by the Prudential Regulation Authority (the "**PRA**") in the United Kingdom and regulated by the PRA and the FCA, are each acting for Tullow and no one else in connection with the Rights Issue and will not regard any other person (whether or not a recipient of this document) as their client in connection with the Rights Issue and will not be responsible to anyone other than Tullow for providing the protections afforded to their clients nor for giving advice in relation to the Rights Issue or any arrangement referred to, or information contained, in this document.

BNP Paribas ("**BNP Paribas**"), Crédit Agricole Corporate and Investment Bank ("**Crédit Agricole CIB**"), Société Générale ("**Société Générale**") and Natixis ("**Natixis**") are French credit institutions authorised and supervised by the European Central Bank (the "**ECB**") and the Autorité de Contrôle Prudentiel et de Résolution (the "**ACPR**") and regulated by the Autorité des Marchés Financiers (the "**AMF**") in France. DNB Markets ("**DNB Markets**") is a part of DNB Bank ASA which is authorised by Finanstilsynet in Norway and subject to limited regulation by the FCA and PRA in the United Kingdom and carries on banking and investment services in the United Kingdom through DNB Bank ASA, London Branch. ING Bank N.V. ("**ING**") is authorised and regulated by the Dutch Central Bank (*De Nederlandsche Bank)* and the ECB. J&E Davy ("**Davy**") is authorised and regulated in Ireland by the Central Bank of Ireland. Each of BNP Paribas, Crédit Agricole CIB, Société Générale, DNB Markets, ING, Natixis and Davy is acting for Tullow and no one else in connection with the Rights Issue and will not regard any other person (whether or not a recipient of this document) as its client in connection with the Rights Issue and will not be responsible to anyone other than Tullow for providing the protections afforded to its clients nor for

giving advice in relation to the Rights Issue or any arrangement referred to, or information contained, in this document.

Apart from the responsibilities and liabilities, if any, which may be imposed on the Underwriters, the Co-Lead Managers and the Irish Sponsor by FSMA, or the regulatory regime established thereunder, or under the regulatory regime of any other jurisdiction where exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, none of the Underwriters, the Co-Lead Managers nor the Irish Sponsor nor any of their respective affiliates, directors, officers, employees or advisers accept any responsibility whatsoever and make no representation or warranty, express or implied, for the contents of this document, including its accuracy, completeness or verification or for any other statement made or purported to be made by any of them, or on behalf of them, in connection with Tullow, the Existing Ordinary Shares, the Nil Paid Rights, the Fully Paid Rights, the New Ordinary Shares or the Rights Issue and nothing contained in this document is or shall be relied upon as a promise or representation in this respect, whether as to the past or future. Each of the Underwriters, the Co-Lead Managers, the Irish Sponsor and their respective affiliates, directors, officers, employees or advisers accordingly disclaim, to the fullest extent permitted by applicable law, all and any liability whatsoever, whether arising in tort, contract or otherwise (save as referred to above) which any of them might otherwise have in respect of this document or any such statement.

The Underwriters and the Co-Lead Managers and their respective affiliates have from time to time engaged in, and may in the future engage in, various commercial banking, investment banking and financial advisory transactions and services in the ordinary course of their business with the Company. They have received and will receive customary fees and commissions for these transactions and services. In addition, Barclays Bank PLC, an affiliate of J.P. Morgan Cazenove, the Co-Bookrunners, DNB Bank ASA, ING, Natixis and Nedbank are each lenders under the RBL Facilities and the Corporate Facility, an affiliate of Morgan Stanley is a lender under the RBL Facilities, Barclays Bank PLC and an affiliate of J.P. Morgan Cazenove are lenders under the Senior Corporate Facility and BNP Paribas, Crédit Agricole CIB, DNB Bank ASA and an affiliate of ING are lenders under the Norwegian Facility, and each such entity may have performed its own credit analysis on the Company and to the extent the proceeds of the Rights Issue are used to repay any of such facilities, may receive a portion of those proceeds in connection with such repayment.

THE CONTENTS OF THIS DOCUMENT OR ANY SUBSEQUENT COMMUNICATION FROM TULLOW, THE UNDERWRITERS, THE CO-LEAD MANAGERS, THE IRISH SPONSOR OR ANY OF THEIR RESPECTIVE AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES OR AGENTS ARE NOT TO BE CONSTRUED AS LEGAL, FINANCIAL OR TAX ADVICE. EACH PROSPECTIVE INVESTOR SHOULD CONSULT HIS OR ITS OWN SOLICITOR, INDEPENDENT FINANCIAL ADVISER OR TAX ADVISER FOR LEGAL, FINANCIAL OR TAX ADVICE.

Capitalised terms have the meanings ascribed to them in the section entitled “Definitions”.

NOTICE TO ALL INVESTORS

Any reproduction or distribution of this document, in whole or in part, and any disclosure of its contents or use of any information contained in this document for any purpose other than considering an investment in the Nil Paid Rights, the Fully Paid Rights or the New Ordinary Shares is prohibited. By accepting delivery of this document, each offeree of the Nil Paid Rights, the Fully Paid Rights and/or the New Ordinary Shares agrees to the foregoing.

The distribution of this document and/or the Provisional Allotment Letters and/or the transfer of the Nil Paid Rights, the Fully Paid Rights and/or the New Ordinary Shares into jurisdictions other than the United Kingdom and Ireland may be restricted by law. Persons into whose possession these documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular, subject to certain exceptions, such documents should not be distributed, forwarded to or transmitted in or into or within the United States or any Restricted Territory. The Nil Paid Rights, the Fully Paid Rights, the New Ordinary Shares and the Provisional Allotment Letters are not transferable except in accordance with, and the distribution of this document is subject to, the restrictions set out in paragraph 8 of Part 3 of this document. No action has been taken by Tullow, the Underwriters, the Co-Lead Managers or the Irish Sponsor that would permit an offer of the Nil Paid Rights, the Fully Paid Rights, the New Ordinary Shares or rights thereto or possession or distribution of this document or any other offering or publicity material or the Provisional Allotment Letters in any jurisdiction where action for that purpose is required, other than in the United Kingdom and Ireland. It is expected that this Prospectus will be passported into Ireland. However, there will be no public offer of the Nil Paid Rights, the Fully Paid Rights or the New Ordinary Shares in Ireland, and Ireland shall be deemed to be a

Restricted Territory for the purposes of this Prospectus and the Rights Issue, until this Prospectus has been passported into Ireland.

In making an investment decision, each offeree must rely on their own examination, analysis and enquiry of Tullow and the terms of the Rights Issue, including the merits and risks involved. Each offeree acknowledges that: (i) they have not relied on the Underwriters, the Co-Lead Managers or the Irish Sponsor or any person affiliated with the Underwriters, the Co-Lead Managers or the Irish Sponsor in connection with any investigation of the accuracy of any information contained in this document or their investment decision; and (ii) they have relied only on the information contained in this document.

No person has been authorised to give any information or make any representations other than those contained in this document and the Provisional Allotment Letters and, if given or made, such information or representations must not be relied upon as having been authorised by Tullow, the Underwriters, the Co-Lead Managers or by the Irish Sponsor. Without prejudice to any legal or regulatory obligation on Tullow to publish a supplementary prospectus pursuant to section 87G of FSMA and Rule 3.4 of the Prospectus Rules, neither the delivery of this document nor any subscription or sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of Tullow since the date of this document or that the information in this document is correct as at any time subsequent to its date.

Without limitation to the foregoing, the contents of the websites of Tullow do not form part of this document.

None of Tullow, the Underwriters, the Co-Lead Managers the Irish Sponsor or any of their respective affiliates, directors, officers, employees or advisers is making any representation to any offeree, purchaser or acquirer of New Ordinary Shares regarding the legality of an investment in the Rights Issue or the Nil Paid Rights, the Fully Paid Rights and/or the New Ordinary Shares by such offeree, purchaser or acquirer under the laws applicable to such offeree, purchaser or acquirer.

AVAILABLE INFORMATION

Tullow has agreed that, for so long as any Ordinary Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, Tullow will, during any period in which it is neither subject to Section 13 or 15(d) of the US Securities Exchange Act of 1934, as amended, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner upon the request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the Securities Act.

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SUMMARY

Summaries are made up of disclosure requirements known as "Elements". These Elements are numbered in Sections A - E (A.1 - E.7).

This summary contains all the Elements required to be included in a summary for this type of security and issuer. Because some Elements are not required to be addressed there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted into the summary because of the type of security and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of 'not applicable'.

Section A—Introduction and warnings

Element	Disclosure requirement	Disclosure
A.1	Warning	This summary should be read as an introduction to this Prospectus. Any decision to invest in the New Ordinary Shares should be based on consideration of this Prospectus as a whole by the potential investor. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States of the EEA, have to bear the costs of translating this Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus, or it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in such securities.
A.2	Financial Intermediaries	Not applicable. No consent has been given by Tullow, or any person responsible for drawing up this Prospectus, to the use of this Prospectus for subsequent resale or final placement of securities by financial intermediaries.

Section B—Issuer

Element	Disclosure requirement	Disclosure
B.1	Legal and commercial name	Tullow Oil plc.
B.2	Domicile/legal form/legislation/ country of incorporation	Tullow was incorporated and registered on 4 February 2000 in England and Wales as a public limited company, limited by shares, and is domiciled in the United Kingdom. Its registered office is situated in England and its registered number is 03919249. The principal legislation under which Tullow operates is the Companies Act and the regulations made thereunder. The Company is subject to the Takeover Code.
B.3	Current operations /principal activities/ principal markets	Tullow is a leading independent oil and gas exploration and production company focused on finding and monetising oil primarily in Africa and South America. The Company has a successful track record of basin opening exploration and monetising discovered resources, both through developments (such as low cost, high margin oil projects offshore Ghana) and through farm-downs or asset sales (such as those carried out by the Group in Uganda). Tullow has interests in 102 licences across 18 countries, covering exploration, development and production activities.

Element	Disclosure requirement	Disclosure
		The Group's key producing assets (the Jubilee and TEN fields) are located offshore Ghana and are operated by the Group. The Group also has non-operated producing assets in Congo (Brazzaville), Côte d'Ivoire, Equatorial Guinea, Mauritania, Gabon, the United Kingdom and the Netherlands. In addition, the Group has material development assets in Uganda and Kenya. Tullow's exploration portfolio is focused primarily on Africa and South America. The Group's average daily production (oil and gas) on a working interest basis for the 12 month period ended 31 December 2016 was 67,100 boepd (71,700 boepd including 4,600 bopd of production-equivalent barrels in respect of insurance payments received in relation to the Group's operations at the Jubilee field) and its net 2P reserves and net 2C resources were 303.7 mmboe and 890.2 mmboe, respectively, as at 31 December 2016, prior to the announced farm-down of a substantial portion of the Group's interests in Uganda. The Group's pro forma post Uganda farm-down net 2P reserves and net 2C resources would have been 303.7 mmboe and 569.4 mmboe, respectively, as at 31 December 2016. During the 12 month period ended 31 December 2016 the Group's sales revenue was $1.3 billion, gross profit was $0.5 billion, loss for the year from continuing activities before tax was $908.3 million and its pre-tax operating cash flow before working capital was $0.8 billion.
B.4a	Most significant recent trends of Tullow and its industry	Slower than expected economic growth led to lower energy demand growth in the 2015/16 period, which, together with an over-supply of oil (mainly due to increased US shale production), has led to a steep decline in oil prices since June 2014. 2016 saw some recovery and stabilisation of the oil price owing to supply cuts and disruptions and stronger than expected demand. While the long term outlook remains uncertain, the cuts in production agreed by OPEC and non-OPEC countries in December 2016 (by 1.2mbpd and 0.6mbpd, respectively) have been constructive for oil prices in the near term. Following this decision and combined with the decline in US onshore production, benchmark crude prices rose by c. $6/bbl over the course of December 2016, as market participants expected a progressive tightening of the global supply and demand balance.
B.5	Group structure	Tullow is the parent company of the Group. The principal subsidiaries of Tullow (being those which are considered by Tullow to be most likely to

<table>
<tr><th>Element</th><th>Disclosure requirement</th><th>Disclosure</th></tr>
<tr><td></td><td></td><td>have a significant effect on the assessment of the assets and liabilities, financial position or profits and losses of Tullow) are set out below:

<table>
<tr><th>Name of subsidiary</th><th>Proportion of share capital held</th></tr>
<tr><td>Tullow Oil SK Limited</td><td>100%</td></tr>
<tr><td>Tullow Oil SPE Limited</td><td>100%</td></tr>
<tr><td>Tullow Group Services Limited</td><td>100%</td></tr>
<tr><td>Tullow Overseas Holdings B.V.</td><td>100%</td></tr>
<tr><td>Tullow Oil Finance Limited</td><td>100%</td></tr>
<tr><td>Tullow Oil (Jersey) Limited</td><td>100%</td></tr>
<tr><td>Tullow Oil International Limited</td><td>100%</td></tr>
<tr><td>Tullow Côte d’Ivoire Limited</td><td>100%</td></tr>
<tr><td>Tullow Ghana Limited</td><td>100%</td></tr>
<tr><td>Tullow Kenya B.V.</td><td>100%</td></tr>
<tr><td>Tullow Exploration & Production Netherlands B.V.</td><td>100%</td></tr>
<tr><td>Tullow Guyana B.V.</td><td>100%</td></tr>
<tr><td>Tullow Suriname B.V.</td><td>100%</td></tr>
<tr><td>Tullow Congo Limited</td><td>100%</td></tr>
<tr><td>Tullow Equatorial Guinea Limited</td><td>100%</td></tr>
<tr><td>Tullow Namibia Limited</td><td>100%</td></tr>
<tr><td>Tullow Uganda Limited</td><td>100%</td></tr>
<tr><td>Tullow Oil Gabon SA</td><td>100%</td></tr>
<tr><td>Tullow Uganda Operations Pty Ltd</td><td>100%</td></tr>
<tr><td>Tullow Mauritania Limited</td><td>100%</td></tr>
<tr><td>Tullow Jamaica Limited</td><td>100%</td></tr>
<tr><td>Tullow Uruguay Limited</td><td>100%</td></tr>
<tr><td>Tullow Zambia B.V.</td><td>100%</td></tr>
</table></td></tr>
<tr><td>B.6</td><td>Notifiable interests</td><td>As at the Latest Practicable Date, the Company had been notified that the following persons were interested, directly or indirectly, in three per cent. or more of the Company’s issued share capital:

<table>
<tr><th rowspan="2">Shareholder</th><th colspan="2">Interest in Ordinary Shares as at the Latest Practicable Date</th><th colspan="2">Interest in Ordinary Shares immediately after completion of the Rights Issue[1]</th></tr>
<tr><th>Number of Ordinary Shares</th><th>% of issued share capital</th><th>Number of Ordinary Shares</th><th>% of issued share capital</th></tr>
<tr><td>The Capital Group Companies, Inc.</td><td>132,051,991</td><td>14.4</td><td>199,425,455</td><td>14.4</td></tr>
<tr><td>Deutsche Bank AG</td><td>73,786,705[2]</td><td>8.1</td><td>111,432,983</td><td>8.1</td></tr>
<tr><td>Genesis Asset Managers, LLP</td><td>54,857,056</td><td>6.0</td><td>82,845,349</td><td>6.0</td></tr>
<tr><td>Majedie Asset Management Limited</td><td>45,815,547</td><td>5.0</td><td>69,190,826</td><td>5.0</td></tr>
<tr><td>Oppenheimer Funds, Inc.[3]</td><td>45,191,459</td><td>4.9</td><td>68,248,325</td><td>4.9</td></tr>
<tr><td>First Names Trust Company (previously known as IFG International Trust Company Ltd.)</td><td>38,960,366</td><td>4.3</td><td>58,838,103</td><td>4.3</td></tr>
</table>

Notes:
(1) Assuming that each relevant Shareholder takes up their rights to New Ordinary Shares in full and that no further Ordinary Shares are issued by the Company between the Latest Practicable Date (including pursuant to the exercise of any options or awards under any Tullow Share Scheme or the conversion of any Convertible Bonds) and completion of the Rights Issue other than the New Ordinary Shares.
(2) Comprising qualifiying financial instruments and financial instruments with similar economic effect to qualifying financial instruments.
(3) Following requests under section 793 of the 2006 Act, the Company understands that the percentage of its issued share capital held by Oppenheimer Funds, Inc. as at the Latest Practicable Date was nil. No further notifications under DTR5 have been received from Oppenheimer Funds, Inc. during the period ending with the Latest Practicable Date.</td></tr>
</table>

<table>
<tr><th>Element</th><th>Disclosure requirement</th><th>Disclosure</th></tr>
<tr><td></td><td></td><td>
As at the Latest Practicable Date, the interests (all of which are or will be beneficial unless otherwise stated) of the Directors and senior manager (and persons closely associated with them) in the issued share capital of the Company were as follows:
<table>
<tr><th rowspan="2">Director/Senior Manager</th><th colspan="2">Interest in Ordinary Shares as at the Latest Practicable Date</th><th colspan="2">Interest in Ordinary Shares immediately after completion of the Rights Issue(1)</th><th colspan="2">Interest in Ordinary Shares immediately after completion of the Rights Issue(2)</th></tr>
<tr><th>Number of Ordinary Shares</th><th>% of issued share capital</th><th>Number of Ordinary Shares</th><th>% of issued share capital</th><th>Number of Ordinary Shares</th><th>% of issued share capital</th></tr>
<tr><td>Executive Directors</td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Aidan Heavey . . .</td><td>6,178,813</td><td>0.7</td><td>6,178,813</td><td>0.4</td><td>9,331,268</td><td>0.7</td></tr>
<tr><td>Angus McCoss . .</td><td>281,548</td><td>0.0</td><td>281,548</td><td>0.0</td><td>425,194</td><td>0.0</td></tr>
<tr><td>Paul McDade . . .</td><td>317,619</td><td>0.0</td><td>317,619</td><td>0.0</td><td>479,669</td><td>0.0</td></tr>
<tr><td>Ian Springett . . . .</td><td>17,324</td><td>0.0</td><td>17,324</td><td>0.0</td><td>26,162</td><td>0.0</td></tr>
<tr><td>Non-Executive Directors</td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Tutu Agyare . . . .</td><td>1,940</td><td>0.0</td><td>1,940</td><td>0.0</td><td>2,929</td><td>0.0</td></tr>
<tr><td>Mike Daly . . . . . .</td><td>3,175</td><td>0.0</td><td>3,175</td><td>0.0</td><td>4,794</td><td>0.0</td></tr>
<tr><td>Anne Drinkwater .</td><td>7,000</td><td>0.0</td><td>7,000</td><td>0.0</td><td>10,571</td><td>0.0</td></tr>
<tr><td>Ann Grant . . . . .</td><td>3,171</td><td>0.0</td><td>3,171</td><td>0.0</td><td>4,788</td><td>0.0</td></tr>
<tr><td>Steve Lucas . . . .</td><td>600</td><td>0.0</td><td>600</td><td>0.0</td><td>906</td><td>0.0</td></tr>
<tr><td>Simon Thompson</td><td>27,119</td><td>0.0</td><td>27,119</td><td>0.0</td><td>40,955</td><td>0.0</td></tr>
<tr><td>Jeremy Wilson . .</td><td>45,000</td><td>0.0</td><td>45,000</td><td>0.0</td><td>67,959</td><td>0.0</td></tr>
<tr><td>Senior Manager</td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Les Wood . . . . .</td><td>888</td><td>0.0</td><td>888</td><td>0.0</td><td>1,341</td><td>0.0</td></tr>
</table>
Notes:
(1) Assuming that the Directors and senior manager (and persons closely associated with them) do not take up any of their rights to New Ordinary Shares and that no further Ordinary Shares are issued by the Company between the Latest Practicable Date (including pursuant to the exercise of any options or awards under any Tullow Share Scheme or the conversion of any Convertible Bonds) and completion of the Rights Issue other than the New Ordinary Shares.
(2) Assuming that the Directors and senior manager (and persons closely associated with them) take up their rights to New Ordinary Shares in full and that no further Ordinary Shares are issued by the Company between the Latest Practicable Date (including pursuant to the exercise of any options or awards under any Tullow Share Scheme or the conversion of any Convertible Bonds) and completion of the Rights Issue other than the New Ordinary Shares.

Save as disclosed in this section, Tullow is not aware of any person or persons who, as at the Latest Practicable Date, directly or indirectly, has a holding in Tullow which is notifiable under English law.

Tullow and the Directors are not aware of any persons who, as at the Latest Practicable Date, directly or indirectly, jointly or severally, exercise or could exercise control over Tullow nor are they aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.
</td></tr>
<tr><td></td><td>Different voting rights/ controlling interests</td><td>Not applicable. There are no different voting rights for any Shareholder. To the extent known to the Company, the Company is not directly or indirectly owned or controlled by any person or any group of persons.</td></tr>
<tr><td>B.7</td><td>Historical key financial information</td><td>The selected historical financial information of the Group set out below has been extracted without material adjustment from the audited consolidated financial statements of the Company for the three financial years ended 31 December 2014, 2015 and 2016.</td></tr>
</table>

Element	Disclosure requirement	Disclosure

Consolidated income statement

$ millions	Year ended 31 December 2014	2015	2016
Sales revenue	**2,212.9**	**1,606.6**	**1,269.9**
Other operating income	—	—	90.1
Cost of sales	(1,116.7)	(1,015.3)	(813.1)
Gross profit	**1,096.2**	**591.3**	**546.9**
Administrative expenses	(192.4)	(193.6)	(116.4)
Restructuring costs	—	(40.8)	(12.3)
Loss on disposal	(482.4)	(56.5)	(3.4)
Goodwill impairment	(132.8)	(53.7)	(164.0)
Exploration costs written off	(1,657.3)	(748.9)	(723.0)
Impairment of property, plant and equipment, net	(595.9)	(406.0)	(167.6)
Provision for onerous service contracts, net	—	(185.5)	(114.9)
Operating loss	**(1,964.6)**	**(1,093.7)**	**(754.7)**
Gain/(loss) on hedging instruments	50.8	(58.8)	18.2
Finance revenue	9.6	4.2	26.4
Finance costs	(143.2)	(149.0)	(198.2)
Loss from continuing activities before tax	**(2,047.4)**	**(1,297.3)**	**(908.3)**
Income tax credit	407.5	260.4	311.0
Loss for the year from continuing activities	**(1,639.9)**	**(1,036.9)**	**(597.3)**
Attributable to:			
Owners of the Company	**(1,555.7)**	**(1,034.8)**	**(599.9)**
Non-controlling interest	**(84.2)**	**(2.1)**	**2.6**

Consolidated balance sheet

$ millions	As at 31 December 2014	2015	2016
Assets			
Non-current assets	9,335.1	9,506.8	8,340.1
Current assets	2,086.6	1,841.0	2,461.6
Total assets	**11,421.7**	**11,347.8**	**10,801.7**
Liabilities			
Current liabilities	(1,339.2)	(1,581.8)	(1,648.5)
Non-current liabilities	(6,062.2)	(6,591.3)	(6,910.7)
Total liabilities	**(7,401.4)**	**(8,173.1)**	**(8,559.2)**
Net assets	**4,020.3**	**3,174.7**	**2,242.5**
Equity			
Called-up share capital	147.0	147.2	147.5
Share premium	606.4	609.8	619.3
Equity component of convertible bonds	—	—	48.4
Foreign currency translation reserve	(205.7)	(249.3)	(232.2)
Hedge reserve	401.6	569.9	128.2
Other reserves	740.9	740.9	740.9
Retained earnings	2,305.8	1,336.4	778.0
Equity attributable to equity holders of the Company	**3,996.0**	**3,154.9**	**2,230.1**
Non-controlling interest	24.3	19.8	12.4
Total equity	**4,020.3**	**3,174.7**	**2,242.5**

Element	Disclosure requirement	Disclosure
		Consolidated cash flow statement

	Year ended 31 December		
$ millions	**2014**	**2015**	**2016**
Net cash from operating activities	1,481.8	978.2	512.5
Net cash used in investing activities	(2,327.5)	(1,679.6)	(967.2)
Net cash generated by financing activities	807.5	745.5	399.3
Net (decrease)/increase in cash and cash equivalents	(38.2)	44.1	(55.4)
Cash and cash equivalents at beginning of year	352.9	319.0	355.7
Cash transferred from held for sale	16.2	—	—
Foreign exchange loss	(11.9)	(7.4)	(18.4)
Cash and cash equivalents at end of year	319.0	355.7	281.9

The following significant changes in the financial condition, operating results and trading position of the Group occurred during the years ended 31 December 2014, 2015 and 2016.

In the year ended 31 December 2014, sales revenue decreased by 16.4% to $2,212.9 million, driven primarily by a 7.8% decrease in realised oil prices after hedging. Sales volumes decreased by 9.4% for the year, with average daily sales volumes of 67,400 boepd for the year. The operating loss for the year was $1,964.6 million and the loss for the year from continuing activities before tax was $2,047.4 million.

In the year ended 31 December 2015, sales revenue decreased by 27.4% to $1,606.6 million, driven primarily by a 31% decrease in realised oil prices after hedging. Sales volumes remained stable for the year, with average daily sales volumes of 67,600 boepd for the year. Growth in average daily sales volumes from West African oil production was offset by end of field life declines in UK gas production, the partial farm-down of the Schooner and Ketch gas fields and the disposal of the L and Q blocks in the Netherlands. The operating loss for the year was $1,093.7 million and the loss for the year from continuing activities before tax was $1,297.3 million.

In the year ended 31 December 2016, sales revenue decreased by 21.0% to $1,269.9 million, driven primarily by a 8.4% reduction in realised oil prices after hedging and by a 11.4% decrease in average daily sales volumes to 59,900 boepd for the year. The decrease in average daily sales volumes was primarily attributable to the impact of the Turret Remediation Project at the Jubilee field offshore Ghana, despite the contribution of sales from the TEN fields for the first time in 2016. Average daily sales volumes from the Jubilee field decreased by 30.1% to 23,900 boepd for the year. Average daily sales volumes from the TEN fields was 4,500 boepd for the year. The operating loss for the year was $754.7 million and the loss for the year from continuing activities before tax was $908.3 million.

The following events took place subsequent to the periods covered by the selected historical financial information of the Group set out in this Element and constitute a significant change to the financial condition, operating results and trading position of the Group:

On 9 January 2017, the Company announced that it had agreed a substantial farm-down of its assets in the Lake Albert Development in

Element	Disclosure requirement	Disclosure
		Uganda to Total E&P Uganda B.V. ("**Total Uganda**"). Under the sale and purchase agreement, the Group has agreed to transfer 21.57% of its 33.33% Uganda interests (the "**Sale Assets**") to Total Uganda for a total consideration of $900 million. Upon completion of the farm-down, the Group will have an 11.76% interest in the upstream and pipeline projects. This is expected to reduce to a 10% interest in the upstream project when the Government of Uganda formally exercises its right to back-in. Although it has not yet been determined what interests the Governments of Uganda and Tanzania will take in the pipeline project, the Group expects its interests in the upstream and pipeline projects to be aligned. The consideration is split into $200 million in cash, consisting of $100 million payable on completion of the transaction, $50 million payable at FID and $50 million payable at first oil. The remaining $700 million is in deferred consideration and represents reimbursement by Total Uganda in cash of a proportion of the Group's past exploration and development costs. The deferred consideration is payable to the Group as the upstream and pipeline projects progress and these payments will be used by the Group to fund its share of the development costs. The Group expects that the deferred consideration will exceed the Group's estimated share of pre-first oil upstream and pipeline capital expenditure of approximately $600 million. Any deferred consideration that has not been paid by first oil will be payable to the Group after first oil and used by the Group to fund post-first oil capital expenditure. Completion of the transaction is subject to certain conditions, including the approval of the Government of Uganda, after which the Group will cease to be an operator in Uganda. The disposal is expected to complete in 2017 and the commercial partners aspire to achieve FID by the end of 2017, with first oil expected to occur 3 years after FID. Pursuant to the terms of the joint operating agreements in relation to the Lake Albert Development, CNOOC Uganda Ltd ("**CNOOC Uganda**") (the Group's other commercial partner in the Lake Albert Development) has a right of pre-emption to acquire 50% of the Sale Assets that are the subject of the proposed farm-down on identical terms and conditions as those agreed between the Company and Total Uganda (including as to the amount, structure and timing of the consideration payable to the Group). On 16 March 2017 CNOOC Uganda exercised its right of pre-emption in respect of the Sale Assets and the Group is working with CNOOC Uganda and Total Uganda to conclude definitive sale documentation in relation to the farm-down. On 17 January 2017, the Company announced that the Erut-1 well in Block 13T, northern Kenya, had discovered a gross oil interval of 55 metres with 25 metres of net oil pay at a depth of 700 metres. The overall oil column for the field is estimated to be 100 to 125 metres. On 7 February 2017, the Group agreed a one year maturity extension of its Corporate Facility from April 2018 to April 2019. Commitments under the facility reduce from $1,000 million to $800 million from April 2017, $600 million from January 2018, $500 million from April 2018 and $400 million from October 2018. Save as set out above, there has been no significant change to the financial condition, operating results and trading position of the Group subsequent to the periods covered by the selected historical financial information of the Group set out in this Element.
B.8	Key pro forma financial information	Not applicable. No pro forma financial information is included within this document.

Element	Disclosure requirement	Disclosure
B.9	Profit forecast	Not applicable. No profit forecast or estimate is included within this document.
B.10	Qualifications in the audit reports	Not applicable. The audit reports on the historical financial information contained in, or incorporated by reference into, this document are not qualified.
B.11	Working capital insufficiency	Not applicable. Tullow is of the opinion that, after taking into account the net proceeds of the Rights Issue and the Existing Finance Agreements, the working capital available to the Group is sufficient for its present requirements, that is for at least the next 12 months from the date of publication of this document.

Section C—Securities

Element	Disclosure requirement	Disclosure
C.1	Type and the class of the securities	Tullow is proposing to issue 466,925,724 new Ordinary Shares of 10 pence each in the capital of Tullow pursuant to the Rights Issue. The ISIN of the New Ordinary Shares is GB0001500809 and the SEDOL of the New Ordinary Shares is 0150080. The ISIN of the Nil Paid Rights is GB00BF0BYM74 and the ISIN of the Fully Paid Rights is GB00BF0BYN81.
C.2	Currency of the securities issue	The Ordinary Shares are denominated in pounds sterling and the Issue Price is payable in pounds sterling.
C.3	Shares issued / value per share	As at the Latest Practicable Date, Tullow had 915,174,420 fully paid Ordinary Shares of 10 pence each in issue and it held no Ordinary Shares in treasury.
C.4	Description of the rights attaching to the securities	The New Ordinary Shares will be issued as fully paid and will rank pari passu in all respects with the Existing Ordinary Shares, including in relation to any dividends or other distributions with a record date falling after the date of allotment and issue of the New Ordinary Shares. *Voting rights* Subject to any special rights, restrictions or prohibitions as regards voting for the time being attached to any Ordinary Shares, Shareholders shall have the right to receive notice of and to attend and vote at general meetings of the Company. Each Shareholder being present in person or by proxy or by a duly authorised representative (if a company) at a general meeting shall upon a show of hands have one vote and upon a poll all Shareholders shall have one vote for every Ordinary Share held. *Dividend rights* Shareholders will be entitled to receive such dividends as the Directors may resolve to pay to them out of the assets attributable to their Ordinary Shares. *Return of capital* Shareholders are entitled to participate (in accordance with the rights specified in the Articles) in the assets of the Company attributable to their Ordinary Shares in a winding up of the Company or a winding up of the business of the Company.

Element	Disclosure requirement	Disclosure
C.5	Restrictions on free transferability of the securities	The Board may decline to register a transfer of any Ordinary Share which is not fully paid, provided that any such refusal will not prevent dealings in the shares from taking place on an open and proper basis. Save as aforesaid, there are no restrictions on the free transferability of the Ordinary Shares.
C.6	Admission / regulated markets where the securities are traded	Applications will be made to the UK Listing Authority and to the London Stock Exchange for the New Ordinary Shares to be admitted to the premium listing segment of the Official List of the UK Listing Authority and to trading (nil and fully paid) on the London Stock Exchange's main market for listed securities, respectively. Applications will also be made to the Irish Stock Exchange for the New Ordinary Shares to be admitted to the secondary listing segment of the Official List of the Irish Stock Exchange and to trading (nil and fully paid) on the Irish Stock Exchange's main market for listed securities. Applications will also be made to the Ghana Stock Exchange and the Ghana SEC for the New Ordinary Shares (fully paid) to be admitted to listing and trading on the main market of the Ghana Stock Exchange. It is expected that Admission will become effective, and that dealings in the New Ordinary Shares on the main markets of the London Stock Exchange and the Irish Stock Exchange, nil paid, will commence, at 8.00 a.m. on 6 April 2017.
C.7	Dividend policy	In 2015 Tullow suspended the payment of dividends as a result of the fall in oil prices and the resultant impact on the Group's earnings and cash flow. As announced on 8 February 2017, the Board has recommended that no final dividend be paid in respect of the 2016 Financial Year (2015: nil; 2014: 4 pence). The Board recognises that dividends are seen as an important component of equity returns by many Shareholders. However, at a time when the Company is focusing on capital allocation, financial flexibility and cost reductions, the Board currently believes that the Company and its Shareholders are better served by retaining funds in the business. The Board is committed to resuming dividend payments when it is prudent to do so. The Directors' decision as to when to declare a dividend and the amount to be paid will take into account, among other things, the Group's underlying earnings, cash flows, balance sheet leverage and financial flexibility at the relevant time.

Section D—Risks

Element	Disclosure requirement	Disclosure
D.1	Key information on the key risks that are specific to the Company or its industry	• A significant proportion of the Group's production comes from West Africa and, in particular, the Jubilee and TEN fields in Ghana, making it vulnerable to risks associated with having significant production in one country and region as well as other risks specific to those fields • The Group's substantial farm-down of its assets in Uganda is subject to certain conditions, including the consent of the Government of Uganda and there is no guarantee such conditions will be satisfied and that the farm-down will complete • Reduced production in the Group's Jubilee field as a result of the Turret Remediation Project may have a material adverse impact on the Group's business, prospects, financial condition and results of operations

Element	Disclosure requirement	Disclosure
		• The Group's TEN fields are, and may continue to be, affected by the ongoing maritime boundary dispute between Côte d'Ivoire and Ghana • The Group's business depends significantly on the level of oil and gas prices, which are volatile and have declined significantly over recent years. If oil and gas prices decline further, the Group's results of operations, cash flows, financial condition and access to capital could be materially and adversely affected • If the Group is unable to replace the commercial reserves that it produces, its reserves and revenues will decline • The level of the Group's oil and gas commercial reserves and contingent resources, their quality and production volumes may be lower than estimated or expected • The Group is not the operator of all of the licences to which it is a party and, as a result, is not able to exercise full control over the operations of, and decisions taken by, the operator • Although the Group is the operator of certain of its licences, it conducts certain of such operations with commercial partners which may increase the risk of disputes, delays, additional costs or the suspension and termination of the licences or the agreements which govern its assets • The Group may be unable to sell assets on commercially acceptable terms or in a timely manner and may be required to retain liabilities for certain matters • The Group operates with a significant level of net debt which may materially and adversely affect the Group's business, liquidity, financial condition and prospects • Failure by the Group, its suppliers or contractors to obtain access to necessary equipment, facilities and transportation systems could materially and adversely affect the business, prospects, financial condition and results of operations of the Group • The Group may engage in hedging activities from time to time that would expose it to losses should markets move against its hedged position • The Group is obliged to comply with health and safety and environmental regulations and cannot guarantee that it will be able to comply with these regulations • Certain of the countries in which the Group does business face political, economic, legal, regulatory and social uncertainties which could materially and adversely affect the business, prospects, financial condition and results of operations of the Group. In addition, these countries face risks of bribery and corruption issues • Underdeveloped infrastructure in locations where the Group does business could have an adverse effect on the business, prospects, financial condition and results of operations of the Group • Certain of the countries in which the Group does business face threats of terrorist activity, armed conflicts, social and civil unrest and political upheaval that are not as common in developed markets • The operations of the Group may be affected adversely by outbreaks of communicable diseases

Element	Disclosure requirement	Disclosure
		• The Group's ongoing and future success depends on securing and maintaining a "social licence to operate" from impacted communities and other stakeholders • The Group is exposed to the risk of adverse sovereign action by governments in the countries in which it does business • The Group may be adversely affected by changes to tax legislation or its interpretation or increases in effective tax rates in the jurisdictions in which the Group does business • The Group faces significant uncertainty as to the success of any exploration, appraisal and development activities
D.3	Key information on the key risks that are specific to the securities	• Qualifying Shareholders who do not (or are not permitted to) subscribe for New Ordinary Shares in the Rights Issue will experience dilution in their ownership of Tullow and may not receive adequate compensation for such dilution • Admission of the New Ordinary Shares may not occur when expected • Shareholders and other prospective investors outside the UK and Ireland may not be able to take up their entitlements under the Rights Issue or future issues of shares • A disposal of Ordinary Shares by major Shareholders could adversely affect the market price of the Ordinary Shares

Section E—Offer

Element	Disclosure requirement	Disclosure
E.1	Total net proceeds and costs of the issue	The Company intends to raise gross proceeds of approximately £607 million (equivalent to $750 million at an exchange rate of £1.00 = $1.2363 on 16 March 2017, being the last Business Day prior to the announcement of the Rights Issue) through the Rights Issue. The total expenses incurred (or to be incurred) by the Company in connection with the Rights Issue are estimated to be approximately £22 million (equivalent to $27 million at an exchange rate of £1.00 = $1.2363 on 16 March 2017) and accordingly the net proceeds of the Rights Issue are expected to be approximately £586 million (equivalent to $724 million at an exchange rate of £1.00 = $1.2363 on 16 March 2017).
E.2a	Reason for the offer / use of the proceeds	In early 2014, the Group recognised that the oil and gas sector was undergoing a period of significant change, with the rise of the US shale industry and the cost of both development and deep-water exploration challenging existing industry models. In response to such changes, the Company acknowledged the need to adapt its business model and started a thorough review of its internal processes, capital allocation policy and exploration strategy. When the oil price fell during 2014, the Company was quick to take action to adjust its operational approach to the lower oil price environment and undertook a series of critical operational actions to re-set and streamline its business, including implementing its Major Simplification Project, re-allocating capital expenditure to low cost, high margin producing assets in West Africa, reducing exploration and appraisal expenditure, refocusing its exploration strategy and selling a series of non-core assets and withdrawing from lower margin gas to power development projects in Mauritania and Namibia.

Element	Disclosure requirement	Disclosure
		Together with this revised approach to operations, Tullow was supported by a solid financial strategy, based on execution of its commodity price hedging programmes, maintaining adequate financial headroom and reducing future committed capital expenditure through strategic actions. As a result of these operational and financial measures, the Group has re-set and streamlined its business for low oil prices. However, the combination of low oil prices and the significant development expenditure required by the TEN development has resulted in the Group's gearing exceeding its policy of less than 2.5x net debt/Adjusted EBITDAX. Although Tullow began to generate free cash flow in the final quarter of 2016 as the TEN development started production and commenced repayment of its debt, as at 31 December 2016, the Group's gearing remained high at 5.1x net debt/Adjusted EBITDAX. Tullow has continued to generate free cash flow and repay its debt since 31 December 2016. However, in light of its high level of debt and the resultant lack of financial flexibility, the Group intends to accelerate the reduction of its debt towards its gearing policy of less than 2.5x net debt/Adjusted EBITDAX through a combination of the receipt of net proceeds of approximately £586 million (equivalent to $724 million at an exchange rate of £1.00 = $1.2363 on 16 March 2017) from the Rights Issue, improving cash flow from production growth, and value enhancing portfolio management activities, including future asset sales and farm-downs. The Directors believe this stepped reduction of debt will improve Tullow's financial and operational flexibility, and enable growth within the next three to five years by allowing the Group to: (i) invest in further infill drilling opportunities in both its operated and non-operated portfolio, (ii) undertake exploration and appraisal around the Jubilee and TEN fields to further develop the high return near field resource base, (iii) undertake further exploration and appraisal activity in Kenya to further prove up the resource base, (iv) drill high impact, potentially high return prospects across Tullow's African and South American portfolio, and (v) take advantage of other opportunities that industry conditions offer.
E.3	Terms and conditions of the offer	Pursuant to the Rights Issue, the Company is proposing to offer 466,925,724 New Ordinary Shares (representing approximately 51.0 per cent. of the Company's Existing Ordinary Shares) by way of rights to Qualifying Shareholders (subject to certain exceptions) at an Issue Price of 130 pence per New Ordinary Share payable in full on acceptance. The Issue Price represents a discount of approximately 45.2 per cent. to the Closing Price of 237.3 pence per Ordinary Share on 16 March 2017 and an approximate 35.3 per cent. discount to the theoretical ex-rights price of 201.1 pence per New Ordinary Share calculated by reference to the Closing Price on the same day. The Rights Issue will be made on the basis of 25 New Ordinary Shares for every 49 Existing Ordinary Shares registered in the name of each Qualifying Shareholder at the Record Date. Where necessary, fractional entitlements to New Ordinary Shares will be rounded down to the nearest whole number and fractions of New Ordinary Shares will not be allotted to Qualifying Shareholders but will be aggregated and, if possible, sold in the market as soon as practicable after the commencement of dealings in the New Ordinary Shares, nil paid. The net proceeds of such sales (after deduction of expenses) will accrue for

Element	Disclosure requirement	Disclosure
		the benefit of Tullow. Holdings of Existing Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purposes of calculating entitlements under the Rights Issue. Under the Rights Issue, the New Ordinary Shares will be offered by way of rights to all Qualifying Shareholders other than, subject to certain exceptions, Qualifying Shareholders with a registered address, or who are located, in the United States or any of the Restricted Territories. Subject to certain exceptions, Qualifying Shareholders with a registered address, or who are located, in the United States or any of the Restricted Territories will not be entitled to participate in the Rights Issue. The Rights Issue is fully underwritten by the Underwriters pursuant to the Underwriting Agreement, subject to certain customary conditions. The Rights Issue is conditional upon, among other things: • the passing of the Resolutions at the General Meeting without material amendment; • the Underwriting Agreement having become unconditional in all respects (save for the condition relating to Admission) and not having been terminated in accordance with its terms prior to Admission; and • Admission occurring by no later than 8.00 a.m. on 6 April 2017 (or such later time and/or date as the Company and the Joint Global Coordinators may agree). The latest time and date for acceptance and payment in full under the Rights Issue is 11.00 a.m. on 24 April 2017.
E.4	Material interests	Not applicable. There are no interests, known to Tullow, material to the issue of the New Ordinary Shares or which are conflicting interests.
E.5	Name of the offeror / lock-up agreements	Not applicable. There are no entities or persons (other than the Company) offering to sell the New Ordinary Shares as part of the Rights Issue, and there are no lock-up agreements in connection with the Rights Issue.
E.6	Dilution	Upon Admission, the Enlarged Issued Share Capital will be 1,382,100,144 Ordinary Shares. On this basis, the New Ordinary Shares will represent approximately 33.8 per cent. of the Enlarged Issued Share Capital. A Qualifying Shareholder who does not, or who is not permitted to, take up any of their rights to New Ordinary Shares under the Rights Issue will be diluted by approximately 33.8 per cent. as a result of the Rights Issue. A Qualifying Shareholder who is permitted to and does take up all of their rights to New Ordinary Shares under the Rights Issue will, subject to the rounding down and sale of fractional entitlements, not be diluted as a result of the Rights Issue.
E.7	Estimated expenses charged to the investor	Not applicable. No expenses will be directly charged to investors by the Company in connection with the Rights Issue. If a Qualifying Non-CREST Shareholder who is an individual with a registered address in the United Kingdom or any other EEA State elects to sell all of their Nil Paid Rights or effect a Cashless Take-up using the Special Dealing Service, then Computershare will charge such Shareholder a commission of 0.35 per cent. of the gross proceeds of sale of the Nil Paid Rights that are the subject of the sale, subject to a minimum of £20 per holding.

RISK FACTORS

Any investment in Tullow, the Nil Paid Rights, Fully Paid Rights and/or the New Ordinary Shares is subject to a number of risks. Prior to investing in such securities, prospective investors should consider carefully the factors and risks associated with any investment in the Nil Paid Rights, Fully Paid Rights and/or New Ordinary Shares, Tullow's business and the industry in which it operates, together with all other information contained in this Prospectus including, in particular, the risk factors described below. Prospective investors should note that the risks relating to Tullow, its industry and the Nil Paid Rights, Fully Paid Rights and/or New Ordinary Shares contained in the section of this Prospectus headed "Summary" are the risks that the Tullow Directors believe to be the most essential to an assessment by the prospective investor of whether to consider an investment in such securities. As the risks which Tullow faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks contained in the section of this Prospectus headed "Summary" but also, among other things, the risks and related uncertainties described below.

A number of factors affect the business, prospects, financial condition and results of operations of the Group. The following is not an exhaustive list or explanation of all risks that investors may face when making an investment in the Nil Paid Rights, Fully Paid Rights and/or New Ordinary Shares and should be used as guidance only. Additional risks and uncertainties that are not presently known to the Group, or that are currently deemed immaterial, may individually or cumulatively also have a material adverse effect on the Group's business, prospects, financial condition and results of operations. If any risk of which the Group is unaware, or that is currently deemed immaterial, should occur, the price of the Nil Paid Rights, Fully Paid Rights and/or New Ordinary Shares may decline and investors could lose all or part of their investment. Investors should consider carefully whether an investment in the Nil Paid Rights, Fully Paid Rights and/or New Ordinary Shares is suitable for them in the light of the information in this document and their personal circumstances.

The information given is as at the date of this document and, except as required by the FCA, the London Stock Exchange, the Irish Stock Exchange, the Ghana Stock Exchange, the Listing Rules, the Irish Listing Rules, the Prospectus Rules or any other applicable law, will not be updated. Any forward looking statements are made subject to the reservations specified under "Forward looking statements" on page 53 of this Prospectus.

1. Risks relating to the Group's business

1.1. A significant proportion of the Group's production comes from West Africa and, in particular, the Jubilee and TEN fields in Ghana, making it vulnerable to risks associated with having significant production in one country and region as well as other risks specific to those fields

The Jubilee field accounted for approximately 39 per cent. of the Group's production in the year to 31 December 2016. The Group's newly producing TEN fields (which produced first oil on 17 August 2016 and are still in ramp-up phase), accounted for approximately 10 per cent. of the Group's production in the year ended 31 December 2016. In total, approximately 90 per cent. of the Group's production in the year to 31 December 2016 came from West Africa (including the Jubilee and TEN fields).

As a result of these concentrations, the Group may be exposed disproportionately to the effects of changes in governments, regional supply and demand factors, delays or interruptions of production from wells in this area caused by elections, governmental regulation, processing or transportation capacity constraints, availability of equipment, equipment failure (including FPSO failure), facilities, personnel or services market limitations, severe adverse weather events or tidal conditions, or interruption of the processing or transportation of oil. The Group may also be exposed to additional risks, such as changes in field-wide rules and regulations that could cause it to permanently or temporarily shut down all or some of its wells within the Jubilee and/or TEN fields. See "*Reduced production in the Group's Jubilee field as a result of the Turret Remediation Project may have a material adverse impact on the Group's business, prospects, financial condition and results of operations".*

The Group's newly producing TEN fields comprise the Tweneboa field, Enyenra field and the Ntomme field. Following first oil on 17 August 2016, the TEN fields are in ramp-up phase. During this phase in a field's life cycle, production is gradually increased to its plateau production by bringing wells on-line either individually or together and the utilisation rate of other equipment is gradually increased. During the ramp-up phase, the Group may encounter operational issues which can either slow down the ramp-up of production or otherwise require to be addressed. For example, the production and injection rates from the Enyenra wells have been lower than expected due to certain issues with managing

different pressures across the three main Enyenra reservoir zones. Although testing has been ongoing to determine the optimal balance of injection and production rates across these zones, the existing wells will be managed prudently to optimise long term field recovery given no new wells can be drilled at present as a result of the ITLOS provisional orders measure. If the Group were to encounter any further operational issues whilst ramping up production in the TEN fields which the Group was unable to resolve or which required unplanned remedial action, the time taken to achieve plateau production could be delayed which may have a materially adverse effect on the Group's business, prospects, financial condition and results of operations. The activities which the Group is able to undertake in respect of the TEN fields, including activities in connection with the ramp-up phase, may be impacted by the ITLOS Dispute. See *"The Group's TEN fields are, and may continue to be, affected by the ongoing maritime boundary dispute between Côte d'Ivoire and Ghana".*

The Jubilee field is subject to a unitisation and unit operating agreement. Pursuant to the terms of this agreement, the Group's unit interests and those of its commercial partners in the Jubilee field may be redetermined at periodic intervals whether by mutual agreement between the parties or, where there is a dispute between the parties, by a third party arbiter. To the extent that the interests of the parties to the unit operating agreement are not aligned (for example, by having a greater interest in a field relevant for the redetermination), there is an increased potential for disputes in relation to any particular redetermination. Any redetermination or dispute in relation to such redetermination could affect negatively the Group's production interests and may materially and adversely affect the business, prospects, financial condition and results of operations of the Group.

1.2. The Group's substantial farm-down of its assets in Uganda is subject to certain conditions, including the consent of the Government of Uganda and there is no guarantee such conditions will be satisfied and that the farm-down will complete

On 9 January 2017, the Company announced that it agreed a substantial farm-down of its assets in Uganda to Total Uganda (the "**Ugandan Farm-down**"). Pursuant to the terms of the Ugandan Farm-down, the Group has agreed to transfer 21.57 per cent. of its 33.33 per cent. Uganda interests (the "**Sale Assets**") to Total Uganda for a total consideration of $900 million. Upon completion of the Ugandan Farm-down, the Group will have an 11.76 per cent. interest in the upstream and pipeline projects. This is expected to reduce to a 10 per cent. interest in the upstream project when the Government of Uganda formally exercises its right to back-in. Although it has not yet been determined what interests the Governments of Uganda and Tanzania will take in the pipeline project, the Group expects its interests in the upstream and pipeline projects to be aligned.

The consideration for the Ugandan Farm-down is split into $200 million in cash, consisting of $100 million payable on completion of the transaction, $50 million payable at the final investment decision and $50 million payable at first oil. The disposal is expected to complete in 2017. The Government of Uganda, the Group and its commercial partners continue to aspire to achieve the final investment decision by the end of 2017 with first oil expected to occur three years after the final investment decision.

The remaining $700 million is in deferred consideration and represents reimbursement by Total Uganda in cash of a proportion of the Group's past exploration and development costs. The deferred consideration is payable to the Group as the upstream and pipeline projects progress and these payments will be used by the Group to fund its share of the development costs. The Group expects that the deferred consideration will exceed its share of pre-first oil upstream and pipeline development capital expenditure. Completion of the transaction is subject to certain conditions, including the approval of the Government of Uganda, after which the Group will cease to be an operator in Uganda. On 16 March 2017 CNOOC Uganda Ltd ("**CNOOC Uganda**") exercised a right of pre-emption to acquire 50 per cent. of the Sale Assets on identical terms and conditions as those agreed between the Company and Total Uganda. As a result of the exercise of this right, the Group will need to work with CNOOC Uganda and Total Uganda to conclude definitive sale documentation in relation to the farm-down and there can be no assurances that this will not lead to delays or otherwise adversely impact the farm-down process, including in respect of the required Government of Uganda approval.

Whilst the Group believes it has a strong relationship with the Government of Uganda, there can be no assurance that the necessary consents will be obtained in respect of the Ugandan Farm-down. If such consent is not achieved or completion does not occur, the Company would not receive any of the consideration payable as part of the Ugandan Farm-down and would retain its current 33.33 per cent. Uganda upstream interest. As a result, the Group would remain liable for its share of the expected upstream capital expenditure and operating costs associated with its 33.33 per cent. Uganda upstream interest which the Group currently estimates to be $5.2 billion (on a gross basis), of which $3.0 billion

relates to the period up to first oil being achieved. If the Ugandan Farm-down does not complete and the Group retains its current interest in its Ugandan assets, this could result in a material adverse effect on the business, financial condition and results of operations of the Group.

Even if the Ugandan Farm-down completes, $50 million of the consideration is payable on the final investment decision being made and $50 million of the consideration is payable on first oil being achieved. There can be no guarantee that the final investment decision will be made by the field's commercial partners or that first oil will be achieved. In the event that either or both of these events does not occur, the Group will not receive up to $100 million of the consideration payable. In addition, if the final investment decision is not taken, this would result in most of the deferred consideration not being payable as the Group anticipates that most upstream project and pipeline project development costs will be incurred after the final investment decision is taken. If the consideration is not received, this could result in a material adverse effect on the business, financial condition and results of operations of the Group.

Following completion of the Ugandan Farm-down, the Group will cease to be an operator of any of its licences in Uganda (including, for the avoidance of doubt, the Lake Albert Development). See *"The Group is not the operator of all of the licences to which it is a party and, as a result, is not able to exercise full control over the operations of, and decisions taken by, the operator"*.

1.3. Reduced production in the Group's Jubilee field as a result of the Turret Remediation Project may have a material adverse impact on the Group's business, prospects, financial condition and results of operations

In February 2016, the Group identified an issue with the turret bearing of the Kwame Nkrumah MV21 FPSO at the Group's Jubilee field. As a result, the Group instigated an investigation and on 20 March 2016, production in the Jubilee field was shut down. On 3 May 2016, reduced production commenced following the implementation of a temporary solution.

Following the identification of the turret bearing issue, a revised case to operate was put in place in respect of the Jubilee field which included the use of heading control tugs to minimise movement and further deterioration of the bearing and revised offtake procedures utilising both a shuttle and storage tanker. During 2016, the Group commenced the implementation of an interim solution which involved locking the bearing and the implementation of an interim spread-mooring solution which would allow the heading control tugs to be released with the FPSO held in position. Although the use of heading control tugs allowed production to continue, it did so at a reduced rate as the proximity of the tugs to the FPSO means that the Group's preferred offtake process to an export tanker via a crude export hose directly from the FPSO was not possible. As a result, the Group relies on more frequent, smaller offtake parcels to a dynamically positioned shuttle tanker which transports the oil to a storage tanker which then offloads to an export tanker. Accordingly, production has been reduced to ensure that the offtake solution can be implemented effectively and safely and will remain at a reduced level until a permanent solution is implemented.

Through the Turret Remediation Project, the Group and its commercial partners have determined that the most likely long term solution to the turret bearing issue is to convert the FPSO to a permanently spread-moored vessel, with offtake through a new deep-water offloading buoy. The first phase of implementing the most likely long term solution, involving the installation of a stern anchoring system was completed in February 2017 and the tugs which maintained the FPSO on heading control were removed as a result. The consent of the Government of Ghana and the Group's commercial partners is required to implement the full long term solution and there can be no assurance that such consent will be obtained on terms or at the time the Group considers appropriate, or at all. Failure to implement a permanent solution will result in continued reduced production which could have a material adverse effect on the business, prospects, financial condition and results of operations of the Group. See *"Although the Group is the operator of certain of its licences, it conducts certain of such operations with commercial partners which may increase the risk of disputes, delays, additional costs or the suspension and termination of the licences or the agreements which govern its assets".* The formal consent of each of the Group's commercial partners is required to implement a final offtake solution. If no permanent offtake solution is agreed and implemented, production will remain at a reduced level and this will have a material adverse esffect on the business, prospects, financial condition and results of operations of the Group. See *"Although the Group is the operator of certain of its licences, it conducts certain of such operations with commercial partners which may increase the risk of disputes, delays, additional costs or the suspension and termination of the licences or the agreements which govern its assets"*.

The next phase of the Turret Remediation Project will involve modifications to the turret systems for long term spread-moored operations. In addition, the assessment of the optimum long term heading is

continuing, in order to determine if a rotation of the FPSO is required. Detailed planning for these works continues with the Group's commercial partners and the Government of Ghana, with final decisions and approvals expected to be sought in the first half of 2017. Work is expected to be carried out in the second half of 2017, with an anticipated facility shut down of up to 12 weeks, although the Group and its commercial partners continue to work to optimise and reduce the shut down period. The final phase of the Turret Remediation Project will most likely involve the installation of a deep-water offloading buoy which is currently planned to be installed in late 2018 or early 2019. The installation of a deep-water offloading buoy will remove the need for the dynamically positioned shuttle tanker and storage tanker and the associated operating costs. This phase of work also requires approval of both the Government of Ghana and the Group's commercial partners.

Although the Group expects the Turret Remediation Project to be completed during early 2019, there can be no assurance that the Group will achieve its intended timetable for implementation and, if it does not do so, there may be a material adverse effect on the business, prospects, financial condition and results of operations of the Group.

The capital costs associated with the remediation works, the lost revenue from the shut down periods and the increased operating costs which have been, and will continue to be, suffered as a result of the turret bearing issue and the consequent reduced production capacity are subject to claims pursuant to two policies of insurance under which the Group is entitled to recover: a hull and machinery policy (the "**H&M Policy**") and a business interruption insurance policy (the "**BI Policy**"). A root cause analysis (the "**RCA**") of the turret bearing issue is being carried out by an independent assessor which is investigating a number of potential areas of cause and key exclusions under the Group's insurance policies, including turret and bearing design, fabrication and assembly, maintenance routines and operational storage and offtake procedures. Although the RCA has not identified a definitive root cause, the interim RCA report and its conclusions were used by both the H&M Policy and BI Policy providers in connection with the affirmation of cover, which was received in September 2016. The final RCA report has not yet been issued. While the Directors expect continuing cover affirmation for the claim by insurers, the level of cover cannot be guaranteed until the final RCA report is issued and consequently there could be a material adverse effect on the business, prospects, financial condition and results of operations of the Group.

Pursuant to the terms of the H&M Policy, the Group and its commercial partners are entitled to receive payments relating to steps taken to mitigate further loss (for example, costs in relation to the tugs used for heading control are recoverable as they reduce further damage to the turret) and labour (costs incurred to mitigate against the escalation of claim) and capital costs to reinstate the FPSO to its operating condition prior to the incident. The total claim made under the H&M Policy (on behalf of the Group and its commercial partners) is expected to amount to approximately $600 million (recovery under the H&M Policy is limited to, in aggregate, $1,800 million). Pursuant to the terms of the BI Policy, the Group is entitled to receive both lost production income determined by an agreed price of $60/bbl and relevant lost production, and to be indemnified for costs relating to increased costs of working incurred in respect of supporting production. The total claim made under the BI Policy is expected to amount to approximately $500 million (recovery under the BI Policy is limited to, in aggregate, $900 million). Whilst the Group does not believe the amount it will be required to claim under either the H&M Policy or the BI Policy will exceed the total amount recoverable under such policy, there can be no assurance that this will be the case and, to the extent a claim exceeds the policy limit, it will not be recoverable and the Group and its commercial partners will require to suffer any loss themselves without recourse to the relevant policy which may have a material adverse effect on the business, prospects, financial condition and results of operations of the Group.

To the extent recoverable, the insurers are obliged to make payments in respect of claims under the BI Policy for a period of 36 months from May 2016. Accordingly, the Group will cease to receive any payments in May 2019, irrespective of whether a long term solution and the return to normal operations has been achieved. There can be no guarantee that the Group will have implemented the most likely long term solution by the time the cover under the BI Policy expires. Any failure to implement a long term solution by the time the Group's insurance cover expires may result in production delays and declines from normal field operating conditions and may result in revenue and cash flow levels being materially and adversely affected.

Whilst the lead insurers have affirmed the extent of the cover under each policy, the policies are ones of indemnity such that the Group is required to incur any costs or suffer any loss prior to submitting a claim under the relevant policy. Such claims are then reviewed and, to the extent determined appropriate, an amount is paid to the Group by the insurers. As at 31 December 2016, the Group had received reimbursement of approximately $6.7 million (net) under the H&M Policy (in respect of claims intimated

under the H&M Policy of $16.7 million (net)) and approximately $76.6 million under the BI Policy (in respect of claims intimated under the BI Policy of $85 million). With effect from December 2016, the Group and its insurers have agreed that a payment of $15 million will be made on a monthly basis (during the period from November 2016 to March 2017) under the BI Policy, with adjustments to this figure agreed between the Group and its insurers on a quarterly basis, and it is anticipated that similar arrangements will be entered into for subsequent periods. Notwithstanding the affirmation of cover and the agreed rate of monthly indemnity by the insurers, there can be no guarantee that each claim submitted by the Group will be met by the insurers and the Group may undertake action believing it to be covered by either the H&M Policy or the BI Policy and not be indemnified for such costs. Incurring material costs which are not subject to indemnification may materially and adversely affect the business, prospects, financial condition and results of operations of the Group.

See *"The Group's insurance coverage may not be adequate for covering all losses arising from potential operational hazards and unforeseen interruptions".*

1.4. The Group's TEN fields are, and may continue to be, affected by the ongoing maritime boundary dispute between Côte d'Ivoire and Ghana

The ongoing dispute between Côte d'Ivoire and Ghana concerning the demarcation of their maritime boundaries could impact negatively the TEN fields, which produced first oil in August 2016. All of the TEN fields are located within a triangular area between Ghana and Côte d'Ivoire's respective interpretations of the correct maritime boundary (the "**Disputed Area**"). Any negative impact of this dispute on the TEN fields could materially and adversely affect the Group's business, prospects, financial condition and results of operations.

In September 2014, the Government of Ghana submitted the dispute to arbitration at the Special Chamber of the International Tribunal for the Law of the Sea ("**ITLOS**") in Hamburg, Germany. In February 2015, the Government of Côte d'Ivoire requested that ITLOS order certain provisional measures, including the suspension of all ongoing exploration and development operations in the Disputed Area pending a final decision from ITLOS. Had all of the provisional measures applied for been upheld by ITLOS, the Group's operations with respect to the TEN fields could have been materially adversely affected. In April 2015, ITLOS issued a provisional measures order which included, amongst other measures, the requirement that no new drilling take place in the Disputed Area until a final determination on the boundary dispute (the "**ITLOS PMO**"). However, the Government of Ghana's interpretation of the ITLOS PMO did not prevent all other ongoing exploration and development operations in the Disputed Area from continuing. In accordance with the ITLOS PMO, the Government of Ghana ordered the Group not to undertake any new drilling in the Disputed Area and the Group has complied with this instruction. ITLOS' final decision is expected in September 2017, but could be later. Drilling is expected to resume in 2018 after the final ruling. Although the ITLOS PMO enabled the TEN fields to continue to be developed without impacting the date of first oil, any change to that order or the making of other provisional or final orders or rulings by ITLOS or a delay to the expected timing of the announcement of the final decision of ITLOS or any ambiguity in such decision could adversely impact the Group's continued operations in the TEN fields and materially and adversely affect the business, prospects, financial conditions and results of operations of the Group. In the event the final decision, or the interpretation of the final decision, has a negative impact on the Group, the Group may seek to raise appropriate claims under the contractual arrangements under which it operates the TEN fields. Although the Group believes it has appropriate contractual arrangements in place, there can be no guarantee that such arrangements would be enforced in its favour, particularly against any government agency. Even if a finding was made in the Group's favour, there can be no guarantee that any government agency against which a finding was made would or could comply with its terms.

The TEN fields comprise the Tweneboa field, Enyenra field and the Ntomme field. Whilst the Group's initial testing results suggest that its reserve estimates for both the Enyenra and Ntomme fields are in line with expectations, the production and injection rates from the Enyenra wells have been lower than expected due to certain issues with managing different pressures across the three main Enyenra reservoir zones. Although testing has been ongoing to determine the optimal balance of injection and production rates across these zones, the existing wells will be managed prudently to optimise long term field recovery given no new wells can be drilled at present as a result of the ITLOS PMO and any failure to do so could materially and adversely affect the Group's business, prospects, financial condition and results of operations.

1.5. The Group's business depends significantly on the level of oil and gas prices, which are volatile and have declined significantly over recent years. If oil and gas prices decline further, the Group's results of operations, cash flows, financial condition and access to capital could be materially and adversely affected

The Group's business, prospects, financial condition and results of operations depend significantly upon prevailing oil and gas prices, which may be adversely impacted by unfavourable global, regional and national macroeconomic conditions. As oil and gas are globally traded, the Group is unable to control the prices it receives for the oil and gas it produces. Oil and gas prices are volatile and have declined significantly recently. Historically, prices for oil and gas have fluctuated widely for many reasons, including:

- changes in global and regional supply and demand, and expectations regarding future supply and demand, for oil and gas products;
- geopolitical uncertainty;
- weather conditions and natural disasters;
- access to pipelines, storage platforms, shipping vessels and other means of transporting and storing oil;
- prices, availability and government subsidies of alternative and/or renewable energy sources;
- prices and availability of new technologies;
- increasing government regulations and actions and international treaties and agreements which aim to reduce the environmental impact of "greenhouse gases" and increased expenditure for producers to comply with such regulations, actions, treaties and agreements;
- changes in availability of, and access to, pipeline ullage;
- the ability and willingness of the members of OPEC, and other oil producing nations, to set and maintain specified levels of production and prices;
- political, economic and military developments in oil producing regions generally, and domestic and foreign governmental regulations and actions, including import and export restrictions, taxes, repatriations and nationalisations;
- proximity to, and the capacity and cost of, transportation;
- petroleum refining capacity;
- global and regional economic conditions;
- trading and speculative activities by market participants and others either seeking to secure access to oil and gas or to hedge against commercial risks, or as part of investment portfolio activity; and
- terrorism or the threat of terrorism, war or threat of war, which may affect supply, transportation or demand for hydrocarbons and refined petroleum products.

It is difficult to predict accurately future oil and gas price movements. Historically, crude oil prices have been highly volatile and subject to large fluctuations in response to relatively minor changes in the demand for oil. Price volatility was prominent in 2014. The second half of 2014 saw crude oil prices drop sharply, primarily due to a supply surplus resulting from, among other factors, increased shale oil production in North America and the decision by OPEC not to reduce production in the face of weaker demand growth. During 2014, the maximum and minimum prices for Dated Brent crude oil were $115.06/bbl and $57.33/bbl, with an average price of $99.45/bbl. In 2015, Dated Brent crude oil prices continued to decline, with maximum and minimum prices of $67.77/bbl and $36.11/bbl and an average price of $53.60/bbl. In 2016, Dated Brent crude oil prices remained low, with maximum and minimum prices of $56.22/bbl and $27.88/bbl and an average price of $45.12/bbl.

The Group's revenues, operating results, profitability, future rate of growth, access to capital and the carrying value of its oil and gas assets depend heavily on the prices it receives for oil and gas sales. Oil and gas prices also affect the Group's cash flows available for capital investments and other items, its borrowing capacity under the RBL Facilities and the amount and value of its oil and gas reserves. The Group may also face oil and gas asset impairments if prices fall significantly. No assurance can be given that oil and gas prices will remain at levels which enable the Group to do business profitably or at levels that make it economically viable to produce from certain of its assets and any material decline in such prices could result in a reduction of the Group's net production volumes and/or revenue and a decrease

in the valuation of its exploration, appraisal, development and production assets. For further details of the terms of the RBL Facilities, see paragraph 10.2 of Part 11 of this Prospectus.

The economics of producing from some assets may also result in a reduction in the volumes of the Group's reserves which can be produced commercially, resulting in decreases to its reported reserves. The Group may also elect not to produce from certain assets at lower prices, or its commercial partners may not want to continue production regardless of the Group's position. All of these factors could result in a material decrease in the Group's net production revenue, causing a reduction in its oil and gas exploration and development activities and reserves. In addition, certain development projects could become unprofitable as a result of a decline in oil prices and could result in the Group having to postpone or cancel a planned project, or if it is not possible to cancel the project, carry out the project with a negative economic impact on the Group. For example, in the years ended 31 December 2015 and 31 December 2016, the Group recorded provisions for onerous service contracts of $185.5 million in 2015 and $114.9 million in 2016 (in each case presented net of releases of provisions for onerous service contracts) as a result of a reduction in planned future work programmes directly linked to the decline in oil prices. Further, a reduction in oil prices may lead to the Group's producing fields being shut down and to enter the decommissioning phase earlier than estimated.

1.6. The Group's exploration and production operations are dependent on its compliance with obligations under contracts, licences, permits, operating agreements and relevant legislation

The Group's current operations are, and its future operations may be, subject to, and carried out in accordance with, licences, approvals, authorisations, consents and permits from governmental authorities and prevailing relevant local legislation for exploration, development, construction, operation, production, marketing, pricing, transportation, storage and disposal of oil, other hydrocarbons and by-products, taxation and environmental and health and safety matters.

The Group cannot guarantee that such licences, approvals, authorisations, consents and permits will be granted or, if granted, will not be subject to possibly onerous conditions. The Group's ability to obtain, sustain or renew such licences, approvals, authorisations, consents and permits on acceptable terms may be subject to changes in interpretation, regulations and policies in the jurisdictions in which the Group has assets. To the extent any such licences, approvals, authorisations, consents and permits are required and not obtained, maintained or complied with, the Group may be curtailed or prohibited from proceeding with planned exploration or development of oil and gas assets and may be subject to fines and other penalties.

It may from time to time be difficult to ascertain whether the Group has complied with obligations under production sharing contracts and licences as the extent of such obligations may be unclear or ambiguous and regulatory authorities in jurisdictions in which the Group does business may not be forthcoming with confirmatory statements that work obligations have been fulfilled, which can lead to further operational uncertainty.

In addition, the Group and its commercial partners, as the case may be, have obligations to develop fields in accordance with specific requirements under certain licences, permits and related agreements (for example, production sharing contracts), field development plans, laws and regulations. If the Group or its commercial partners were to fail to satisfy such obligations with respect to a specific field,the licence, permit or related agreements for that field could be suspended, revoked or terminated which could materially and adversely affect the business, prospects, financial condition and results of operations of the Group.

A portion of the licences pursuant to which the Group and its commercial partners conduct operations are solely exploration licences, and as such the assets which are the subject of those licences are not currently producing, and may never produce commercial quantities of, oil or gas. Typically, these licences have a limited life before the Group or its commercial partners (as the case may be) are obliged to seek to convert the licence to a production licence, extend the licence or relinquish the licence area. If hydrocarbons are discovered during the exploration licence term, the Group or its commercial partners (as the case may be) may be required to apply for a production licence before commencing production. If the Group or its commercial partners (as the case may be) comply with the terms of the relevant exploration licence, the Group would normally expect that a production licence would be issued; however, no assurance can be given that any necessary production licences will be granted by the relevant authorities on terms acceptable to the Group and/or its commercial partners (as the case may be), or at all, and the failure to obtain such a licence on acceptable terms may materially and adversely affect the business, prospects, financial condition and results of operations of the Group.

Each of the exploration and production licences, approvals, authorisations, consents, permits and/or related agreements pursuant to which the Group conducts operations have incorporated detailed work programmes which are required to be fulfilled, normally within a specified timeframe. These may include seismic surveys to be performed, wells to be drilled, production to be attained, limits to production levels and specific construction matters. Some jurisdictions also impose a minimum financial spend during the exploration period, which can be called for payment if the minimum work obligations are not completed and such a call could adversely affect the business, prospects, financial condition and results of operations of the Group.

In addition, the Group, the Group's commercial partners or other third parties may require licences, approvals or consents to construct pipelines or other infrastructure that crosses borders (for example, as has been the case in Kenya, Uganda and Tanzania) which would require negotiating access and construction permissions with governments in multiple jurisdictions. If such access and permissions are not achieved, it could limit the marketability and value of the Group's production and adversely affect the business, prospects, financial condition and results of operation of the Group.

The suspension, refusal, revocation, withdrawal or termination of any of the licences, permits or related agreements pursuant to which the Group conducts business, as well as any delays in the continuous development of or production at the Group's fields caused by the issues detailed above could materially and adversely affect the business, prospects, financial condition and results of operations of the Group. In addition, failure to comply with the obligations under the licences, permits or agreements pursuant to which the Group conducts business, whether inadvertent or otherwise, may lead to fines, penalties, restrictions, withdrawal of licences and termination of related agreements, which could materially and adversely affect the business, prospects, financial condition and results of operations of the Group.

Relevant legislation in the jurisdictions in which the Group does business provides that fines may be imposed and a licence may be suspended or terminated if a licence holder, or party to a related agreement, fails to comply with its obligations under such licence or agreement, or fails to make timely payments of levies and taxes for the licenced activity, or fails to provide the required geological information or meet other reporting requirements.

The authorities in the jurisdictions in which the Group does business are typically authorised to, and do from time to time, inspect the Group's assets to verify compliance by the Group or its commercial partners (as the case may be) with the licences, permits, agreements and the relevant legislation pursuant to which the Group conducts its business.

The Group is subject to different regulatory regimes in each of the countries in which it operates. In Ghana, the Ghanaian Ministry of Petroleum has the overall responsibility for providing policy direction for the energy sector, with the Petroleum Commission being the regulatory body for the upstream petroleum sector. In Uganda, a two tier regime is operated: with production sharing contracts entered into between an international oil company and the Government of Uganda and licences for different phases of petroleum operations issued by the Ministry of Energy and Mineral Developments. In Kenya, the State is required under its constitution to ensure that there is sustainable exploitation, utilisation and management of the environment and natural resources and ensure equitable sharing of accruing benefits. The grant of a right or concession by or on behalf of any person, including the national government, to another person for the exploitation of any natural resource of Kenya is subject to ratification by parliament. The views of each of the parties involved in the regimes to which the Group is subject differ and may result in a higher administrative burden on the Group which could impact the Group's ability to comply with its obligations under its licences or relevant legislation efficiently and on time. For further details of the regulatory regimes to which the Group's main assets are subject, see Part 5 of this Prospectus.

There can be no assurance that the views of the relevant government agencies regarding the development of the fields that the Group or its commercial partners operate or the compliance with the terms of the licences, permits, agreements or relevant legislation pursuant to which the Group conducts its operations will coincide with the Group's views, which might lead to disagreements that may not be resolved and any such disagreement, if not resolved in a commercially acceptable way or at all, may have a material adverse effect on the business, prospects, financial condition and results of operations of the Group.

1.7. The Group faces drilling, exploration and production risks and hazards that may affect its ability to produce oil and gas at expected levels, quality and costs

Oil and gas exploration and production operations are subject to certain risks including premature decline of reservoirs, invasion of water into producing formations, encountering unexpected formations

or pressures, low permeability of reservoirs, blowouts, oil spills, explosions, fires, equipment damage or failure, natural disasters, geological uncertainties, unusual or unexpected rock formations and abnormal geological pressures, uncontrollable flows of oil, gas or well fluids, severe adverse weather or tidal conditions, shortages of skilled labour or suppliers, access to utilities such as water, sabotage of oil and gas pipelines, pollution and other environmental risks, any of which could materially adversely affect the business, prospects, financial condition and results of operations of the Group.

Certain of the Group's facilities are also subject to hazards inherent in marine operations, such as piracy, capsizing, sinking, grounding, vessel collision and damage from natural catastrophes, severe storms or other severe adverse weather or tidal conditions. The offshore drilling that the Group conducts could involve increased risks due to risks inherent in the nature of drilling in complicated environments and complex geological formations including blowouts, encountering unused or unexpected rock formations with abnormal geographical pressures and oil spills. For example, each of the Group's Jubilee and TEN fields production is produced through single FPSOs (the Prof. John Evans Atta Mills and the Kwame Nkrumah MV21, respectively) which are supported by a number of smaller vessels, so any technical failure or accident involving these FPSOs or the supporting vessels could have a material negative impact on the Group's production and the resulting cash flow therefrom. See *"Reduced production in the Group's Jubilee field as a result of the Turret Remediation Project may have a material adverse impact on the Group's business, prospects, financial condition and results of operations".*

The occurrence of the above risks could result in environmental damage, including biodiversity loss or habitat destruction, injury to persons and loss of life, failure to produce oil in commercial quantities or an inability to fully produce discovered reserves. The risks mentioned above could also cause substantial damage to the Group's property and its reputation and put at risk some or all of its interests in licences, which enable it to explore and/or produce, and could result in the Group incurring fines or penalties as well as criminal sanctions potentially being enforced against the Group and/or its officers with such fines, penalties or criminal sanctions potentially having a negative impact on the likelihood of the Group being awarded licences in the future. Consequent production delays and declines from normal field operating conditions and other adverse actions may result in revenue being materially and adversely affected.

1.8. If the Group is unable to replace the commercial reserves that it produces, its reserves and revenues will decline

The future success of the Group depends on its ability to find and develop or acquire additional commercial reserves that are economically recoverable. Certain of the Group's interests are in mature fields with declining production, such as the M'Boundi field in Congo (Brazzaville), the Chinguetti field in Mauritania (which is due to cease production in May 2017), the Ceiba and Okume fields in Equatorial Guinea, the CMS fields in the United Kingdom and the Etame and Echira fields in Gabon. While well supervision and effective maintenance operations can contribute to sustaining production rates over time, the Group is required to undertake exploration, appraisal and development activities in order to replace reserves which are depleted by production. Whilst the Group may seek to develop or acquire additional assets containing commercial reserves, it may not be able to find, develop or acquire suitable additional reserves on commercially acceptable terms or at all, which could result in depletion of the Group's reserves or contingent resources which could materially and adversely affect the business, prospects, financial condition and results of operations of the Group. See "*If the Group fails to identify appropriate acquisition targets, carry out appropriate diligence on them and complete and integrate acquisitions successfully, the financial condition and future performance of the Group could be adversely affected" and "The Group faces significant uncertainty as to the success of any exploration, appraisal and development activities"*.

1.9. The level of the Group's oil and gas commercial reserves and contingent resources, their quality and production volumes may be lower than estimated or expected

The information about the Group's commercial reserves and contingent resources set forth in this Prospectus and in the reports referred to herein, which have been prepared on an SPE basis, represent estimates only and such estimates are forward looking statements which are based on judgments regarding future events that may be inaccurate.

In general, estimates of economically recoverable oil reserves are based on a number of factors and assumptions made as at the date on which the reserves estimates were determined, such as geological and engineering estimates (which have inherent uncertainties), historical production from the assets, the assumed effects of regulation by governmental agencies and estimates of future commodity prices and operating costs, all of which may vary considerably from actual results.

Underground accumulations of hydrocarbons cannot be measured in an exact manner and estimates thereof are a subjective process aimed at understanding the statistical probabilities of recovery. Estimates of the quantity of economically recoverable oil and gas reserves, rates of production and the timing of development expenditures depend upon several variables and assumptions, including the following:

- production history compared with production from other comparable producing areas;
- quality and quantity of available data;
- interpretation of the available geological and geophysical data;
- effects of regulations adopted by governmental agencies;
- future percentages of international sales;
- future oil and gas prices;
- capital investments;
- effectiveness of the applied technologies and equipment;
- future operating costs, tax on the extraction of oil and gas reserves, development costs and workover and remedial costs; and
- the judgment of the persons preparing the estimate.

As all reserve estimates are subjective, each of the following items may differ materially from those assumed in estimating reserves:

- the qualities and quantities that are ultimately recovered;
- the timing of the recovery of oil and gas reserves;
- the production and operating costs incurred;
- the amount and timing of additional exploration and future development expenditures; and
- future hydrocarbon sales prices.

The Group utilises a range of techniques to estimate the quantity of economically recoverable oil and gas reserves. One of these techniques is multi-dimensional seismic data which, even when properly used and interpreted, may not identify accurately the presence of oil and gas. Mutli-dimensional seismic data and visualisation techniques are tools that assist geoscientists in identifying subsurface structures and hydrocarbon indicators, but do not enable the interpreter to know whether hydrocarbons are, in fact, present in those structures. In addition, the use of multi-dimensional seismic and other advanced technologies requires greater pre-drilling expenditure than traditional drilling strategies, and the Group could incur losses as a result of such expenditure.

Many of the factors in respect of which assumptions are made when estimating reserves are beyond the control of the Group and therefore these estimates may prove to be incorrect over time. Evaluations of reserves necessarily involve multiple uncertainties. The accuracy of any reserves or contingent resources evaluation depends on the quality of available information and oil and gas engineering and geological interpretation. Exploration drilling, interpretation, testing and production after the date of the estimates may require substantial upward or downward revisions in the Group's reserves or contingent resources data. Moreover, different reserves engineers may make different estimates of reserves based on the same available data. Actual production, revenues and expenditures with respect to reserves and contingent resources will vary from estimates and the variances may be material.

The uncertainties in relation to the estimation of reserves set out above also exist with respect to the estimation of contingent resources. The probability that contingent resources will be discovered, or be economically recoverable, is considerably lower than for commercial reserves. Volumes and values associated with contingent resources should be considered highly speculative.

If the assumptions upon which the estimates of the Group's oil and gas reserves and contingent resources have been based prove to be incorrect or if the actual reserves or contingent resources available to the Group are otherwise less than the current estimates or of lesser quality than expected, the Group may be unable to recover and produce the estimated levels or quality of oil and gas set out in this Prospectus and this may materially and adversely affect the business, prospects, financial condition and results of operations of the Group.

Accordingly, the commercial reserves and contingent resources information set out and referred to in this Prospectus may not reflect actual commercial reserves and contingent resources or be comparable to similar information reported by other companies.

1.10. The Group is not the operator of all of the licences to which it is a party and, as a result, is not able to exercise full control over the operations of, and decisions taken by, the operator

The Group has entered into business ventures with commercial partners in respect of a number of its exploration, production and development assets. The Group has interests in 102 licences, 31 of which it is the operator and 71 of which it is not the operator. On 9 January 2017, the Company announced that it agreed the terms of a substantial farm-down of its assets in Uganda to Total Uganda with effect from 1 January 2017. Subject to completion of this farm-down, the Company will cease to be operator of any of its Ugandan assets. Although during the year ended 31 December 2016, approximately 50 per cent. of the Group's actual production was from non-operated fields, it is expected that this percentage will be materially lower over the short to medium term as production at the Group's TEN fields increases. See *"The Group's TEN fields are, and may continue to be, affected by the ongoing maritime boundary dispute between Côte d'Ivoire and Ghana"* and "*The Group's substantial farm-down of its assets in Uganda is subject to certain conditions, including the consent of the Government of Uganda and there is no guarantee such conditions will be satisfied and that the farm-down will complete".*

To the extent the Group is not the operator of its oil and gas assets or does not have voting rights to direct or exert influence over operations, the timing and performance of such operations or the costs thereof given the relative size of its interest in the particular asset, it will be dependent on its commercial partners acting as operators. For example, the Group may believe a particular drilling campaign or location of a particular well would be beneficial for its own reserve position or that a particular asset is commercially viable. Without the agreement of its commercial partners, however, the Group would be unable to undertake the appropriate exploration or development activities to advance or protect its own commercial position which may materially adversely affect its business, prospects, financial condition and results of operations.

As a non-operator, although the Group may have certain rights under an operating agreement, the Group will have limited powers to determine the operations and costs relating to a particular asset. In addition, it is possible that the interests of the Group, on the one hand, and the operator and/or other commercial partners, on the other will not always be aligned which could result in possible project delays, additional costs or disagreements. Accordingly, the Group may be required to undertake (or cease undertaking) certain actions in relation to a particular asset which it does not believe are in the best interests of the Group. As a result, the Group may suffer unexpected costs and/or be required to contribute to costs which it does not believe are an efficient use of its capital if an operator and/or commercial partners determine that a particular course of action with which the Group disagrees should be taken under agreements governing the relationship. For example, the Group may be required to fund capital or other obligations in relation to such assets at times specified by an operator that may be less than optimal for the Group. In addition, the Group's commercial partners may have incentives to delay or attempt to delay certain decisions being taken in relation to investments or expenditure at points in time when the Group consider such decisions to be in its interests.

The terms of any relevant operating agreement will generally impose standards and requirements in relation to an operator's activities. While the Group has acquired interests in oil and gas assets that are operated by, what the Directors believe to be, reputable operators, there can be no assurance that any such operator will observe such standards or requirements.

Failure by an operator to comply with its obligations under relevant licences including, for example, health and safety and environmental requirements, or the relevant operating agreement may result in delays or increased costs, lead to fines, penalties and restrictions and/or the withdrawal of licences or termination of the agreements under which it operates. The Group may also be subject to claims by an operator regarding potential non-compliance with the Group's obligations under the relevant licences or operating agreement.

The occurrence of any of the situations described above as a result of the Group not being the operator of a particular asset or being able to exercise voting rights in respect of a particular asset to direct or exert influence over decisions relating to such asset could materially and adversely affect the business, financial condition and results of operations of the Group.

1.11. Although the Group is the operator of certain of its licences, it conducts certain of such operations with commercial partners which may increase the risk of disputes, delays, additional costs or the suspension and termination of the licences or the agreements which govern its assets

The Group has entered into business ventures with commercial partners in respect of a number of its exploration, production and development assets. The Group has interests in 102 licences, 31 of which it is the operator and 71 of which it is not the operator. On 9 January 2017, the Company announced that it agreed the terms of a substantial farm-down of its assets in Uganda to Total Uganda with effect from 1 January 2017. Subject to completion of this farm-down, the Company will cease to be operator of any of its Ugandan assets. Although during the year ended 31 December 2016, approximately 50 per cent. of the Group's actual production was from operated fields, it is expected that this percentage will be materially higher over the short to medium term as production at the Group's TEN fields increases. See *"The Group's TEN fields are, and may continue to be, affected by the ongoing maritime boundary dispute between Côte d'Ivoire and Ghana"* and "*The Group's substantial farm-down of its assets in Uganda is subject to certain conditions, including the consent of the Government of Uganda and there is no guarantee such conditions will be met and that the farm-down will complete".*

Where the Group is an operator of a particular asset, it is dependent on its commercial partners complying with their obligations under relevant licences or the agreements pursuant to which the Group operates an asset. Failure by the Group (acting with its commercial partners) to comply with its obligations may lead to fines, penalties, restrictions and withdrawal of licences or termination of the agreements under which it operates.

Typically, as operator the Group is able to direct or control certain of the activities or operations relating to a particular asset. There is a risk that a commercial partner with licence interests in an asset may elect not to participate in certain activities which the Group believes are required. In addition, in certain cases the consent of a commercial partner is required to undertake a particular course of action. Where consent is not forthcoming or the commercial partner refuses to follow the Group's proposed course of action, it may not be possible for such activities to be undertaken by the Group alone or in conjunction with other commercial partners at the desired time or at all or otherwise, to the extent permitted, such activities may then need to be undertaken with the Group bearing a greater proportion of the risks and costs involved in the project.

In addition, the Group may suffer unexpected costs or losses if a commercial partner does not meet obligations under agreements governing the relationship. For example, a commercial partner may default on its obligations to fund capital or other funding obligations in relation to such assets whether as a result of such commercial partner's insolvency or otherwise. In such circumstances, the Group may be required under the terms of the relevant operating agreement to contribute all or part of any such funding shortfall, regardless of the percentage interests that it agreed with such commercial partner under such arrangements. Typically, the defaulting commercial partner will be required to cure its default in a period of time set out under the relevant agreement. Where the defaulting party refuses, or is unable, to cure its default, the Group and the other commercial partners may acquire the defaulting partner's interest in the licence. As a result and despite the original intentions of the Group, its exposure to a particular licence may increase such that the Group bears a greater proportion of the risks and costs involved which may have a material adverse effect on the Group's business, financial condition and results of operations. In addition, the Group may also be subject to claims by its commercial partners regarding potential non-compliance with its obligations. It is also possible that the interests of the Group, on the one hand, and those of its commercial partners, on the other will not always be aligned and could result in possible project delays, disagreements or additional costs to the Group.

In situations in which commercial partners include host governments, national oil companies or designated local partners, such partners are often supported by the other commercial partners during the exploration and development phases until production commences and indigenous participants have historically had a higher likelihood of defaulting on their development funding obligations, leaving the other commercial partners (including the Group) either to pay on their behalf and remedy their default to advance development or continue production or otherwise seek recourse in the local courts by taking action against the host government, the national oil company or the designated local partner, which can lead to ongoing operational obstacles when seeking regulatory approval for future operations and reputational difficulties in the relevant country.

The Group's exit strategy in relation to any particular oil and gas asset may also be subject to the prior approval of its commercial partners. The terms of operating agreements often require commercial partners to approve an incoming participant to the business venture or provide them pre-emption rights with respect to the transfer of the Group's interest, either of which could affect the ability to sell or

transfer an interest on the terms or within the timeline envisaged by the Group which could materially and adversely affect the business, financial condition and results of operations of the Group.

1.12. The Group may be unable to sell assets on commercially acceptable terms or in a timely manner and may be required to retain liabilities for certain matters

The Group reviews regularly its asset base to assess the market value versus holding value of existing assets and its future funding requirements in relation to such assets, with a view to optimising deployed capital, maintaining an appropriate level of exposure in each of its assets, ensuring a continued focus on its core activities and diversifying its assets to reduce risk. The Group's ability to monetise such assets (whether in full or in part) on commercially acceptable terms or at all at the point in time the Group wishes to do so could be affected by various factors, including, among others, the availability of purchasers willing to acquire such assets at prices acceptable to it, the ability of those purchasers to secure the necessary funding to proceed with the purchase, consents required from commercial partners in such assets and consents required from government partners and regulators. To the extent that the Group is not able to monetise such assets (whether in full or in part) on commercially acceptable terms or at all at the points in time the Group wishes to do so, it would be required to meet its funding requirements in relation to such assets when it would not otherwise be expected to make them had it monetised the asset. There can be no guarantee that the value received by the Group on disposal of an asset will equal or exceed the amount the Group acquired the asset for or represent a positive return on all amounts invested in, or spent on or in connection with, such asset for the period of time it has been held by the Group. In the year ended 31 December 2016, the Group identified certain non-core assets and took steps to dispose of them. In particular, the Group elected to sell its licences and interests in Norway and it is anticipated that the Group will achieve a full exit from Norway by mid-2017.

Additionally, a disposing party typically retains certain liabilities or agrees to indemnify buyers for certain matters and in order to divest certain assets the Group may be required to provide an indemnity to a buyer particularly in relation to decommissioning, environmental and taxation liabilities. The magnitude of any such retained liability or indemnification obligation may be difficult to quantify at the time of the transaction and ultimately may be material. Also, as is typical in divestiture transactions, third parties may be unwilling to release the Group from guarantees or other credit support provided prior to the sale of the divested assets. As a result, after a sale, the Group may remain secondarily liable for the obligations guaranteed or supported to the extent that the buyer of the assets fails to perform these obligations and this could have a material adverse effect on the business, financial condition and results of operations of the Group.

1.13. The Group's insurance coverage may not be adequate for covering all losses arising from potential operational hazards and unforeseen interruptions

The Directors believe that the extent of the Group's insurance cover is appropriate based on the risks associated with its business, availability of insurance, the cost of cover and oil and gas industry practice. Although, insurance coverage is in place for a number of identified risks, including cover for physical damage to assets, operator's extra expense (well control, seepage and pollution cleanup and re-drill costs), third-party liabilities for its global exploration and production activities, construction all risks cover for development projects, hull and machinery insurance for the Group's FPSOs and business interruption insurance for each of its material assets, in each case such cover is subject to excesses, exclusions and policy limitations and there can be no assurance that such insurance will be adequate to cover any losses or exposure for liability, or that the Group will continue to be able to obtain insurance to cover such risks. If the insurance maintained by the Group is not adequate and a loss or liability is suffered that is not covered by the insurances, the business, prospects, financial condition and results of operations of the Group could be materially and adversely affected.

The Group is unable to give any guarantee that expenses relating to losses or liabilities will be fully covered by the proceeds of applicable insurance. Consequently, the Group may suffer material losses from uninsurable or uninsured risks or insufficient insurance coverage. The Group is also subject to the future risk of unavailability of insurance, increased premiums or excesses, and expanded exclusions. Whilst the Group procures insurance from institutions which receive at least an "A" rating from international credit rating agencies, including members of the Lloyds insurance market in London and international and local insurance companies, there can be no guarantee that payments which may be received, or to which the Group may be entitled, under these policies of insurance will be made. In line with local legislation in certain jurisdictions, the Group is required to purchase insurance locally. Where this is required, the local insurance market retains a percentage of the risk with the majority of the risk being placed into international markets. For example, in Ghana the Ghana Insurance Pool retains 1 per cent. of the cover procured against the Kwame Nkrumah FPSO.

When a loss occurs, the Group will seek indemnification from its insurers. The insurance claims process can be protracted and may include an initial period for which insurance is not recoverable depending on, for example, the nature of the loss, the terms of the policy and the insurers involved. There can be no guarantee that the terms and conditions of the policy will apply to all losses sustained or that the limits in the policy will be sufficient for the financial loss sustained. See "*Reduced production in the Group's Jubilee field as a result of the Turret Remediation Project may have a material adverse impact on the Group's business, prospects, financial condition and results of operations".*

1.14. The Group's operations may be subject to the risk of litigation

From time to time, the Group may be subject to or otherwise impacted by litigation or arbitration arising out of its activities or operations, whether or not a direct party to those matters. Damages claimed, or the potential impact on the Group of the result under any such proceedings may be material or may be indeterminate, and the outcome of such litigation or arbitration could materially and adversely affect the business, prospects, financial condition and results of operations of the Group.

Currently, there are a number of disputes which could have a significant effect on Tullow's and/or the Group's financial position or profitability or may have such an effect including:

- **The ITLOS Dispute:** The Governments of Ghana and Côte d'Ivoire are currently disputing the demarcation of their maritime boundaries. All of the TEN fields are located within a triangular area between Ghana and Côte d'Ivoire's respective interpretations of the correct maritime boundary ("**Disputed Area**"). The Group is not a party to the ITLOS Dispute. The Group is unable to predict what the impact to its operations would be in the event that ITLOS determines that all or part of the Disputed Area is on the Côte d'Ivoire's side of the maritime boundary or if that result is obtained through a negotiated settlement between Ghana and Côte d'Ivoire or otherwise. See *"The Group's TEN fields are, and may continue to be, affected by the ongoing maritime boundary dispute between Côte d'Ivoire and Ghana"*.
- **Contractual dispute with Seadrill Ghana Operations Limited:** In November 2012, Tullow Ghana Limited ("**TGL**") entered into a contract with Seadrill Ghana Operations Limited ("**Seadrill**") to provide the West Leo drilling unit (the "**West Leo Contract**") for TGL's drilling operations in Ghana, primarily at the TEN fields. As a result of the ITLOS Dispute's effect on the TEN fields as well as the Government of Ghana not yet having approved the Greater Jubilee Full Field Development Plan, TGL is subject to a drilling moratorium in Ghana which took effect from 1 October 2016. Due to the drilling moratorium, TGL invoked the force majeure provisions in the West Leo Contract and on 1 December 2016 terminated the West Leo Contract. Seadrill has made a claim for approximately $277 million (before costs and interest) and sought a further declaration that should Seadrill re-let the West Leo drilling unit for a daily rate lower than the daily operating rate under the West Leo Contract (the "**West Leo Re-let Rate**"), TGL should be responsible for the difference between the daily operating rate under the West Leo Contract and the West Leo Re-let Rate for each day the West Leo drilling rig is re-let prior to 7 June 2018. Should TGL be unsuccessful in defending Seadrill's claim, TGL's current estimate of the potential gross liability is approximately $230 million (before costs and interest). Under the Deepwater Tano Joint Operating Agreement ("**DWT JOA**"), any liability for Seadrill's claim is shared amongst the joint venture partners in proportion to their interests under the DWT JOA and subject to the Kosmos ICC arbitration in relation to the West Leo Contract (described below).
- **Kosmos ICC arbitration in relation to the West Leo Contract:** In June 2016, Kosmos Energy Ghana HC ("**Kosmos**") commenced an arbitration against TGL with the International Chamber of Commerce ("**ICC**") to resolve a dispute relating to the approval of certain extensions to the West Leo Contract. Kosmos believes that in 2012 TGL did not obtain the correct permissions from its DWT JOA joint venture partners to enter into certain extensions of the West Leo Contract such that Kosmos believes it is not responsible for its share (being, approximately 20 per cent.) of any costs related to the use of the West Leo drilling unit beyond the approved work programme and budget for 2016. TGL disputes this claim. If TGL is unsuccessful in defending the Kosmos arbitration and is also unsuccessful in defending the Seadrill claim, then TGL's estimated liability to Kosmos would be approximately $49 million (assuming the DWT JOA joint venture partners' gross liability in respect of the Seadrill dispute is approximately $230 million). Anadarko and Petro SA (being the other DWT JOA joint venture partners) have not brought the same or similar claims against TGL nor have they notified the Group of an intention to do so.
- **Equatorial Guinea tax conciliation:** Tullow Equatorial Guinea Limited ("**TEGL**") has an ongoing tax dispute with the Government of Equatorial Guinea which dates back to 2012 and relates to the amount of tax assessed for the 2007 and 2008 financial years. The Government of Equatorial

Guinea is seeking $135 million from TEGL in relation to a change in statutory tax rates from those imposed at the time of the relevant production sharing agreement. Although the International Centre for Settlement of Investment Disputes conciliation proceedings relating to this dispute commenced in March 2012, these proceedings were suspended in July 2012 (with a view to reaching a negotiated settlement) and will remain suspended until 31 March 2017. TEGL believes that, by applying the stabilisation provisions in the relevant production sharing agreement (which aim to ensure that TEGL is made whole by the host country for any loss suffered as a result in changes of tax rates or other fiscal changes), TEGL is not required to pay any amounts to the Government of Equatorial Guinea.

While the Group assesses the merits of each action and will consider defending it accordingly, the Group may be required to incur significant expenses in defending against litigation or arbitration and there can be no guarantee that a court or tribunal will find in the Group's favour. A decision adverse to Ghana in the ITLOS Dispute, or adverse to the Group in connection with its contractual dispute with Seadrill and its arbitration with Kosmos in relation to the West Leo Contract, or its tax dispute with Equatorial Guinea, or other material claims to which the Group may be or become subject (including where the Group is found to be liable for more than its net share), could have a material adverse effect on the business, prospects, financial condition and results of operations of the Group. Further, the adverse publicity surrounding such claims could materially and adversely affect the business and prospects of the Group. For further details about these and the other material disputes to which the Group is subject or has been subject in the last 12 months, see paragraph 13 of Part 11 of this Prospectus.

1.15. The Group operates with a significant level of net debt which may materially and adversely affect the Group's business, liquidity, financial condition and prospects

The oil and gas industry is capital intensive and the Group expects to fund ongoing capital and operational expenditure from a combination of cash from operations, monetisation of assets, debt facilities and debt and equity capital market transactions. However, the Group currently operates with a significant level of net debt which may constrain the scale of its future investments on exploration and appraisal activities which would therefore limit the Company's longer term growth prospects (that is, more than 12 months from the date of this Prospectus). Although the Group's policy is to maintain a gearing level of less than 2.5x net debt/Adjusted EBITDAX, the combination of low oil prices and the significant development expenditure required by the TEN project has resulted in the Group exceeding this policy. As at 31 December 2016, the Group had net debt of approximately $4.8 billion and the Group's gearing was 5.1x net debt/Adjusted EBITDAX. As at 31 December 2016, the Group had $6.0 billion of commitments under the Existing Finance Agreements, of which $875 million were undrawn and available.

The level of the Group's net debt could have important consequences for its business. For example, the Group may be unable to undertake certain operations which it considers would be beneficial to the Group if such operations required increased or unbudgeted capital or operational expenditure. In addition, the Group may not be able to react to changes in the competitive environment or its industry. The Group must keep the financial covenants set by its lenders in mind in managing its net debt and financial resources and when planning for, or reacting to, changes in capital or operational expenditure in its business and the competitive environment and its industry. If, following an evaluation of the Group's financial position against such covenants, the Group determines it is unable to undertake certain operations which it considers would be beneficial to the Group without breaching such covenants, the Group's business, longer-term liquidity, financial condition and prospects may be materially and adversely affected. Whilst the Group and other members of its industry have been able to negotiate amendments to the terms of such financial covenants in the past, there can be no assurance that the Group will be able to do so in the future on commercially acceptable terms, or at all. In addition, any failure to comply with any covenant may materially and adversely affect the Group's business, longer-term liquidity, financial condition and prospects.

In light of the increased regulatory environment in which banks operate and the volatility of oil prices, there has been a reduction in certain banks' willingness or ability to lend to entities in the oil and gas industry. Accordingly, over the longer-term (that is, more than 12 months from the date of this Prospectus), there is a risk that the Group may not be able to refinance its existing or future financial indebtedness or obtain additional debt finance on commercially acceptable terms, or at all. If refinancing or additional debt is not available to the Group on commercially acceptable terms, or at all, this may materially and adversely affect the Group's business, longer-term liquidity, financial condition and prospects.

The Group may be required to dedicate a significant portion of its cash flow to servicing the Group's debt obligations, thereby reducing the funds available for operations and future business opportunities. Such levels of indebtedness may increase the Group's vulnerability to general adverse economic conditions and so place the Group at a commercial disadvantage to competitors who have less debt.

In particular, around 14 months after the date of publication of this Prospectus (which is outside the 12 month period covered by the working capital statement at paragraph 11 of Part 11 of this Prospectus (the "**Working Capital Statement**")), as a result of the financial conditions forecast under the reasonable worst case scenario in the Group's working capital projections (the "**reasonable worst case scenario**"), and excluding the net proceeds of the Rights Issue, there is a possibility, absent any remedial action taken by the Company, that the Company may not be in compliance with its leverage covenant under the RBL Facilities and the Corporate Facility for the measurement period ending 31 December 2017 and for subsequent measurement periods. The measurement period ending 31 December 2017, being the period for which the Company might exceed its permitted covenant limit in the reasonable worst case scenario excluding the net proceeds of the Rights Issue, would be within 12 months of the date of publication of this Prospectus. The Company would be required to notify its lenders of the outturn of the leverage covenant as of 31 December 2017 on the date of publication of its audited consolidated financial statements for the financial year ending 31 December 2017, which is expected to be on or around 7 March 2018. A notification of non-compliance with the leverage covenant would trigger a period of time during which the Company can attempt to resolve the non-compliance, either by seeking agreement with its lenders to waive the non-compliance or by way of a qualifying capital injection. Under such a reasonable worst case scenario an event of default under the RBL Facilities and the Corporate Facility might occur, in the absence of any appropriate remedial action, no earlier than mid-May 2018, which falls outside of the 12 month period covered by the Working Capital Statement. Following such a potential event of default, the lenders would be entitled to demand accelerated payment in full of the relevant amounts (principal and other items) outstanding under the RBL Facilities and the Corporate Facility (amounting to $3,225 million in aggregate as at the Latest Practicable Date). Following any such demand, the Company may not have the funds available to repay such amounts at that time. Although management has taken other actions in the past to ensure that it can continue to comply with its leverage covenant, such as the farm-down of assets, as recently undertaken in respect of the Group's interests in Uganda, or the sale of assets, there can be no certainty that these actions could be completed ahead of any potential non-compliance with its leverage covenant. Any non-compliance with its leverage covenant may materially and adversely affect the Group's business, longer-term liquidity, financial condition and prospects.

It is the Company's stated intention to seek to refinance the RBL Facilities during 2017. However, there can be no assurance that the Company will be able to refinance the RBL Facilities on commercially acceptable terms, or at all. As part of this refinancing, the Company will seek to agree with the lenders under the RBL Facilities and the Corporate Facility a covenant profile that would ensure that, even under the forecast reasonable worst case scenario and excluding the net proceeds of the Rights Issue, the Company would remain in compliance with its leverage covenant. Whilst the Directors believe that the Company has strong relationships with its lending banks, demonstrated most recently by the extension of the Corporate Facility in February 2017, the RBL Facilities accordion that was exercised in 2016, and the leverage covenant amendments that the Company successfully negotiated in 2015 and 2016, there can be no assurance that an appropriate covenant profile will be agreed on commercially acceptable terms, or at all, ahead of any potential non-compliance under the forecast reasonable worst case scenario excluding the net proceeds of the Rights Issue. If refinancing of the RBL Facilities or amendments to the leverage covenants are not agreed this may materially and adversely affect the Group's business, longer-term liquidity, financial condition and prospects.

1.16. Failure by the Group, its suppliers or contractors to obtain access to necessary equipment, facilities and transportation systems could materially and adversely affect the business, prospects, financial condition and results of operations of the Group

The Group relies on oil field suppliers and contractors to provide materials and services in conducting its exploration and production activities. Any pressures on the oil field suppliers and contractors, such as substantial increases in the worldwide prices of commodities, including, for example, steel, could result in a material increase in costs for the materials and services required to conduct the Group's business. Such equipment, personnel and services can be scarce and may not be readily available at the times and places required by the Group to conduct its planned operations, especially in remote locations where the Group operates its assets, for example in Uganda and Kenya. Future changes to the supply of these services could have a material adverse effect on the Group's operating income, cash flows and borrowing capacity and may require a reduction in the carrying value of its assets, its planned level of

spending for exploration and development and the level of its reserves. Prices for the materials and services the Group depends on to conduct its business may not be sustained at levels that enable it to operate profitably.

Oil and gas exploration, development and production activities are dependent upon the availability and cost of drilling rigs and related third-party equipment. High demand for equipment such as drilling rigs or access restrictions may affect the availability and cost of, and the Group's access to, such equipment on commercially acceptable terms or at all and may delay or increase the cost of its exploration, development or production activities. Additionally, the wage rates of qualified drilling rig crews generally rise in response to the increased number of active rigs in service and could increase sharply in the event of a shortage. As a result of current conditions in the oil and gas industry, costs of such equipment and wages have declined from higher levels several years ago. Any increase in industry demand could result in significant increased costs. Failure by the Group or its contractors to secure necessary equipment on commercially reasonable terms or at all could materially and adversely affect the business, prospects, financial condition and results of operations of the Group.

The oil and gas industry is characterised by rapid and significant technological advancements and introductions of new products and services using new technologies which can dramatically improve efficiency and decrease the cost of production. New technology, when first developed, may be scarce and competition to acquire or use it may be high. Other oil and gas companies may have greater financial or other resources that allow them to access such advancements ahead of the Group. The Group may not be able to respond to these competitive pressures or acquire or access new technologies on a timely basis or at an acceptable cost. If one or more of the technologies the Group uses now or in the future were to become obsolete and the Group was unable to access more advanced technologies on commercially acceptable terms or at all, the business, prospects, financial condition and results of operations of the Group could be materially adversely affected.

The Group and its offtakers rely, and any future offtakers will rely, upon the availability of storage tanks and transportation systems, such as pipelines and oil tankers, including infrastructure owned and operated by third-parties, including governments. The Group may be unable to access such infrastructure or alternative infrastructure or otherwise be subject to interruptions or delays in the availability of infrastructure, which could result in disruptions to the Group's projects thereby impacting its ability to deliver oil and gas to commercial markets. For example, there were delays in the start up of the Government of Ghana's gas processing plant, which the Group did not construct and over which it has little control, and such delays historically did affect its ability to pipe gas from the Jubilee field onshore. Further, the Group's offtakers could become subject to increased tariffs imposed by government regulators or the third-party operators or owners of the transportation systems available for the transport of its oil and gas, which could result in decreased offtaker demand and downward pricing pressure. If the Group is unable to access the requisite pipeline and other infrastructure, the Group's operations will be materially and adversely affected.

1.17. The Group may face unanticipated increased or incremental costs in connection with decommissioning obligations

Licencees are typically obliged under the terms of relevant production sharing contracts or production agreements, licences or local law to dismantle and remove equipment, to cap or seal wells and generally to remediate production sites. In connection with the sale or transfer of the Group's assets, the Group may retain or be liable for decommissioning liabilities, even if it has not contractually agreed to accept these liabilities.

The Group's accounting policies require a provision to be made for the entire anticipated decommissioning costs of an asset when the related facilities are installed with the provision being subject to annual assessment and adjustment if required. The Group's financial statements for the year ended 31 December 2016 make a provision of $1.0 billion based on the Group's estimate of the aggregate decommissioning costs to be incurred following cessation of production by each of the Group's producing assets. Although the Group believes it has made adequate provision in respect of its anticipated decommissioning costs in the near to medium term, for example in relation to the three year decommissioning programme expected to commence in May 2017 in relation to the Chinguetti field, there can be no guarantee that the provision which has been made is sufficient. The Group's estimates are based on facts and circumstances known as at the date of such financial statements including the extent of the Group's operations. An increase in decommissioning costs could materially and adversely affect the business, prospects, financial condition and results of operations of the Group. Additionally, these future decommissioning costs may require the posting of financial security, for example in the form

of letters of credit. If the Group is unable to procure or renew such letters of credit on commercially acceptable terms or at all, it risks being in default of its licence obligations.

In addition, it is possible that the Group may incur decommissioning liabilities sooner than budgeted for, particularly if further declines in oil prices resulted in production from certain oil fields no longer being commercially viable, although the Directors do not anticipate that the Group will have any material decommissioning costs in the short to medium term. To the extent that the Group's costs in connection with decommissioning are higher than anticipated or are incurred earlier than anticipated, there could be a material adverse effect on the Group's business, prospects, financial condition and results of operations.

In addition, the oil and gas industry in certain of the countries in which the Group operates currently has limited experience in decommissioning petroleum infrastructure which may give rise to greater uncertainty as to the Group's obligations in such countries. The costs of decommissioning may exceed the value of the long term provision set aside to cover such decommissioning costs. These costs may rise further as decommissioning activity in the oil and gas industry accelerates and competition for decommissioning equipment and services increases. The Group may have to draw on funds from other sources to fund such decommissioning costs.

1.18. The Group may engage in hedging activities from time to time that would expose it to losses should markets move against its hedged position

The nature of the Group's operations results in exposure to fluctuations in commodity prices. The Group's policy is to hedge on a portfolio basis rather than on a single asset basis. The Group primarily transacts its hedging activities with the lenders under the RBL Facilities and the Corporate Facility which it considers to have strong credit ratings. The Group's policy is to have the flexibility to protect itself against adverse movements in commodity prices up to a maximum of approximately 60 per cent. of the next financial year's forecast oil sales entitlements on a rolling annual basis, up to approximately 40 per cent. in the following financial year and up to approximately 20 per cent. in the subsequent financial year. The Group uses financial instruments such as a combination of bought put options, collars and three ways (put plus call spread trades) normally conducted ratably over time and occasionally physical delivery contracts to hedge its exposure to these risks and may continue to do so in the future. As at 31 December 2016, the Group's Dated Brent hedging contracts had a positive mark-to-market of approximately $91 million (inclusive of deferred premium) and included 15.5 mmbbl maturing throughout 2017 with an average floor price protection of $60/bbl, over 8.0 mmbl maturing throughout 2018 with an average floor price protection of $52/bbl and over 2.9 mmbl maturing throughout 2019 with an average floor price protection of $46/bbl.

However, hedging could fail to protect the Group or could adversely affect the Group due to, among other reasons:

- the Group's hedging policy not achieving the expected results and not being appropriate for the Group;
- loss of price upside through collars in the event of upward movement in oil prices;
- absence of offsetting revenues from oil sales for payments under collar hedges in the event of upward movement in oil prices combined with shortfall in oil production;
- the available hedging instruments failing to correspond directly with the risk for which protection is sought;
- the Group's hedge counterparty defaulting on its obligation to pay the Group;
- the credit quality of the Group's hedge counterparty being downgraded to such an extent that it impairs the ability of the relevant member of the Group to sell or assign its side of the hedging transaction; and
- the value of the derivatives used for hedging being adjusted from time to time in accordance with applicable accounting rules to reflect changes in fair value, and any downward adjustments reducing the Group's net assets and profits.

In addition, hedging involves transaction costs, typically option premiums. These costs may increase as the period covered by the hedging increases and during periods of increased expected price volatility. In periods of extreme price volatility or at low price levels, it may not be commercially viable to enter into hedging transactions due to the high costs involved, which may in turn increase the Group's exposure to financial risks. Some relationship banks have reduced or ceased their commodity hedging businesses over the past several years due to poor returns and increased regulation. The Group has existing

hedging relationships with non-lending counterparties and intends to broaden its counterparties beyond lending banks but there can be no guarantees that the Group will be able to procure future hedging on acceptable terms or at all.

If the Group experiences losses as a result of its hedging activities, or if it is unable to hedge its commodity price effectively in the future, this could have a material adverse effect on its business, prospects, financial condition and results of operations.

1.19. The Group may be subject to work stoppages or other labour disturbances, and its employees may become unionised

The Group employs local workers in many of the countries in which it does business. Additionally, the Group hires contractors who, in turn, have their own employees from the regions in which it does business. Although the Group believes it has good relations with its employees and its contractors' employees, work stoppages or other labour disturbances may occur in the future. In addition, the Group's employees, and those employed by its contractors, may become members of or represented by labour unions. If this occurred, the Group's contractors may not be able to negotiate acceptable collective bargaining agreements or future restructuring agreements or may become subject to material cost increases or additional work rules imposed by such agreements. The occurrence of any of the foregoing could materially and adversely affect the business, prospects, financial condition and results of operations of the Group.

1.20. If the Group fails to identify appropriate acquisition targets, carry out appropriate diligence on them and complete and integrate acquisitions successfully, the financial condition and future performance of the Group could be adversely affected

The Group has undertaken previously a number of acquisitions of oil and gas assets (or in some cases, the acquisition of companies holding such assets) including, but not limited to, North Sea gas assets in the United Kingdom in 2001, Energy Africa in 2004, Hardman Resources in 2007, certain Ugandan assets of Heritage Oil & Gas in July 2010 and Spring Energy in January 2013.

The Directors will continue to consider acquisition opportunities that fit within the Group's overall strategy, including seeking to maintain or increase its commercial reserves and contingent resources through acquisitions. However, competition for the acquisition of any assets that the Directors have identified as being appropriate in light of the Group's overall strategy may be intense and, as a result, the Group may be unable to acquire such assets on commercially acceptable terms, or at all. In addition, there can be no assurance that any potential acquisition by the Group will be successful and any unsuccessful acquisition could materially and adversely affect the business, prospects, financial condition and results of operations of the Group.

The Directors believe that the Group performs reviews of its assets that are consistent with industry practice prior to any acquisitions. Such reviews are, however, inherently incomplete. Ordinarily, the Group focuses its due diligence efforts on higher valued and material assets. However, even an in depth review of all assets and records may not reveal existing or potential problems, nor will it always permit a buyer to become sufficiently familiar with the assets to assess fully their deficiencies and capabilities. Physical inspections may not be performed on every well, and structural or environmental problems, such as ground water contamination, are not necessarily observable even when an inspection is undertaken. Any failure to identify and/or deal appropriately in any relevant acquisition documentation with such material matters may render any acquisition uneconomical or may expose the Group to unforeseen circumstances and may impact the business, prospects, financial condition and results of operations of the Group.

Following any acquisition, whilst the Group believes that it utilises appropriate procedures, systems and controls, integrating operations, technology, systems, management and personnel, and pre or post-completion costs of any future acquisitions may prove more difficult and/or expensive than anticipated, thereby rendering the value of any assets acquired less than the amount paid and could also materially and adversely affect the business, prospects, financial condition and results of operations of the Group.

1.21. The Group cannot completely protect itself against the risk of disputes in the countries in which it does business relating to title or contractual exploration and production rights

Although the Directors believe the Group has good title or contractual rights to its interests in its oil and gas assets and the rights to explore for and produce oil and gas from such assets, the Group cannot control or protect itself completely against the risk of disputes in relation to such title or rights. No

assurance can be given that relevant governments will not revoke, or significantly alter the conditions of, the exploration, development and production authorisations, licences, permits, approvals and consents held by the Group or that any of the foregoing will not be challenged or impugned by third-parties. For example, in Zambia, a claimant has brought a direct action against the Minister of Mines, Energy and Water Development regarding that office's decision to award the Group an exploration licence for Block 31 following cancellation of the claimant's previous licence for Block 31. Although the Group is not a direct party to the action, the matter remains before the court and the Group continues to seek guidance on the meaning and effect of orders made by the court. In addition, whilst the Group does not view this action as material, there can be no assurance that similar or other types of title claims will not be asserted against the Group or its other assets, including its more material assets. There is no certainty that existing rights or additional rights that the Group may apply for will be granted or renewed nor is there any certainty that any such grant or renewal will be on terms satisfactory to it, all of which could have a material adverse effect on the business, prospects, financial condition and results of operations of the Group. See "*Certain of the countries in which the Group does business face political, economic, legal, regulatory and social uncertainties which could materially and adversely affect the business, prospects, financial condition and results of operations of the Group. In addition, these countries face risks of bribery and corruption".*

In addition, in many of the countries in which the Group has assets, land title systems are not developed to the extent found in many industrialised countries and there may be no concept of registered title. Therefore, there can be no assurance that claims or challenges by third-parties against title to the Group's assets will not be asserted at a future date. While every effort is made to ensure that the Group has good title to the interests and assets which it purports to own, proving so can be difficult in emerging markets and may, in certain instances, be impossible to determine in absolute terms. In certain countries in which the Group operates, for example, there is some general uncertainty over the boundaries between some upstream onshore acreage where boundaries between awarded blocks may overlap. If circumstances challenging title arise, the Group could suffer unexpected losses (such as halting exploration or production, or, ultimately, the loss of interests or assets), which could have a material adverse effect on the business, prospects, financial condition and results of operations of the Group. See "*The Group's TEN fields are, and may continue to be, affected by the ongoing maritime boundary dispute between Côte d'Ivoire and Ghana".*

1.22. The Group depends on its board of directors, key members of management, technical, exploration, financial or operational service providers and on its ability to retain and hire such persons to manage effectively its growing business

The Group's future operating results depend in significant part upon the continued contribution of its board of directors, key senior management and technical, exploration, financial and operations personnel. Management of the Group's strategy and growth will require, among other things, stringent control of financial systems and operations, the continued development of its management control, the ability to attract and retain sufficient numbers of qualified management and other personnel, the continued training of such personnel and the presence of adequate supervision.

Whilst the Group believes it has in place sufficient succession planning, there can be no assurance the Group will be able to identify individuals for particular roles either from within or outside the Group or engage such individuals on commercially acceptable terms or at all. On 5 January 2017, the Company announced that its Chief Financial Officer, Ian Springett, was taking an extended leave of absence in order to undergo treatment for a medical condition and that the Company had appointed Les Wood as Interim Chief Financial Officer. If required and when appropriate, the Group will commence a search for a replacement Chief Financial Officer. However, there can be no guarantee that such a search will identify individuals the Company considers appropriate for the role and, even if an appropriate individual is identified, there can be no assurance the Group will be able to engage such individual on commercially acceptable terms or at all. On 11 January 2017, the Company announced a number of changes to its Board which are expected to take effect immediately following the annual general meeting of the Company which will take place on 26 April 2017 (the "**AGM**"). The changes include (subject to re-election to the Board at the AGM) the appointment of Mr. Paul McDade (currently the Chief Operating Officer) as Chief Executive Officer and, on ceasing to be Chief Executive Officer, the appointment of Mr. Aidan Heavey as the Company's Non-Executive Chairman for a transitional period of up to but not exceeding two years. Although the Group expects that the changes made to the Board and the phased transition in leadership of the Group will allow it to maintain relationships with external stakeholders, including governments and commercial partners, there can be no assurance that such relationships will be maintained either during the phased transition or following such period.

Attracting and retaining additional skilled personnel is fundamental to the successful growth of the Group's business. The Group requires skilled personnel in the areas of exploration and development, operations, engineering, business development, oil and gas marketing, finance, legal and accounting relating to its projects. Given the competitive market in which the Group operates, there can be no assurance that the Group will successfully attract new personnel or retain existing personnel required to continue to expand its business and to successfully execute and implement its business strategy. In particular, the Group may consider it appropriate to recruit local individuals or be required to do so in terms of its "social licence to operate". Given the relatively limited pool of individuals with the appropriate skills in certain countries in which the Group operates, there can be no guarantee that the Group can meet such aspirations or obligations and it may be required to recruit ex-patriate staff to fulfil such vacancies. See "*The Group's ongoing and future success depends on securing and maintaining a "social licence to operate" from impacted communities and other stakeholders"*. The continued highly competitive market and the continued use of ex-patriate staff may materially and adversely affect the business, prospects, financial condition and results of operations of the Group.

The Group uses independent contractors to provide it with certain technical assistance and services. The Group relies upon the owners and operators of rigs and drilling equipment, and upon providers of field services, to drill and develop its prospects to production. The Group also relies upon the services of other third parties to explore or analyse its prospects to determine a method in which the prospects may be developed in a cost-effective manner. In certain cases, the Group may exercise limited control over the activities and business practices of these providers and any inability on the part of the Group to maintain satisfactory commercial relationships with them or their failure to provide quality services could materially adversely affect the business, prospects, financial condition and results of operations of the Group.

In 2015, the Group developed and implemented its Major Simplification Project ("**MSP**") which was designed to reorganise its business, simplify and enhance operational and business management, risk and performance management, and provide clarity on accountabilities, with the aim of enhancing a cost conscious and value focused culture, as well as generating substantial cost savings, whilst preserving core capabilities. The MSP has resulted in a restructured business with a significantly lower head count (reduced by approximately 44 per cent. between 2014 and 2016). Whilst the Directors do not believe that the MSP (including its continued focus on a cost conscious and value focused culture) has affected adversely the Group's business and ability to attract and retain sufficiently skilled personnel, the Group's ability to execute and implement its business strategy could be adversely impacted as a result of the significant reduction in its head count.

1.23. The Group's business reputation is important to its continued viability and any damage to such reputation could materially and adversely affect its business

The Group's reputation is important to its business for reasons including, but not limited to, finding commercial partners for business ventures, securing licences or permits with governments, procuring offtake contracts, attracting contractors and employees and negotiating favourable terms with suppliers. In addition, as a publicly listed company, the Group may be subject to shareholder activism, which may have adverse consequences for its reputation and business.

Any damage to the Group's reputation, whether arising from litigation, regulatory, supervisory or enforcement actions, environmental incidents, injury and loss of life, matters affecting its financial reporting or compliance with corporate governance best practice, administrative agencies or investor protection bodies in the jurisdictions in which the Group does business, negative publicity, including from environmental activists, or the conduct of its business or otherwise, could materially and adversely affect the business, prospects, financial condition and results of operations and reputation of the Group. Notwithstanding the proposed appointment of Mr. Aidan Heavey as the Company's Chairman being against the recommendation of the Corporate Governance Code, the Directors believe that the Group maintains appropriate levels of engagement with, and standards pertaining to, corporate governance, administrative agencies and investor protection bodies, however no assurance can be given that the Group will continue to meet such standards.

1.24. The Group is subject to currency exchange and inflation risks, which might adversely affect its financial condition and results of operations

Substantially all of the Group's revenues, capital expenditure and the majority of its working capital requirements are denominated in US dollars. The Group converts funds to foreign currencies as required to meet its payment obligations in jurisdictions where the US dollar is not an accepted currency. Certain of the Group's costs, including certain labour and employee costs, are typically incurred in

currencies other than US dollars, including pounds sterling, euro, Ghanaian cedi, Ugandan shilling, Norwegian krone, Kenyan shilling and South African rand. Accordingly, the Group is subject to inflation in the countries in which it does business and fluctuations in the rates of currency exchange between the US dollar and these currencies, which may adversely affect the business, prospects, financial condition and results of operations of the Group. Consequently, construction, exploration, development, administration and other costs may be higher than the Group anticipates. In addition, the Ghanaian central bank has imposed, and continues to impose, exchange controls and currency restrictions, which effectively prohibited the use of US dollars for domestic transactions and reinforced the Ghanaian cedi as the sole legal tender. Although the Ghanaian central bank partially relaxed this policy in 2016, such restrictive actions are beyond the control of the Group and if it takes such actions again in the future, depending on the length of time these controls remain in place, may result in the Ghanaian cedi ceasing to be freely convertible or transferable abroad or it could result in the Ghanaian cedi being significantly depreciated relative to other currencies, including the US dollar. Central banks in other jurisdictions in which the Group operates could impose similar regimes leading to the Group being subject to similar risks which may adversely affect the financial condition and results of operations of the Group.

1.25. Tullow is a holding company that has no revenue generating operations of its own and will depend on cash from its operating companies to be able to pay dividends

Tullow is a holding company with no business operations or significant assets other than the equity interests it holds in its subsidiaries and certain intercompany loans.

In 2015, Tullow suspended the payment of dividends as a result of the fall in oil prices and the resultant impact on the Group's earnings and cash flow. As announced on 8 February 2017, the Board has recommended that no final dividend be paid in respect of the 2016 Financial Year. Although the Board is committed to resuming dividend payments when prudent to do so, the Company's ability to pay dividends on the Ordinary Shares will depend on the availability of its distributable reserves and is subject to a number of factors, including the Group's underlying earnings, cash flows and balance sheet leverage and financial flexibility at the relevant time.

The level of any dividend in respect of the Ordinary Shares is also subject to the extent to which the Company receives funds, directly or indirectly, from its subsidiaries in a manner which creates funds from which the Company is permitted to pay dividends. The amounts of dividends and distributions paid to the Company from its subsidiaries will depend on the profitability and cash flow of its subsidiaries, which, in turn, will be affected by all of the factors discussed in these "Risk Factors". Even if the Group's subsidiaries have sufficient cash available, they may be restricted or prevented from distributing or advancing that cash to the Company to allow it to make payments of dividends. Various agreements governing the Group's debt or local law requirements may restrict and, in some cases, prevent the ability of the Group's subsidiaries to pay dividends or make distributions to the Company or otherwise transfer cash to the Company.

1.26. The Group is obliged to comply with health and safety and environmental regulations and cannot guarantee that it will be able to comply with these regulations

The Group operates in an industry that is inherently hazardous and consequently subject to comprehensive regulation. Although the Group considers that it has adequate procedures in place to mitigate operational risks and keeps these under review, there can be no assurances that these will be adequate and failure to adequately mitigate risks may result in loss of life, injury, or adverse impacts on the health of employees, contractors or third-parties or the environment. Any failure by the Group or one of its sub-contractors to comply with applicable legal or regulatory requirements may give rise to civil and/or criminal liabilities and/or delays in securing or maintaining the required permits. The Group's health, safety and environmental policy is to observe local and national, legal and regulatory requirements and generally to apply best practices where local legislation does not exist or where environmental regulation does not presently occur.

The Group incurs, and expects to continue to incur, capital and operating costs in an effort to comply with health and safety and environmental laws and regulations. New laws and regulations, the imposition of tougher requirements in licences or permits, increasingly strict enforcement of, or new interpretations of, existing laws, regulations, licences and permits, or the discovery of previously unknown contamination may require further expenditures to, for example:

- modify operations;
- install pollution control equipment;
- perform site clean ups;

- curtail or cease certain operations; or
- pay fees or fines or make other payments for pollution, discharges or other breaches of environmental requirements.

Although the costs of the measures taken to comply with environmental regulations have not had a material adverse effect on the business, prospects, financial condition and results of operations of the Group to date, in the future, the costs of such measures and liabilities related to potential environmental damage caused by the Group may increase, which could materially and adversely affect the business, prospects, financial condition and results of operations of it. In addition, it is not possible to predict what future environmental regulations will be enacted or how current or future environmental regulations will be applied or enforced in the future. The Group may have to incur significant expenditure for the installation and operation of systems and equipment for remedial measures in the event that environmental regulations become more stringent or governmental authorities elect to enforce them more vigorously, or costly environmental reform is implemented by environmental regulators. Any such expenditure may have a material adverse effect on the business, prospects, financial condition and results of operations of the Group. No assurance can be given that environmental laws will not result in a curtailment of production or a material increase in the cost of production, development or exploration activities.

Whilst the Group has contractual arrangements in place with its agents which seek to ensure its agents comply with all appropriate health and safety and environmental requirements, there can be no guarantee that the Group's agents adhere to such contractual arrangements or, if they do not adhere, that the Group will be made aware of any such breaches on a timely basis or at all. Furthermore, notwithstanding any contractual provisions stating otherwise, the Group may remain liable for the actions of its agents. In addition, there can be no guarantee that the steps being taken by any of the Group's agents will be appropriate and meet the relevant requirements. Accordingly, a failure by one of the Group's agents may have a material adverse effect on the business, prospects, financial condition and results of operations of the Group.

1.27. The Group's website and internal and external systems may be subject to intentional and unintentional disruption, and its confidential information may be misappropriated, stolen or misused, which could adversely impact the Group's reputation and future sales

The Group could be a target of cyber-attacks designed to penetrate its network security or the security of its internal and external systems, misappropriate proprietary information, commit financial fraud and/or cause interruptions to its activities, including a reduction or halt in its production. Such attacks could include hackers obtaining access to, or control of, the Group's operating or production systems, the introduction of malicious computer code or denial of service attacks. If an actual or perceived breach of the Group's network security occurs, it could adversely affect the Group's business or reputation, and may expose it to the loss of information, litigation, possible liability and expose its employees, contractors or agents to the risk of death or personal injury. Such a security breach could also divert the efforts of the Group's technical and management personnel. In addition, such a security breach could impair the Group's ability to operate its business and provide products and services to its customers. If this happens, the Group's reputation could be harmed, its revenues could decline and its business could suffer.

In addition, confidential information that the Group maintains may be subject to misappropriation, theft and deliberate or unintentional misuse by current or former employees, third-party contractors or other parties who have had access to such information. Any such misappropriation and/or misuse of the Group's information could result in it, among other things, being in breach of certain data protection and related legislation. The Group expects that it will need to continue closely monitoring the accessibility and use of confidential information in its business, educate its employees and third-party contractors about the risks and consequences of any misuse of confidential information and, to the extent necessary, pursue legal or other remedies to enforce its policies and deter future misuse.

2. Risks relating to the countries in which the Group does business

2.1. Certain of the countries in which the Group does business face political, economic, legal, regulatory and social uncertainties which could materially and adversely affect the business, prospects, financial condition and results of operations of the Group. In addition, these countries face risks of bribery and corruption issues.

The operations of the Group are exposed to the political, economic, legal, regulatory and social environment of the countries in which it has assets including, but not limited to, Ghana (whereas at

31 December 2016 approximately 87 per cent. of the Group's commercial reserves are located), Uganda (whereas at 31 December 2016 approximately 56 per cent. of the Group's contingent resources are located) and Kenya (whereas at 31 December 2016 approximately 16 per cent. of the Group's contingent resources are located). In addition, as a UK headquartered company with securities traded on the London Stock Exchange, the Group is subject to the economic and political uncertainties and potential changes in trading relationships created by the UK's decision to withdraw from the European Union.

The Group's business involves a high degree of risk which, despite a combination of experience, knowledge and careful evaluation, it may not be able to overcome. These risks include, but are not limited to, bribery and corruption, fraud, civil strife or labour unrest, outbreaks of disease, armed conflict, terrorism, limitations or price controls on oil and gas production, sales or exports and limitations or the imposition of tariffs or duties on imports of certain goods.

2.2. Underdeveloped infrastructure in locations where the Group does business could have an adverse effect on the business, prospects, financial condition and results of operations of the Group

Underdeveloped infrastructure and inadequate management of infrastructure in locations where the Group does business has led to regular electricity outages and water cuts. In certain locations where the Group does business, many businesses rely on alternative electricity and water supplies, adding to overall business costs. The unstable pricing, and possible scarcity, of fuel for power generation in certain locations where the Group does business also increases the operational challenges that businesses face, adding to the potential fluctuation of overhead costs. Additionally, rail and road networks and telecommunications networks (fixed line and mobile) in certain locations where the Group does business are often underdeveloped or must be developed by the Group. The uncertainty regarding this underdeveloped infrastructure increases the operational challenges the Group faces and contributes to the potential fluctuation of costs and may affect the Group's ability to explore, develop and efficiently utilise its assets and to store and transport its oil and gas production. In addition, the Group may be required to develop infrastructure to allow its operations to commence or continue efficiently and the Group may suffer costs it would not otherwise suffer had the locations in which it operates had appropriate infrastructure. For example, whilst the Group had budgeted for the costs involved, the Group incurred costs associated with locating and transporting sufficient volumes of water for the Group's operations in Kenya. If the Group is required to develop further infrastructure to enable its operations to be carried on, particularly if such costs are unbudgeted, there may be a material adverse effect on the Group's business, prospects, financial condition and results of operations. In addition, there can be no assurance that future instability in one or more of the countries in which the Group has assets (or in neighbouring countries), actions by companies carrying out business in such countries, actions by militants or terrorists, or actions taken by the international community will not worsen the quality and availability of such infrastructure which could have a material adverse effect on the business, prospects, financial conditions and results of operations of the Group.

2.3. Certain of the countries in which the Group does business face threats of terrorist activity, armed conflicts, social and civil unrest and political upheaval that are not as common in developed markets

Ongoing global terrorist activity, piracy, social and civil unrest, political upheaval and armed conflicts have had a significant effect on international finance and commodity markets. Any future national or international acts of terrorist activity, piracy, social and civil unrest, political upheaval and armed conflicts could have an adverse effect on the financial and commodities markets in the countries in which the Group does business, those proximate to where the Group does business and the wider global economy. In addition, such acts may pose a threat to activities of the Group which could include unanticipated delays in project timetables, increased costs in protecting the Group's assets from anticipated damage or disruption, actual damage or disruption to the Group's assets or oil and gas assets generally and being forced to abandon a development to losing rights of future access to the Group's assets and interests in licences. For example, the Group keeps under review the risk of any social or civil unrest which may arise following the holding of elections in Kenya in mid-2017. Although the Group did not suffer any material loss as a result of the temporary suspension of all exploration and appraisal operations in Blocks 10BB and 13T in Kenya in October 2013 as a precautionary measure in response to demonstrations by local Kenyans regarding employment and local business opportunities, there can be no guarantee that threats to the activities of the Group from acts of terrorist activity, piracy, social and civil unrest, political upheaval and armed conflicts causing disruptions to oil and gas

operations or assets will not materially and adversely affect the business, prospects, financial condition and results of operations of the Group.

2.4. The operations of the Group may be affected adversely by outbreaks of communicable diseases

Certain countries in West Africa in which the Group operates have experienced recent outbreaks of communicable diseases, including Ebola which was gradually controlled through 2015 with the World Health Organisation declaring Liberia Ebola free in January 2016. If any of the crew members on the Group's rigs or contracted vessels operating out of these or other countries are suspected to have contracted communicable diseases such as Ebola, Zika, severe acute respiratory syndrome, Middle East respiratory syndrome, malaria (particularly in the Sub-Saharan African countries in which the Group operates) or avian influenza, the entire crew on a rig or vessel or a substantial proportion of them, as the case may be, may have to be quarantined under applicable public health laws or may be declared unfit for work. This would interrupt the operations of the affected rig or vessel, as the case may be, which could have a material adverse effect on the Group's business, prospects, financial condition and results of operations. The Group's onshore staff may also be affected by such communicable diseases, which may result in a disruption to its operations and could also materially adversely affect its business and financial position. Any suspected or confirmed cases (and any medical complications or death arising therefrom) of the diseases mentioned above or other such communicable diseases among the Group's onshore or offshore employees or crews on contracted vessels could lead to negative media attention and publicity, which could disrupt the Group's operations or relationships with local partners and governments, or may make it more difficult for the Group to hire and retain employees and contractors in the future, any of which could adversely affect the Group's business, prospects, financial condition and results of operations.

Similarly, a disruption or suspension in the business and operations of the Group's customers, suppliers and partners arising from quarantines imposed on their management and employees or any negative media attention or publicity arising therefrom may have a material adverse impact on the business, prospects, financial condition and results of operations of the Group.

2.5. Certain emerging markets in which the Group does business may be more susceptible to disruptions in the international and domestic capital markets than more developed markets

There is potential for volatility and disruption in the capital and credit markets particularly in emerging markets. Since 2009, such markets have produced downward pressure on stock prices and credit capacity for certain issuers without regard to those issuers' underlying financial strength. The disruptions experienced have led to reduced liquidity and increased credit risk premiums for certain market participants and have resulted in a reduction of available financing. Companies which are key suppliers to the Group and are located in countries in the emerging and developing markets such as those in which the Group does business may be particularly susceptible to these disruptions and reductions in the availability of credit or increases in financing costs, which could result in them experiencing financial difficulty. In addition, the availability of credit to entities operating within the emerging and developing markets is influenced significantly by levels of investor confidence in such markets as a whole and, as such, any factors that impact market confidence (for example, a decrease in credit ratings, state or central bank intervention in one market or terrorist activity and conflict) could materially affect the price or availability of funding for entities within any of these markets.

Certain emerging market economies have been, and may continue to be, materially adversely affected by market downturns and economic slowdowns elsewhere in the world. For example, as a result of the prevailing economic situation in Ghana, in April 2015, the International Monetary Fund announced a programme of support for Ghana with the aim of restoring debt stability, strengthening its monetary policy framework and rebuilding external fiscal buffers. Financial problems outside countries with emerging or developing economies or an increase in the perceived risks associated with investing in such economies could also discourage foreign investment in and adversely affect the economies of these countries (including countries in which the Group has assets). In addition, certain of the Group's assets are located in land-locked jurisdictions where the monetisation of assets therein may potentially be materially impacted by the legal regimes and political stability of bordering countries.

2.6. Certain countries in which the Group does business suffer from crime and governmental or business corruption which could have an adverse effect on the business, prospects, financial condition and results of operations of the Group

Certain of the countries in which the Group does business, including those in Africa and South America, have from time to time experienced high levels of criminal activity (including fraud) and governmental and business bribery and corruption. Particularly, oil and gas companies operating in locations such as Africa and South America may be targets of criminal, corruption or terrorist actions. Criminal, corruption or terrorist action against the Group and its assets or facilities could materially and adversely affect its business, prospects, financial condition and results of operations. In addition, the fear of criminal, corruption or terrorist actions against the Group could have a material adverse effect on its ability to adequately staff and/or manage its operations or could substantially increase the costs of doing so.

As a result, the Group is exposed to a risk of violating anti-corruption laws and sanctions regulations applicable in those countries where it or its commercial partners or agents do business. Violations of anti-corruption laws and sanctions regulations may be punishable by civil penalties, including fines, denial of export privileges, injunctions, asset and bank account seizures, debarment from government contracts (and termination of existing contracts) and revocations or restrictions of licences, disgorgements of profits or other gains as well as criminal fines and imprisonment. In addition, any major violations could have a significant impact on the Group's reputation and consequently on the Group's ability to win future business and could also adversely affect the Group's access to financing. In particular, the Group's international operations may be subject to anti-corruption laws and regulations such as the US Foreign Corrupt Practices Act of 1977 ("**FCPA**"), the United Kingdom Bribery Act of 2010 ("**United Kingdom Bribery Act**") and the Norwegian Criminal Code of 1902 ("**Norwegian Criminal Code**") and may also be subject to any anti-corruption laws of any jurisdiction applicable to the Group. Whilst the Group reviews laws and regulations to determine if they are applicable to the Group, its employees, consultants, agents and third parties engaged by the Group, there can be no guarantee that a court or other enforcement authority will reach the same determination as the Group. If the Group is found to be subject to any laws or regulations which it considered were not applicable, the Group's policies, procedures and actions may be in breach of such law or regulation and the Group may be subject to censure, prosecution, fine or other negative consequences. Whilst the Group has what the Directors believe to be appropriate internal policies and procedures as well as contractual arrangements in place with its agents and commercial partners which seek to prevent its agents or commercial partners (as the case may be) from engaging in illegal or unethical activities, there can be no guarantee that the Group's agents or commercial partners (as the case may be) adhere to such contractual arrangements or policies and procedures and, if they do not, that the Group will be made aware of any breaches or potential breaches timeously or at all. However, the Group may, none the less, remain liable for the unauthorised actions of its agents or commercial partners (as the case may be).

In addition, even where the Group has compliant anti-corruption and other business ethics policies and procedures and it monitors compliance with such policies and procedures, there can be no assurance that such policies and procedures have been or will be followed at all times or have or will effectively detect and prevent all violations of the applicable laws and every instance of fraud, bribery and corruption in every jurisdiction in which one or more of its employees, consultants, agents, commercial partners, contractors or sub-contractors is located. As a result, the Group could be subject to penalties and reputational damage and material adverse consequences on its business, prospects, financial condition and results of operations if it, its employees, agents or other parties it does business with have failed or fail to prevent any such violations or are or become the subject of investigations into potential violations.

If adverse investigations or findings are made, either erroneously due to differing but legal business norms or substantiated in the future, against the Group, the Group's directors, officers, employees, commercial partners or such persons or their respective partners are found to be involved in corruption or other illegal activity, this could result in criminal or civil penalties, including substantial monetary fines, against the Group's directors, officers, employees or commercial partners. Any such findings in the future could damage the Group's reputation whether with its investors, potential investors, commercial partners or potential commercial partners and its ability to do business, including by affecting the Group's rights under its various production sharing contracts and joint operating agreements or by the loss of key personnel, and could materially and adversely affect the business, prospects, financial condition and results of operations of the Group. The Group may also be subject to allegations of corrupt practices or other illegal activities, which, even if subsequently proved to be unfounded, may damage the Group's reputation and require significant expense and management time to investigate and may cause certain investors to dispose of their holding of Ordinary Shares or may deter others from investing in Ordinary Shares. Furthermore, alleged or actual involvement in corrupt practices or other illegal

activities by the Group's commercial partners, or others with whom the Group conducts business could also damage the Group's reputation and business and materially and adversely affect the business, prospects, financial condition and results of operations of the Group.

2.7. Uncertainties in the interpretation and application of laws and regulations in certain of the jurisdictions in which the Group does business, particularly emerging markets, may affect its ability to comply with such laws and regulations and increase the risks with respect to its operations

The courts in certain of the jurisdictions in which the Group has assets may offer less certainty as to the judicial outcome or a more protracted judicial process than is the case in more established economies. In many of the countries in which the Group does business, businesses can become involved in lengthy court cases or administrative proceedings and the ambiguous drafting of laws or the absence of an oil and gas industry regulatory framework can contribute to excessive delays in the legal or administrative process for resolving issues or can complicate such disputes. Accordingly, the Group could face risks such as:

- effective legal redress in the courts of such jurisdictions being more difficult to obtain, whether in respect of a breach of law or regulation, or in an ownership dispute;
- a higher degree of discretion on the part of governmental authorities and therefore less certainty including with respect to the Group's long term planning;
- a lack of judicial or administrative guidance on interpreting applicable rules and regulations;
- inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; and
- relative inexperience of the judiciary, courts and regulatory authorities with oil and gas industry matters.

Enforcement of laws in certain of the jurisdictions in which the Group does business may depend on and be subject to the interpretation of such laws by the relevant local authority and such authority may adopt an interpretation which differs from the advice given to it by local lawyers or even previously by the relevant local authority itself or such bodies may exercise discretion in an inconsistent or arbitrary manner which could result in ambiguities, inconsistencies and anomalies in enforcement of laws which could hinder the ability of the Group to make or implement long term plans. In addition, a dispute may be subject to the exclusive jurisdiction of local courts or local arbitration tribunals or the Group may not be successful in subjecting foreign persons, especially foreign oil ministries and national oil companies, to the jurisdiction of courts or arbitration tribunals in New York, England and Wales or other similar jurisdictions. Even if the Group is successful in subjecting such persons or entities to the jurisdiction of courts in New York, England and Wales or other similar jurisdictions, it may be difficult to enforce any judgment or order from such court or award from such tribunal against such individuals or entities. Taxes or other duties and fees which are intended to be of a minor nature may be significant when applied to the large sums of money involved in the business activities of the Group. Furthermore, there is limited relevant case law providing guidance on how courts or arbitration tribunals would interpret such laws and the application of such laws to the Group's contracts, joint ventures, permits, licences, licence and permit applications or other arrangements.

As a result, there can be no assurance that contracts, joint ventures, permits, licences, licence and permit applications or other legal or taxation arrangements will not be adversely affected by the actions of government authorities and the effectiveness of and enforcement of such arrangements in these jurisdictions. In certain jurisdictions, the commitment of local businesses, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be uncertain and susceptible to revision or cancellation, and legal redress may be uncertain or delayed. There can be no assurance that the acts of present or future governments in the countries or regions where such operations are (or will be) located, or the acts of governments of other countries that are relevant for such current or future operations, will not materially adversely affect the business, prospects, financial condition and results of operations of the Group. For example, in Zambia, a claimant has brought a direct action against the Minister of Mines, Energy and Water Development regarding that office's decision to award the Group an exploration licence for Block 31 following cancellation of the claimant's previous licence for Block 31. Although the Group is not a direct party to the action, the matter remains before the court and the Group continues to seek guidance on the meaning and effect of orders made by the Court. In addition, whilst the Group does not view this action as material, there can be no assurance that similar types of title claims will not be asserted against the Group or its assets, including its more material assets.

2.8. The Group's ongoing and future success depends on securing and maintaining a "social licence to operate" from impacted communities and other stakeholders

The Group's ongoing and future success depends on securing and maintaining a "social licence to operate" from impacted communities and other stakeholders. The Directors believe the Group's operations can provide valuable benefits to surrounding communities, in terms of direct employment, training and skills development, demand for products and services and other community benefits associated with ongoing payment of taxes and contribution to community development funds.

The adoption of new regulations and the implementation of any reforms may be subject to political and economic influences. Throughout many African jurisdictions, promoting and/or requiring participation by locally owned businesses in oil and gas assets is a high policy priority for governments. In addition, the international human rights law concerning Free and Prior Informed Consent allows indigenous peoples to have the right to negotiate in national and local government decision-making processes over projects that concern their lives, land and resources. Failure to comply with these laws and regulations and similar laws and regulations in other countries could, among other things, lead to fines and imprisonment, jeopardise the Group's interests in licences, cause reputational damage and delays to operations or developments. The Group expects certain countries in which it operates to make local content requirements for extractive companies legally binding. The Group's business and operations may be adversely affected by such local content requirements to the extent they adversely impact the Group's ability to engage and retain skilled personnel and partners.

Notwithstanding the foregoing, communities may, from time to time, become dissatisfied with the Group's activities or those of other companies in the oil and gas industry, in particular due to, among other things, the impact on traditional livelihoods, insufficient local employment and business opportunities and land acquisition and resettlement practices. Accordingly, failure to manage its relationship with local groups and individuals may influence the execution of the Group's strategies and may expose the Group to significant business risks including project delays and disruption and potentially the loss of a licence to operate. While such dissatisfaction may be expressed in various ways, in some instances it may result in civil unrest, protests, direct action, or campaigns against the Group, and any such actions may impact the Group's project costs, timing or production, or in certain cases, project viability. For example, the Group temporarily suspended all exploration and appraisal operations in Blocks 10BB and 13T in Kenya in October 2013 as a precautionary measure in response to demonstrations by local Kenyans regarding employment and local business opportunities. On behalf of the contractor entities under the production sharing contracts covering the relevant blocks, the Group signed a memorandum of understanding (the "**MOU**") with the Kenyan Minister for Energy just over one week after the temporary suspension and resumed operations shortly thereafter. Building on the principles outlined in the MOU, the Group has developed non-technical functions (social performance, communications, government and public affairs) and associated systems and procedures that together provide a stronger platform for effective ongoing management of the social licence to operate, the principles of which the Group expects to apply, where relevant and with appropriate modifications, across all of its operations. Nonetheless, the Group cannot be certain that similar demonstrations, either in Kenya or other countries in which the Group does business, will not occur or, if they do, will be resolved quickly or at all.

2.9. The Group is exposed to the risk of adverse sovereign action by governments in the countries in which it does business

The oil and gas industry is central to the economies and future prospects for development in a number of the countries in which the Group currently has assets and therefore the industry is likely to be the focus of continuing attention and debate.

In the majority of the countries in which the Group does business, in both developed and emerging economies, the State generally retains ownership of the minerals throughout the extraction process and consequently retains control of (and in many cases, participates in) the exploration and production of hydrocarbon reserves, with the Group's interest being an economic entitlement to a proportion of production. As a result, exploration and development activities may require protracted negotiations with host governments and national oil companies. Whilst the Group seeks to establish and maintain strong relationships with governments, as it has done, for example, in Kenya where it has long term relationships with members of government and the civil service, there can be no guarantee that such relationships will continue to exist (whether as a result of changes of government following elections, for example like the forthcoming elections in Kenya, or otherwise) and remain strong and, the lack of such relationships with host governments and national oil companies could materially and adversely affect the business, prospects, financial condition and results of operations of the Group. In addition, major policy

shifts or increased security arrangements could, to varying degrees, have an adverse effect on the value of investments made by the Group or its commercial partners. These factors could materially and adversely affect the business, prospects, financial condition and results of operations of the Group.

Changes to the legislative environment, which may be developing at a rapid rate owing to the developing nature of the industry in such a country, may materially adversely affect the Group's business, prospects, financial condition and results of operations. In Kenya, the legislative environment is undergoing considerable change with several proposed new bills related to land, energy, finance and water, among others. For example, although the proposed Kenyan petroleum bill stipulates that it would preserve any rights currently benefitting licences after it comes into force, the Group cannot guarantee whether the relevant Kenyan Government bodies will interpret this provision to the Group's benefit. The Group is also typically protected by the change of laws clauses in its production sharing contracts which provide that, in case of a change of law that economically affects any of the parties, the parties will discuss the appropriate course of action in good faith to achieve equilibrium. The Group cannot, however, guarantee the outcome of these discussions and any negative outcome may materially and adversely affect the business, prospects, financial condition and results of operations of the Group.

In certain developing countries, oil and gas companies have faced the risks of expropriation or re-nationalisation, breach or abrogation of licence and project agreements, the application to such companies of laws and regulations from which they were intended to be exempt, denials of required permits and approvals, increases in royalty rates and taxes that were intended to be stable, the application of exchange or capital controls, the setting of specific levels of production or prices and other risks. The Group has experienced adverse sovereign action affecting certain of its key developments which has not materially affected the Group. There can be no assurance, however, that the measures adopted by the Group to mitigate such actions and spread the risks associated with such actions will be effective and such adverse sovereign action may materially and adversely affect the business, prospects, financial condition and results of operations of the Group.

In addition, the Group's operations may be materially affected by host governments' economic and other entitlements through royalty payments, carried interests, obligatory farm-ins and back-in rights, export taxes and regulations, surcharges, value added taxes, production bonuses and other charges to a greater extent than would be the case if its operations were largely in countries where mineral resources are not predominantly State owned. In addition, transfers of interests typically require government approval, which may delay or otherwise impede such transfers, and the government may impose obligations on the Group to, for example, complete minimum work within specified timeframes either generally or as a condition to approving such transfers.

2.10. The Group may be adversely affected by changes to tax legislation or its interpretation or increases in effective tax rates in the jurisdictions in which the Group does business

The Group does business in multiple jurisdictions and its profits are taxed according to the tax laws of such jurisdictions. The Group's tax rate, including its effective tax rate, value added tax ("**VAT**") and capital gains tax ("**CGT**"), may be affected by changes in tax laws or interpretations of tax laws in any jurisdiction and in any financial year will reflect a variety of factors that may not be present in succeeding financial years. As a result, the Group's tax rate may increase in future periods, which could have a material adverse effect on the Group's financial results and, specifically, its net income, cash flow and earnings may decrease.

Tax regimes in certain jurisdictions can be subject to differing interpretations (particularly in light of the contractual provisions which the Group and its commercial partners may have agreed with host governments) and tax rules in any jurisdiction are subject to legislative change and changes in administrative and regulatory interpretation. The interpretation by the Group's relevant subsidiaries of applicable tax law as applied to their transactions and activities may not coincide with that of the relevant tax authorities. As a result, transactions may be challenged by tax authorities (whether on disclosure of such transactions or at a later date) and any of its profits from activities in those jurisdictions may be subject to additional tax or additional unexpected transactional taxes (e.g., stamp duty, VAT, CGT or withholding tax) may arise, which, in each case, could result in significant legal proceedings and additional taxes, penalties and interest, any of which could have a material adverse impact on the business, prospects, financial condition and results of operations of the Group. In the past, the Group has received claims for tax payable that, following a negotiated settlement, have been reduced to a material extent. However, there can be no assurance that the Group will be able to negotiate an appropriate settlement in the future or that a tax authority will not enforce the original claim for tax payable which could materially adversely affect the business prospects and financial condition of the Group. Although the Group is able to manage its exposure to tax in relation to particular contractual

arrangements with governments by including tax stabilisation provisions, there can be no guarantee that the inclusion of such provisions (assuming such provisions are agreed to be incorporated into an agreement) will protect the Group from fluctuations in tax rates in a particular jurisdiction which can have an impact on the Group's projects and make certain projects less economically viable.

3. Risks relating to the oil and gas industry

3.1. The Group carries out business in a highly competitive industry

The oil and gas industry is highly competitive including in the regions in which the Group has assets. The key areas in respect of which the Group faces competition are:

- acquisition of exploration and production licences, or interests in such licences, at auctions or sales run by governmental authorities;
- securing additional offtakers of production;
- acquisition of other companies that may already own licences or existing hydrocarbon producing assets;
- differentiating technologies;
- engagement of third-party service providers whose capacity to provide key services may be limited;
- purchase, leasing, hiring, chartering or other procuring of equipment that may be scarce;
- employment of qualified and experienced skilled management and oil and gas professionals;
- ability to dispose of assets; and
- access to bank capital.

Competition in the Group's markets can be concentrated and depends, among other things, on the number of competitors in the market, their financial power, their degree of geological, geophysical, engineering and management expertise, their degree of vertical integration, and pricing policies, their ability to develop assets on time and on budget, their ability to select, acquire and develop reserves and their ability to foster and maintain relationships with host governments of the countries in which they have assets. The Group's competitors include those entities with greater technical, physical and financial resources than it. A recent trend among investors, which also increases competitive pressures, is for financial institutions and investment funds to financially support viable management teams with proven oil and gas experience to acquire resources in emerging markets in order to establish investments in the oil and gas sector and lock in supply. When looking at acquisition opportunities, the Group also competes frequently with major national and State-owned enterprises, which typically possess significant financial resources and are able to offer attractive and favorable prices to sellers.

The effects of operating in a competitive industry may include higher than anticipated prices for the acquisition of licences or assets, licencing terms providing for increased obligations, the hiring by competitors of key management, restrictions on the availability or increases in cost of equipment or services as well as potentially unfair practices including unconscionable pressure on the Group directly or indirectly or the dissemination of false or misleading information or rumours by competitors or third-parties. Such unconscionable pressure can be expected to arise out of disparities in the relative bargaining power of the affected parties and includes the stronger party exploiting the weaker party's disadvantage or the stronger party relying on its rights in a harsh or oppressive manner, allowing the weaker party to make an incorrect assumption, failing to disclose a material fact, misrepresentation or otherwise unfairly benefiting from a transaction at the expense of the weaker party.

If the Group is unsuccessful in competing against other companies, the business, prospects, financial condition and results of operations of the Group could be materially adversely affected.

3.2. The Group faces significant uncertainty as to the success of any exploration, appraisal and development activities

The Group undertakes exploration activities, the outcomes of which are frequently subjected to unexpected problems and delays, and these activities incur significant costs, which can differ significantly from estimates, with no guarantee that such expenditure will result in the discovery of commercially recoverable oil or gas. Appraisal results for discoveries are uncertain. Appraisal and development activities involving the drilling of wells across a field may be unpredictable and may not result in the outcome planned, targeted or predicted, as only by extensive testing can the assets of an entire field be more fully understood. For example, where the Group is drilling wells there is no

guarantee such drilling activities will be successful and the actual costs incurred in respect of drilling, operating wells and completing well workovers may exceed budget. It is difficult to estimate the costs of implementing any exploration and/or appraisal drilling programme due to the inherent uncertainties of drilling in unknown formations, the costs associated with encountering various drilling conditions such as over-pressured zones and changes in drilling plans and locations. The Group may be required to curtail, delay or cancel any drilling operations because of a variety of factors, including unexpected drilling conditions, pressure or irregularities in geological formations, equipment failures or accidents, breaches of security, title problems, severe adverse weather or tidal conditions, compliance with governmental requirements and shortages or delays in the availability of drilling rigs and the delivery of equipment which could have a material adverse effect on the business, prospects, financial condition and results of operations of the Group.

Even if wells are productive, they may not produce sufficient net revenues to return a profit after drilling, operating and other costs. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs and drilling hazards and environmental damage can further increase the cost of operations to be recovered. In addition, various field operating conditions may also adversely affect production from successful wells, including delays in obtaining governmental approvals, permits, licences, authorisations or consents, shut-ins of connected wells, insufficient storage or transportation capacity or other geological and mechanical conditions.

Under the Group's production sharing contracts and other similar agreements, it finances its agreed proportion of exploration, development and operations and the related facilities and equipment and will only recover its costs (after deducting royalties and taxes) if there is successful production in accordance with the terms of these agreements with such cost recovery being capped at a certain proportion of production and the balance in excess of such cap then being shared with the host government or national oil company. However, there can be no assurance that the Group will discover commercial quantities of oil or gas at such operations. Additionally, provisions regarding the treatment of the exploration and development of oil and gas set out in the Group's production sharing contracts and other similar agreements is, owing to the terms of such provisions, frequently ambiguous leading to uncertain terms as to cost recovery and entitlements to gas discoveries. Accordingly, there can be no assurance that the Group will recover its outlay of capital expenditures and operating costs and in such event its business, prospects, financial condition and results of operations of the Group could be materially adversely affected.

4. Risks relating to the Rights Issue

4.1. Qualifying Shareholders who do not (or are not permitted to) subscribe for New Ordinary Shares in the Rights Issue will experience dilution in their ownership of Tullow and may not receive adequate compensation for such dilution

If any Qualifying Shareholder, including Qualifying Shareholders in the United States, the Restricted Territories and other jurisdictions whose participation is restricted for legal, regulatory and other reasons, or is otherwise not permitted under the terms of the Rights Issue, does not take up their entitlements under the Rights Issue by 11.00 a.m. (London time) on 24 April 2017, being the latest time and date for acceptance and payment in full for Qualifying Shareholder's provisional allotment of New Ordinary Shares, such Qualifying Shareholder's rights to subscribe for New Ordinary Shares will lapse. Tullow has made arrangements under which the Joint Bookrunners will use reasonable endeavours to find subscribers for those New Ordinary Shares not taken up. If, however, the Joint Bookrunners are unable to find subscribers for such New Ordinary Shares or are unable to achieve a price at least equal to the aggregate of the Issue Price and the related expenses of procuring such subscribers, Qualifying Shareholders will not receive any consideration for the Nil Paid Rights they have not taken up.

A Qualifying Shareholder who does not, or who is not permitted to, take up any of their rights to New Ordinary Shares under the Rights Issue will be diluted by approximately 33.8 per cent. as a result of the Rights Issue. A Qualifying Shareholder who is permitted to and does take up all of their rights to New Ordinary Shares under the Rights Issue will, subject to the rounding down and sale of fractional entitlements, not be diluted as a result of the Rights Issue. Any consideration received as a result of not exercising Nil Paid Rights may not be sufficient to compensate a Qualifying Shareholder fully for the dilution of their percentage ownership of Tullow's share capital that may be caused as a result of the Rights Issue.

4.2. Admission of the New Ordinary Shares may not occur when expected

It is expected that Admission of the New Ordinary Shares will become effective, and that dealings for normal settlement in the New Ordinary Shares, nil paid, will commence on the London Stock Exchange

and the Irish Stock Exchange at or shortly after 8.00 a.m. (London time) on 6 April 2017. It is expected that dealings for normal settlement in the New Ordinary Shares, fully paid, will commence on the London Stock Exchange, the Irish Stock Exchange and the Ghana Stock Exchange at or shortly after 8.00 a.m. (London time) on 25 April 2017.

Admission is subject to the approval (subject to the satisfaction of any conditions to which such approval is expressed to be subject) of the UK Listing Authority (in the case of admission to the Official List of the UK Listing Authority), the Irish Stock Exchange (in the case of admission to the Official List of the Irish Stock Exchange) and the Ghana Stock Exchange and the Ghana SEC (in the case of admission to the main market of the Ghana Stock Exchange).

Admission (in the case of admission to the Official List of the UK Listing Authority) will become effective as soon as a dealing notice has been issued by the UK Listing Authority and the London Stock Exchange has acknowledged that the Nil Paid Rights, Fully Paid Rights and/or New Ordinary Shares will be admitted to trading on its main securities market. Admission (in the case of admission to the Official List of the Irish Stock Exchange) will become effective as soon as a dealing notice has been issued by the Irish Stock Exchange and the Irish Stock Exchange has acknowledged that the Nil Paid Rights, Fully Paid Rights and/or New Ordinary Shares will be admitted to trading on its main securities market. Admission (in the case of admission to the main market of the Ghana Stock Exchange) will become effective as soon as the Ghana Stock Exchange and the Ghana SEC have acknowledged that the New Ordinary Shares, fully paid, will be admitted to listing and trading on the main market of the Ghana Stock Exchange.

There can be no guarantee that any conditions to which Admission is subject will be met or that the UK Listing Authority or the Irish Stock Exchange, as the case may be, will issue a dealing notice or that the London Stock Exchange or the Ghana Stock Exchange and the Ghana SEC, as the case may be, will admit the New Ordinary Shares to trading. See the ‘‘Expected Timetable of Principal Events’’ on page 60 of this Prospectus for further information on the expected dates of these events.

Furthermore, there can be no assurance that an active trading market in the Nil Paid Rights or Fully Paid Rights will develop upon or following Admission and, because the trading price of the Nil Paid Rights depends on the trading price of the Ordinary Shares, the price of the Nil Paid Rights and Fully Paid Rights may be volatile and subject to various risks, including those set out in the section of this Prospectus entitled “Risk Factors”. The volatility of the price of Ordinary Shares may have the effect of magnifying the price volatility of the Nil Paid Rights and Fully Paid Rights.

4.3. The value of an investment in the Nil Paid Rights, Fully Paid Rights or New Ordinary Shares may go down as well as up and any fluctuations may be material and may not reflect the underlying asset value of the Group

The market price of the Nil Paid Rights, Fully Paid Rights and New Ordinary Shares could be subject to significant fluctuations due to a change in sentiment in the market regarding these securities. The fluctuations could result from national and global economic and financial conditions, market perceptions of Tullow or of its industry and various other factors, including those set out in the section of this Prospectus entitled “Risk Factors”. Any of these events could result in a material decline in the market price of the Nil Paid Rights, Fully Paid Rights or New Ordinary Shares.

4.4. The market price for the Ordinary Shares may decline below the Issue Price

The public trading market price of the Ordinary Shares may decline below the Issue Price. Should that occur prior to the latest time and date for acceptance under the Rights Issue, Shareholders who exercise their entitlements under the Rights Issue will suffer an immediate loss as a result. Moreover, following the exercise of entitlements under the Rights Issue, Shareholders may not be able to sell their New Ordinary Shares at a price equal to or greater than the acquisition price for those shares. Shareholders who decide not to exercise their Nil Paid Rights may also sell or transfer them to other Shareholders or investors. If the public trading market price of the Ordinary Shares declines below the Issue Price, investors who have acquired Nil Paid Rights in the secondary market will likely suffer a loss as a result.

4.5. A disposal of Ordinary Shares by major Shareholders could adversely affect the market price of the Ordinary Shares

Sales of a substantial number of Ordinary Shares in the market after the Rights Issue, whether by Shareholders who acquired New Ordinary Shares in the Rights Issue or from pre-existing Shareholders, or the perception that such sales might occur, could adversely affect the market price of the Ordinary Shares.

4.6. Shareholders and other prospective investors outside the UK and Ireland may not be able to take up their entitlements under the Rights Issue or future issues of shares

The securities laws of certain jurisdictions, including the United States (subject to certain exceptions) and the Restricted Territories, may restrict the Company's ability to allow participation by Shareholders and other prospective investors in such jurisidictions in the Nil Paid Rights, Fully Paid Rights and New Ordinary Shares and other issues of shares. In particular, holders of Ordinary Shares who are located in the United States may not be able to take up their entitlements under the Rights Issue or any other issue of shares unless such an offering is registered under the Securities Act and any applicable state securities laws or made pursuant to an exemption from the registration requirements of the Securities Act and in compliance with any applicable state securities laws. The Rights Issue will not be registered under the Securities Act or any applicable state securities laws. Securities laws of certain other jurisdictions may restrict Tullow's ability to allow participation by Shareholders or other prospective investors in such jurisdictions in the Rights Issue or any future issue of shares by the Company. The holdings of Qualifying Shareholders located outside the UK and Ireland who are not able to receive Nil Paid Rights, Fully Paid Rights or New Ordinary Shares may be diluted by the offering of New Ordinary Shares under the Rights Issue. Qualifying Shareholders who have registered addresses outside the UK and Ireland or who are citizens of, or located in, countries other than the UK or Ireland (including, without limitation, the United States or any of the Restricted Territories) should consult their professional advisers as to whether they require any governmental or other consent or need to observe any other formalities in order to enable them to take up their entitlements under the Rights Issue.

4.7. Any future issue of Ordinary Shares will further dilute the holdings of Shareholders and could adversely affect the market price of the Ordinary Shares

Other than pursuant to the Rights Issue, Tullow has no current plans for an offering of Ordinary Shares apart from possible offerings in relation to employee share plans. However, it is possible that Tullow may decide to offer additional Ordinary Shares in the future either to raise capital or for other purposes. If Shareholders did not take up such offer of Ordinary Shares or were not eligible to participate in such offering, their proportionate ownership and voting interests in Tullow would be reduced and the percentage that their Ordinary Shares would represent of the total share capital of Tullow would be reduced accordingly. Any additional offering or issues of Ordinary Shares could have a material adverse effect on the market price of the Ordinary Shares as a whole.

4.8. It may not be possible to effect service of process upon the Company or the Directors or enforce court judgments against the Company or the Directors

The Company is incorporated, registered and headquartered in England and Wales. The rights of Shareholders are governed by English law (including the Companies Act) and the Articles. Shareholders resident outside the United Kingdom may not be able to enforce a judgment against the Company or some or all of the Directors. The majority of the Directors are residents of the United Kingdom. Consequently, it may not be possible for a Shareholder who is resident in a jurisdiction outside the United Kingdom to effect service of process upon the Company or the Directors within such Shareholder's country of residence or to enforce against the Company or the Directors judgments of courts of such Shareholder's country of residence based on civil liabilities under that country's securities laws. There can be no assurance that such Shareholders will be able to enforce any judgments in civil and commercial matters or any judgments under the securities laws of countries other than England against the Company or the Directors who are residents of countries other than those in which judgment is made. In addition, English or other courts may not impose civil liability on the Directors in any original action based solely on foreign securities laws brought against the Company or the Directors in a court of competent jurisdiction in England or other countries.

IMPORTANT INFORMATION

1. Notice to all investors

Any reproduction or distribution of this Prospectus, in whole or in part, and any disclosure of its contents or use of any information contained in this Prospectus for any purpose other than considering an investment in the Nil Paid Rights, the Fully Paid Rights or the New Ordinary Shares is prohibited. By accepting delivery of this Prospectus, each offeree of the Nil Paid Rights, the Fully Paid Rights and/or the New Ordinary Shares agrees to the foregoing.

The distribution of this Prospectus and/or the Provisional Allotment Letters and/or the offer, sale or transfer of the Nil Paid Rights, the Fully Paid Rights and/or the New Ordinary Shares in or into jurisdictions other than the United Kingdom and Ireland may be restricted by law. Persons into whose possession these documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the registration or other securities laws of any such jurisdiction. In particular, subject to certain exceptions, such documents should not be distributed in or forwarded to, or transmitted in or into or within, the United States or any Restricted Territory. The Nil Paid Rights, the Fully Paid Rights, the New Ordinary Shares and the Provisional Allotment Letters are not transferable except in accordance with, and the distribution of this Prospectus is subject to, the restrictions set out in paragraph 8 of Part 3 of this document. No action has been taken by Tullow, the Underwriters, the Co-Lead Managers or by the Irish Sponsor that would permit an offer of the Nil Paid Rights, the Fully Paid Rights and/or the New Ordinary Shares or rights thereto or possession or distribution of this Prospectus, the Provisional Allotment Letters or any other offering or publicity material in any jurisdiction where action for that purpose is required, other than in the United Kingdom and Ireland.

No person has been authorised to give any information or make any representations other than those contained in this Prospectus and the Provisional Allotment Letters and, if given or made, such information or representations must not be relied upon as having been authorised by Tullow, the Underwriters, the Co-Lead Managers or by the Irish Sponsor. Without prejudice to any legal or regulatory obligation on Tullow to publish a supplementary prospectus pursuant to section 87G of FSMA and Rule 3.4 of the Prospectus Rules, neither the delivery of this Prospectus nor any subscription or sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Group since the date of this Prospectus or that the information in this Prospectus is correct as at any time subsequent to its date.

2. Forward looking statements

This Prospectus includes statements that are, or may deemed to be, “forward looking statements” within the meaning of the securities laws of certain jurisdictions. These forward looking statements can be identified by the use of forward looking terminology, such as “anticipate”, “expect”, “suggests”, “plan”, “believe”, “intend”, “estimates”, “targets”, “projects”, “should”, “could”, “would”, “may”, “will”, “forecast” and other similar expressions or, in each case, their negative or other variations or comparable terminology. These forward looking statements include all matters that are not historical facts. They appear in a number of places throughout this Prospectus and include statements regarding Tullow’s or the Directors’ plans, estimates, intentions, beliefs or current expectations concerning, among other things, Tullow's exploration and development plans and the timing and cost thereof, future production levels and volumes, future operating cost levels, the grant and timing of future governmental or commercial or joint venture partner approvals or consents, the timing, outcome and potential scope of liability in any litigation, proceedings or other disputes and Tullow’s results of operations, financial condition, prospects, growth, strategies and the industry in which the Group operates more generally.

Forward looking statements are not guarantees of future performance and the Group’s actual results of operations, financial condition and the development of the industry in which it operates, may differ materially from those made in or suggested by the forward looking statements contained in this Prospectus. In addition, even if the Group’s results of operations, financial condition and the development of the industry in which it operates, are consistent with the forward looking statements contained in this Prospectus, those results or developments may not be indicative of results or developments in subsequent periods.

Any forward looking statements that are made in this Prospectus speak only as at the date of such statement and, other than as may be required by the FCA, the London Stock Exchange, the Irish Stock Exchange, the Ghana Stock Exchange or applicable law (including as may be required by the Listing Rules, the Irish Listing Rules, the Disclosure Guidance and Transparency Rules and the Prospectus Rules), Tullow, the Underwriters, the Co-Lead Managers and the Irish Sponsor expressly disclaim any

obligation to release publicly any updates or revisions to any forward looking statements contained in this Prospectus. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data.

3. Industry and market data

In this Prospectus, reference is made to and reliance is put on information regarding the Group's business and the markets in which it operates and competes. The market data and certain economic and industry data and forecasts used in this Prospectus were obtained from governmental and other publicly available information, independent industry publications, and reports prepared by industry consultants, including:

- BP Statistical Review of World Energy 2016, an annual publication by BP plc;
- International Energy Agency, an international energy institution;
- International Monetary Fund, an international financial institution; and
- Organization of the Petroleum Exporting Countries, an intergovernmental organisation of oil exporting nations.

The market, economic and industry data set out in this Prospectus that has been sourced from third parties has been accurately reproduced and, so far as the Company is aware and is able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. Where third party information has been used in this Prospectus, the source of such information has been identified.

Industry publications, surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but that there can be no assurance as to the accuracy and completeness of such information. The Directors believe that these industry publications, surveys and forecasts are reliable, but have not independently verified any of the data from third party sources. Forecasts and other forward looking information obtained from these sources are subject to the same qualifications and uncertainties as the other forward looking statements in this Prospectus.

The Company cannot assure prospective investors that any of the assumptions underlying any statements regarding the oil and gas industry are accurate or reflect correctly the Group's position in the industry. Market data and statistics are inherently predictive and speculative and are not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market. In addition, the value of comparisons of statistics for different markets is limited by many factors including: (a) the markets are defined differently; (b) the underlying information was gathered by different methods; and (c) different assumptions may be applied in compiling the data. Accordingly, the market statistics included in this Prospectus should be viewed with caution and no representation or warranty is given by any person, including the Company, the Underwriters, the Co-Lead Managers and the Irish Sponsor, as to their accuracy.

Statements regarding the oil and gas industry which are not based on published statistical data or information obtained from independent third parties, are based on the Group's and/or the Directors' experience, the Group's internal studies and estimates, and the Group's own investigation of market conditions. The Company cannot assure prospective investors that any of these studies or estimates are accurate, and none of the Group's internal surveys or information has been verified by any independent sources. While the Directors are not aware of any misstatements regarding the Group's own estimates presented herein, those estimates involve risks, assumptions and uncertainties and are subject to change based on various factors, including those set out in the section of this Prospectus entitled "Risk Factors".

4. Presentation of financial information

4.1. General

The Group's audited consolidated financial statements as at and for the years ended 31 December 2014, 2015 and 2016, which are incorporated by reference into this Prospectus, have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as adopted by the European Union, and comply with Article 4 of the EU IAS Regulation.

All financial information related to the Group contained in this Prospectus, unless otherwise stated, has been extracted from the Group's audited consolidated financial statements as at and for the years ended 31 December 2014, 2015 and 2016.

The financial information included and incorporated by reference into this document was not prepared in accordance with US GAAP. No opinion or any other assurance with regard to any financial information was expressed under US GAAS or PCAOB Standards and the financial information is not intended to comply with SEC reporting requirements. Compliance with such requirements would require the modification, reformulation or exclusion of certain financial measures. In addition, changes would be required in the presentation of certain other information. In particular, no reconciliation to US GAAP is provided.

4.2. Non-IFRS financial measures

In this Prospectus, the Company presents the Group's net debt, Adjusted EBITDAX, gearing, capital investment, underlying cash operating costs and free cash flow. These financial measures are not required by, or presented in accordance with, IFRS. The Directors believe that each of these non-IFRS financial measures provides useful information with respect to the performance of the Group's business and operations. These financial measures are not measures recognised under IFRS or any other internationally accepted accounting principles and Shareholders and prospective investors should not consider such measures as an alternative to the IFRS measures included in the Company's historical financial information. These non-IFRS financial measures, each as defined herein, may not be comparable to similarly titled measures presented by other companies as there are no generally accepted principles governing the calculation of these measures and the criteria upon which these measures are based can vary from company to company. Even though the non-IFRS financial measures are used by the Group's management to assess its financial results and performance and these types of measures are commonly used by investors, securities analysts and other interested parties as supplemental measures of performance and liquidity, they have important limitations as analytical tools, and investors should not consider them in isolation or as substitutes for analysis of the Group's position or results as reported under IFRS.

The non-IFRS financial measures relating to the Group and included in this Prospectus have been extracted without material adjustment from the Group's historical financial information incorporated by reference into this Prospectus as set out in Part 6 of this Prospectus.

A reconciliation of the non-IFRS measures to the most directly comparable measure calculated and presented in accordance with IFRS is set out in Part 7 of this Prospectus together with a discussion of the usefulness and the relevant limitations of such non-IFRS measures.

The following table sets out the Group's non-IFRS financial measures as at and for the years ended 31 December 2014, 2015 and 2016:

	As at or during the year ended 31 December		
(in millions of $)	**2014**	**2015**	**2016**
Net debt[(1)]	3,102.9	4,019.3	4,781.9
Adjusted EBITDAX[(2)]	1,546.0	1,048.7	941.3
Gearing (times)[(3)]	2.0	3.8	5.1
Capital investment[(4)]	2,021.0	1,720.0	857.0
Underlying cash operating costs[(5)]	511.5	406.3	377.2
Free cash flow[(6)]	(1,250.2)	(973.9)	(833.2)

Notes:

(1) Net debt is defined as current and non-current borrowings plus unamortised arrangement fees and the equity component of any compound debt instrument less cash and cash equivalents.

(2) Adjusted EBITDAX is defined as gain/loss from continuing activities less income tax credit, finance costs, finance revenue, (loss)/gain on hedging instruments, depreciation, depletion, amortisation, share-based payment charge, restructuring costs, gain/(loss) on disposal, goodwill impairment, exploration costs written off, impairment of property, plant and equipment net, provisions for inventory and provision for onerous service contracts, net.

(3) Gearing is defined as net debt (as defined above) divided by Adjusted EBITDAX (as defined above).

(4) Capital investment is defined as additions to property, plant and equipment and intangible exploration and evaluation assets less decommissioning asset additions, capitalised share-based payment charge, capitalised finance costs, additions to administrative assets, Norwegian tax refund, and certain other adjustments.

(5) Underlying cash operating costs is defined as cost of sales less operating lease expense, depletion and amortisation of oil and gas assets, underlift, overlift and oil stock movements, share-based payment charge included in cost of sales, and certain other cost of sales (including purchases of gas from third parties to fulfil gas sales contracts and royalties paid in cash).

(6) Free cash flow is defined as net cash from operating activities, net cash used in investing activities, net cash generated by financing activities and foreign exchange loss less proceeds from disposals, net proceeds from issue of share capital, plus debt arrangement fees and repayment of bank loans, less drawdown of bank loans, issue of senior notes and issue of convertible bonds.

4.3. Sale of assets

During the three financial years ended 31 December 2016 the Group sold certain non-core assets (including interests in upstream exploration and production licences and/or production sharing contracts) in the UK Southern North Sea, the Dutch Southern North Sea and the Norwegian continental shelf and on 9 January 2017 the Company announced its farm-down of certain interests in Uganda effective from 1 January 2017 (some of which transactions remain to be completed) (collectively, the "**Non-Core Assets**"). Unless otherwise indicated, all information in this Prospectus relating to the Group's interests in licences, acreage under licence, commercial reserves, contingent resources, production and sales revenue include the foregoing attributable to the Non-Core Assets which have been disposed. The table below shows the commercial reserves, contingent resources, production and sales revenue which the Non-Core Assets contributed to the Group as at and for the years ended 31 December 2015 and 2016.

	UK Southern North Sea		Dutch Southern North Sea		Norway		Uganda	
	As at 31 December 2015	As at 31 December 2016	As at 31 December 2015	As at 31 December 2016	As at 31 December 2015	As at 31 December 2016	As at 31 December 2015	As at 31 December 2016
Commercial Reserves								
Oil (mmbo)	—	—	—	—	—	—	—	—
Gas (bscf)	—	—	—	—	—	—	—	—
Total Commercial Reserves (mmboe)	—	—	—	—	—	—	—	—
Contingent Resources								
Oil (mmbo)	—	—	—	—	78.9	—	316.2	316.2
Gas (bscf)	—	—	—	—	—	—	27.6	27.6
Total Contingent Resources (mmboe)	—	—	—	—	78.9	—	320.8	320.8

	UK Southern North Sea		Dutch Southern North Sea		Norway		Uganda	
	For the year ended 31 December 2015	For the year ended 31 December 2016	For the year ended 31 December 2015	For the year ended 31 December 2016	For the year ended 31 December 2015	For the year ended 31 December 2016	For the year ended 31 December 2015	For the year ended 31 December 2016
Production								
Oil production (bopd)	—	—	—	—	—	—	—	—
Condensate production (boepd)	—	—	—	—	—	—	—	—
Gas production (mcfd)	—	—	3,498.4	—	—	—	—	—
Total production (boepd)	—	—	583.1	—	—	—	—	—
Sales revenue (in millions of $)	—	—	8.8	—	—	—	—	—

5. Presentation of certain reserves and production information

Unless otherwise indicated, the oil and gas reserves data presented in this Prospectus is audited by and has been estimated by ERC Equipoise Limited ("**ERCE**"). ERCE is an independent reservoir evaluation company which has prepared its estimates in accordance with resource definitions jointly set out by the Society of Petroleum Engineers ("**SPE**"), the World Petroleum Council, the American Association of Petroleum Geologists and the Society of Petroleum Evaluation Engineers ("**SPEE**") in March 2007 in the "Petroleum Resources Management System" ("**PRMS**").

In this Prospectus, references to "commercial reserves" are to 2P reserves, which is the sum of the Group's proved reserves plus probable reserves. Pursuant to the classifications and definitions provided by the PRMS, "proved reserves" are those quantities of petroleum, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under defined economic conditions, operating methods, and government regulations. If deterministic methods are used, the term reasonable certainty is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate. "Probable reserves" are those additional reserves which analysis of geoscience and engineering data indicate are less likely to be recovered than proved reserves but more certain to be recovered than possible reserves. It is equally likely that actual remaining quantities recovered will be greater than or less than the sum of the estimated aggregate of proved reserves and probable reserves (2P). In this context, when probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the 2P estimate. "Possible

reserves" are those additional reserves which analysis of geoscience and engineering data suggest are less likely to be recoverable than probable reserves. The total quantities ultimately recovered from a project have a low probability to exceed the aggregate of proved reserved, probable reserves and possible reserves (3P), which is equivalent to the high estimate scenario. In this context, when probabilistic methods are used, there should be at least a 10% probability that the actual quantities recovered will equal or exceed the 3P estimate.

In this Prospectus, references to "contingent resources" are to 2C resources. Pursuant to the classifications and definitions provided by the PRMS, 2C resources denote the best estimate scenario of contingent resources (being those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable due to one or more contingencies) which is defined as the most realistic assessment of recoverable quantities if only a single result were reported. If probabilistic methods are used, there should be at least a 50% probability (P50) that the quantities actually recovered will equal or exceed the best estimate.

Unless otherwise indicated, all production figures are presented on a net to the Group's working interest basis. Where gross amounts are indicated, they are presented on a total basis (being the actual interest of the relevant licence holder in the relevant fields and licence areas without deduction for the economic interest of the Group's commercial partners, taxes or royalty interests or otherwise). The legal interest and effective working interest of the Group in the relevant fields and licence areas are disclosed separately in this Prospectus.

5.1. Hydrocarbon data

The ERCE Reports referred to in this Prospectus use the following estimates:

- oil in standard millions of barrels ("**mmbbl**") (a barrel being the equivalent of 42 US gallons);
- natural gas and natural gas liquids in billions of cubic feet ("**bcf**") at standard temperature and pressure bases; and
- liquid in standard millions of barrels of oil equivalent ("**mmboe**").

This Prospectus presents certain production and reserves related information on an "equivalency" basis. The conversion by the Company of data from tons into barrels and from cubic feet into boe may differ from that data used by other companies. The Company has assumed a conversion rate of 6 bcf to 1 mmboe. This conversion is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent value equivalencies at the wellhead. Although this conversion factor is an industry accepted convention, it is not reflective of price or market value differentials between product types.

There are a number of uncertainties inherent in estimating quantities of commercial reserves and contingent resources, including many factors beyond the Group's control.

The commercial reserves and contingent resources information as at 31 December 2016 in the ERCE Report dated 30 January 2017 represents only estimates and such estimates are forward looking statements which are based on judgments regarding future events that may be inaccurate. Estimation of commercial reserves and contingent resources is a subjective process of estimating underground accumulations of oil and natural gas that cannot be measured in an exact manner. The accuracy of any commercial reserves or contingent resources estimate is a function of a number of factors, many of which are beyond the Group's control, including the quality of available data, and involves engineering and geological interpretation and judgment. As a result, estimates of different engineers may vary. In addition, results of drilling, testing and production subsequent to the date of an estimate may justify revising the original estimate. Accordingly, due to the inherent uncertainties and the limited nature of reservoir data and the inherently imprecise nature of commercial reserves and contingent resources estimates, the initial commercial reserves and contingent resources estimates are often different from the quantities of oil and natural gas that are ultimately recovered. The meaningfulness of such estimates depends primarily on the accuracy of the assumptions upon which they were based. Thus, potential investors should not place undue reliance on the ability of the commercial reserves and contingent resources reports prepared by ERCE to predict actual commercial reserves and contingent resources or on comparisons of similar reports concerning other companies and this Prospectus should be accepted with the understanding that the Company's financial performance subsequent to the date of the estimates may necessitate revision of the commercial reserves and contingent resources information set forth herein. In addition, except to the extent that the Group acquires additional assets containing

commercial reserves or conducts successful exploration and development activities, or both, its commercial reserves will decline as they are produced.

Potential investors should note that the ERCE Reports have not estimated proved and probable reserves under the standards of reserves measurement applied by the SEC (the "**SEC Basis**") for any of the relevant periods reviewed in this Prospectus, or otherwise. The SEC Basis differs from PRMS.

5.2. Presentation in ERCE Reports

ERCE has prepared assessments of the Group's asset base as at 31 December 2014, 2015 and 2016 and presented its estimates of commercial reserves and contingent resources in reports dated 21 January 2015, 22 January 2016 and 30 January 2017 respectively (each an "**ERCE Report**" or, collectively, the "**ERCE Reports**").

The technical personnel responsible for preparing the reserve estimates at ERCE meet the requirements regarding qualifications, independence, objectivity and confidentiality set forth in the Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information promulgated by the SPE. ERCE is an independent firm of petroleum engineers, geologists, geophysicists and petrophysicists. It does not own an interest in the Group's assets and is not employed on a contingent fee basis.

6. Commercial and joint venture partners

In this Prospectus, descriptions of the Group's activities in relation to licences and assets in which it holds interests include, depending on the context, Tullow and its commercial and joint venture partners with interests in such licences and assets.

7. Rounding

Certain data in this Prospectus, including financial, statistical and operating information, has been rounded. As a result of the rounding, the totals of data presented in this Prospectus may vary slightly from the actual arithmetic totals of such data. Percentages in tables have been rounded and, accordingly, may not add up to 100 per cent. In addition, certain percentages presented in the tables in this Prospectus reflect calculations based upon the underlying information prior to rounding and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

8. Currency presentation and abbreviations

Unless otherwise indicated, all references in this Prospectus to "sterling", "pounds sterling", "GBP" or "£" are to the lawful currency of the United Kingdom. The abbreviations "£m" or "£ million" represent millions of pounds sterling, and references to "pence" and "p" represent pence in pounds sterling. All references to the "euro" or "€" are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the treaty establishing the European Community, as amended. All references to "US dollars", "$" or "US$" are to the lawful currency of the United States.

This Prospectus presents the Group's outstanding commitments and outstanding balances as at 31 December 2016 under the Norwegian Facility, which is denominated in Norwegian Krone. This Prospectus provides a convenience translation into US dollars at the rate published by Oanda as at 31 December 2016 (NOK 8.64155 per US dollar 1.0000).

This Prospectus provides a convenience translation of certain pounds sterling amounts into US dollar amounts on 16 March 2017 based on the exchange rate of £1.00 = $1.2363, being the relevant exchange rate published by Bloomberg as at 4.30 p.m. on 16 March 2017.

9. No profit forecast

No statement in this Prospectus is intended as a profit forecast and no statement in this Prospectus should be interpreted to mean that earnings per Ordinary Share for the current or future financial years would necessarily match or exceed the historical published earnings per Ordinary Share.

10. Historical exchange rate information

The table below shows the high, low, average and period-end exchange rates of the pound sterling per US dollar for each of the three years ended 31 December 2014, 2015 and 2016 and for each of the last two full months up to the Latest Practicable Date, expressed as the number of US dollars per £1.00 as published by Bloomberg. These rates may differ from the actual rates used in the preparation of the

Group's financial statements and other financial information appearing in this Prospectus. The average is calculated using the exchange rates set on each Business Day during the period.

	US dollar/pounds sterling			
Year ended 31 December	**High**	**Low**	**Average**	**Period-end**
2014	1.7166	1.5517	1.6476	1.5577
2015	1.5883	1.4632	1.5285	1.4736
2016	1.4877	1.2123	1.3554	1.2340
Month in 2017				
January	1.2634	1.2047	1.2353	1.2579
February	1.2659	1.2380	1.2488	1.2380

11. Enforcement of civil liabilities

The ability of a Shareholder who is resident in a jurisdiction outside the United Kingdom to bring an action against the Company may be limited under law. The Company is a public limited company incorporated, registered and headquartered in England and Wales. The rights of Shareholders are governed by English law (including the Companies Act) and by the Articles. These rights may differ from the rights of shareholders in US corporations and other non-UK corporations.

A Shareholder who is resident in a jurisdiction outside the United Kingdom may not be able to enforce a judgment against the Company or some or all of the Directors. The majority of the Directors are residents of the United Kingdom. Consequently, it may not be possible for a Shareholder who is resident in a jurisdiction outside the United Kingdom to effect service of process upon the Company or the Directors within such Shareholder's country of residence or to enforce against the Company or the Directors judgments of courts of such Shareholder's country of residence based on civil liabilities under that country's securities laws.

There can be no assurance that such Shareholders will be able to enforce any judgments in civil and commercial matters or any judgments under the securities laws of countries other than England against the Company or the Directors who are residents of countries other than those in which judgment is made.

In addition, English or other courts may not impose civil liability on the Directors in any original action based solely on foreign securities laws brought against the Company or the Directors in a court of competent jurisdiction in England or other countries.

12. References to time

Unless otherwise stated, all references to time in this Prospectus are to the time in London, United Kingdom.

13. Defined terms and glossary

Capitalised terms used in this document are defined in Part 12 of this document. In addition, certain technical terms are described in Part 13 of this document.

14. No incorporation by reference of information contained on websites.

Without prejudice to the documents incorporated by reference into this Prospectus, which will be made available on the Company's website (www.tullowoil.com), neither the contents of the Company's website nor of any website accessible via hyperlink from the Company's website, are incorporated into, or form part of, this Prospectus and potential investors should not rely on them.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Event	Time/Date
Announcement of the Rights Issue	7.00 a.m. on 17 March 2017
Publication of the Prospectus	17 March 2017
Latest time and date for receipt of Forms of Proxy and electronic proxy appointments via the CREST system	**11.00 a.m. on 3 April 2017**
Record Date for entitlements under the Rights Issue	6.00 p.m. on 3 April 2017
General Meeting	**11.00 a.m. on 5 April 2017**
Provisional Allotment Letters despatched (to Qualifying Non-CREST Shareholders only)	5 April 2017
Admission of the New Ordinary Shares, nil paid	8.00 a.m. on 6 April 2017
Commencement of dealings in the New Ordinary Shares, nil paid, on the main markets of the London Stock Exchange and the Irish Stock Exchange	8.00 a.m. on 6 April 2017
Special Dealing Service open for applications	8.00 a.m. on 6 April 2017
Existing Ordinary Shares marked "ex-rights" by the London Stock Exchange, the Irish Stock Exchange and the Ghana Stock Exchange	8.00 a.m. on 6 April 2017
Nil Paid Rights credited to stock accounts in CREST (Qualifying CREST Shareholders only)	as soon as possible after 8.00 a.m. on 6 April 2017
Nil Paid Rights and Fully Paid Rights enabled in CREST	as soon as possible after 8.00 a.m. on 6 April 2017
Latest time and date for requesting Cashless Take-up or disposal of rights using the Special Dealing Service	3.00 p.m. on 13 April 2017
Recommended latest time and date for requesting withdrawal of Nil Paid Rights or Fully Paid Rights from CREST (i.e. if your Nil Paid Rights or Fully Paid Rights are in CREST and you wish to convert them into certificated form)	4.30 p.m. on 18 April 2017
Recommended latest time and date for depositing renounced Provisional Allotment Letters, nil paid or fully paid, into CREST or for dematerialising Nil Paid Rights or Fully Paid Rights into a CREST stock account	3.00 p.m. on 19 April 2017
Latest time and date for splitting Provisional Allotment Letters, nil paid or fully paid	3.00 p.m. on 20 April 2017
Latest time and date for acceptance, payment in full and registration of renounced Provisional Allotment Letters	**11.00 a.m. on 24 April 2017**
Expected date of announcement of the results of the Rights Issue	by 8.00 a.m. on 25 April 2017
Listing of the New Ordinary Shares on the main market of the Ghana Stock Exchange and commencement of dealings in the New Ordinary Shares, fully paid, on the main markets of the London Stock Exchange, the Irish Stock Exchange and the Ghana Stock Exchange	8.00 a.m. on 25 April 2017
New Ordinary Shares credited to CREST stock accounts	as soon as possible after 8.00 a.m. on 25 April 2017
Expected date of despatch of definitive share certificates for New Ordinary Shares in certificated form	by 2 May 2017

Notes:

(1) All references to time in this document are to London time unless otherwise stated.

(2) Each of the times and dates set out in the expected timetable of principal events above and mentioned in this Prospectus, the Provisional Allotment Letter and in any other document issued in connection with the Rights Issue is indicative only and may be changed by the Company, in which event details of the new times and dates will be notified to the UK Listing Authority, the London Stock Exchange, the Irish Stock Exchange, the Ghana Stock Exchange and, where appropriate, Shareholders. An announcement by the Company will also be made on a Regulatory Information Service. In particular, in the event that withdrawal rights arise under section 87Q of FSMA prior to Admission, the Company may agree to defer Admission until such time as such withdrawal rights no longer apply. Notwithstanding the foregoing, Shareholders may not receive any further written communication.

(3) The ability to participate in the Rights Issue is subject to certain restrictions relating to Qualifying Shareholders with registered addresses or located in jurisdictions outside the UK and Ireland, details of which are set out in paragraph 8 of Part 3 of this document.

(4) It should be noted that if Admission does not occur, all conditional dealings will be of no effect and any such dealings will be at the sole risk of the parties concerned.

ISSUE STATISTICS

Issue Price per New Ordinary Share	130 pence
Discount of Issue Price to the Closing Price of 237.3 pence per Ordinary Share on 16 March 2017	45.2%
Basis of Rights Issue	25 New Ordinary Shares for every 49 Existing Ordinary Shares
Number of Existing Ordinary Shares in issue as at the Latest Practicable Date	915,174,420
Number of New Ordinary Shares to be provisionally allotted pursuant to the Rights Issue(1)	466,925,724
Enlarged Issued Share Capital immediately following completion of the Rights Issue(1)	1,382,100,144
New Ordinary Shares as a percentage of the Enlarged Issued Share Capital immediately following completion of the Rights Issue(1)	33.8%
Gross proceeds of the Rights Issue	approximately £607 million (equivalent to $750 million at an exchange rate of £1.00 = $1.2363 on 16 March 2017)
Estimated expenses of the Rights Issue	approximately £22 million (equivalent to $27 million at an exchange rate of £1.00 = $1.2363 on 16 March 2017)
Estimated net proceeds of the Rights Issue	approximately £586 million (equivalent to $724 million at an exchange rate of £1.00 = $1.2363 on 16 March 2017)

Note:

(1) Assuming no further Ordinary Shares are issued by the Company between the Latest Practicable Date (including pursuant to the exercise of any options or awards under any Tullow Share Scheme or the conversion of any Convertible Bonds) and completion of the Rights Issue other than the New Ordinary Shares.

DIRECTORS, COMPANY SECRETARY, REGISTERED OFFICE AND ADVISERS

Directors	Simon Robert Thompson, *Non-Executive Chairman* Aidan Joseph Heavey, *Chief Executive Officer* Ian Springett, *Chief Financial Officer* Paul McDade, *Chief Operating Officer* Angus Murray McCoss, *Exploration Director* Ann Grant, *Senior Independent Non-Executive Director* Kofi Tutu Agyare, *Non-Executive Director* (known as Tutu Agyare) Stephen Charles Burrard-Lucas, *Non-Executive Director* (known as Steve Lucas) Anne Drinkwater, *Non-Executive Director* Jeremy Richard Wilson, *Non-Executive Director* Michael Christopher Daly, *Non-Executive Director*
Company secretary	Kevin Massie
Registered office	9 Chiswick Park 566 Chiswick High Road London W4 5XT
Joint Global Coordinator, Joint Bookrunner, Joint Sponsor, Underwriter and Joint Corporate Broker	Barclays Bank PLC, acting through its investment bank 5 The North Colonnade London E14 4BB
Joint Global Coordinator, Joint Bookrunner, Joint Sponsor and Underwriter	J.P. Morgan Securities plc 25 Bank Street London E14 5JP
Joint Bookrunner, Joint Corporate Broker and Underwriter	Morgan Stanley & Co. International plc 25 Cabot Square London E14 4QA
Co-Bookrunner and Underwriter	BNP PARIBAS 16, boulevard des Italiens 75009 Paris France
Co-Bookrunner and Underwriter	Crédit Agricole Corporate and Investment Bank 12 place des Etats Unis 92120 Montrouge France
Co-Bookrunner and Underwriter	Société Générale 29 boulevard Haussmann 75009 Paris France
Co-Lead Manager	DNB Markets, a part of DNB Bank ASA Dronning Eufemias gate 30 NO-0021 Oslo Norway

Co-Lead Manager	ING Bank N.V. Bijlmerplein 888 1102 MG Amsterdam The Netherlands
Co-Lead Manager	Natixis 30, avenue Pierre Mendès-France 75013 Paris France
Co-Lead Manager	Nedbank Limited, acting through its corporate and investment bank Millennium Bridge House 2 Lambeth Hill London EC4V 4GG
Irish Sponsor and Irish Broker	J&E Davy Davy House 49 Dawson Street Dublin 2 Ireland
Legal adviser to Tullow as to English law	Dickson Minto W.S. Broadgate Tower London EC2A 2EW
Legal adviser to Tullow as to US law	Troutman Sanders LLP 401 9th Street, N. W. Suite 1000 Washington, D.C. 20004
Legal adviser to Tullow as to Irish law	Matheson 70 Sir John Rogerson's Quay Dublin 2 Ireland
Legal adviser to the Underwriters and the Irish Sponsor as to English law and US law	Ashurst LLP Broadwalk House 5 Appold Street London EC2A 2HA
Legal adviser to the Underwriters and the Irish Sponsor as to Irish law	A&L Goodbody IFSC North Wall Quay Dublin 1 Ireland
Auditor and reporting accountant	Deloitte LLP Hill House 2 New Street Square London EC4A 3BZ
Receiving agent	Computershare Investor Services PLC Corporate Actions Projects Bristol BS99 6AH
Registrar	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol BS13 8AE

PART 1

LETTER FROM THE CHAIRMAN OF TULLOW

Tullow Oil plc

(Incorporated in England and Wales with registered number 03919249)

Directors:
Simon Thompson, Non-Executive Chairman
Aidan Heavey, Chief Executive Officer
Ian Springett, Chief Financial Officer
Paul McDade, Chief Operating Officer
Angus McCoss, Exploration Director
Ann Grant, Senior Independent Director
Tutu Agyare, Non-Executive Director
Steve Lucas, Non-Executive Director
Anne Drinkwater, Non-Executive Director
Jeremy Wilson, Non-Executive Director
Mike Daly, Non-Executive Director

Registered Office:
9 Chiswick Park
566 Chiswick High Road
London
W4 5XT

17 March 2017

To Shareholders and, for information only, to participants in the Tullow Share Schemes and the holders of Convertible Bonds

Dear Shareholder

Proposed 25 for 49 Rights Issue of 466,925,724 New Ordinary Shares at an Issue Price of 130 pence per share

and

Admission of 466,925,724 New Ordinary Shares in connection with the Rights Issue (i) to the premium listing segment of the Official List of the UK Listing Authority, (ii) to the secondary listing segment of the Official List of the Irish Stock Exchange, (iii) to trading on the London Stock Exchange's main market for listed securities, (iv) to trading on the Irish Stock Exchange's main market for listed securities, and (v) to listing and trading on the main market of the Ghana Stock Exchange

and

Notice of General Meeting

1. Introduction

The Company announced today that it intends to raise approximately £607 million (equivalent to $750 million at an exchange rate of £1.00 = $1.2363 on 16 March 2017, being the last Business Day prior to the announcement of the Rights Issue) (approximately £586 million net of all expected issue costs and expenses (equivalent to $724 million at an exchange rate of £1.00 = $1.2363 on 16 March 2017)) by way of a Rights Issue, consisting of the issue of 466,925,724 New Ordinary Shares in aggregate at an issue price of 130 pence per New Ordinary Share.

The Issue Price represents a discount of approximately 45.2 per cent. to the Closing Price of 237.3 pence per Ordinary Share on 16 March 2017 and an approximate 35.3 per cent. discount to the theoretical ex-rights price of 201.1 pence per New Ordinary Share calculated by reference to the Closing Price on the same day.

The Rights Issue is fully underwritten by the Underwriters.

The Rights Issue is conditional upon, amongst other things, the passing of the Resolutions by Shareholders at a General Meeting, the Underwriting Agreement becoming unconditional in all respects (save for the condition relating to Admission) and not having been terminated, and Admission becoming effective by no later than 8.00 a.m. on 6 April 2017. Accordingly, Shareholders will be asked to approve the Resolutions at the General Meeting which has been convened for 11.00 a.m. on 5 April 2017 at the Company's offices at 9 Chiswick Park, 566 Chiswick High Road, London W4 5XT. Notice of the General

Meeting is set out at the end of this document and details of the Resolutions are set out in paragraph 12 of this letter.

The purpose of this document is to explain the background to and reasons for the Rights Issue, to set out the terms and conditions of the Rights Issue and to provide Shareholders with notice of the General Meeting. This document also explains why the Rights Issue and the passing of the Resolutions at the General Meeting are considered by the Board to be in the best interests of the Company and Shareholders as a whole.

The Board unanimously recommends that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting, as each Director intends to do in respect of their own holding of Ordinary Shares.

2. Background to and reasons for the Rights Issue

Tullow is an exploration-led E&P company with a large portfolio of high quality exploration, development and producing assets located primarily in Africa and South America.

The Group's strategy has remained consistent: investing cash flow from its producing assets to fund exploration for oil, which can then be monetised through development, farm-down or sale at an appropriate stage during the life-cycle of the asset. The successful execution of this strategy by the Group is best evidenced by the Group's track record in West and East Africa. In Ghana, after discovering the large Jubilee and TEN fields, the Group successfully brought these assets into production, turning them into material and substantial cash flow generators for the Group. In Uganda, the Group has discovered material oil and gas contingent resources since 2006 which have been monetised on two occasions, through a farm-down to Total SA and CNOOC in 2012 during the appraisal stage, and a further farm-down as first announced on 9 January 2017 (which remains to be completed) to Total Uganda and CNOOC Uganda just prior to entering the development stage of the asset. In Kenya, following its first significant discoveries in 2012, the Company continues to explore and appraise its basin opening discoveries in the South Lokichar Basin, with a view to monetising this significant resource base as the project moves towards sanctioning of its development and beyond.

In early 2014, the Group recognised that the oil and gas sector was undergoing a period of significant change, with the rise of the US shale industry and the cost of both development and deep-water exploration challenging existing industry models. In response to such changes, the Company acknowledged the need to adapt its business model and started a thorough review of its internal processes, capital allocation policy and exploration strategy. When the oil price fell during 2014, from its high of $115.06/bbl to a low of $57.33/bbl, the Company was quick to take action to adjust its operational approach to the lower oil price environment and undertook a series of critical operational actions to re-set and streamline its business. Such actions included the following:

—Implementing its Major Simplification Project: The Group developed and implemented its Major Simplification Project ("**MSP**") which was designed to reorganise its business, simplify and enhance operational and business management, risk and performance management, and provide clarity on accountabilities, with the aim of enhancing a cost conscious and value focused culture, as well as generating substantial cost savings, whilst preserving core capabilities. The MSP has resulted in a restructured business with a significantly lower head count (reduced by approximately 44 per cent. between 2014 and 2016), and is on target to generate savings of approximately $600 million by mid-2018, ahead of the Company's initial target of $500 million, with savings of approximately $300 million having been achieved between 1 July 2015 and 31 December 2016.

—Re-allocation of capital expenditure to low cost, high margin producing assets in West Africa and reduction of exploration and appraisal expenditure: Tullow elected to focus its capital expenditure on low cost, high margin producing assets in West Africa to preserve its short and medium term cash flow. This resulted in sustained expenditure on the Jubilee and TEN fields and lower expenditure on Tullow's non-operated West African portfolio in Congo (Brazzaville), Côte d'Ivoire, Equatorial Guinea, Gabon and Mauritania. Tullow also reduced its annual exploration and appraisal expenditure, reducing from a peak of approximately $1 billion in 2012 to $82 million in 2016 as a result of both proactive discretionary capital expenditure management and the lower cost environment. The Group's capital expenditure associated with operating activities is expected to reduce from $0.9 billion in 2016 to $0.5 billion in 2017.

—Refocusing Tullow's exploration strategy: Tullow adapted its exploration strategy as a reaction to higher industry costs, lower oil prices and a review of its 2012-14 offshore exploration campaigns.

Under its revised strategy, the Group decided to cease drilling high cost complex wells and applies greater strategic focus on those exploration opportunities that offer the best balance between technical risk and cost while ensuring that the potential commerciality on discovery of the targeted prospects is high. The Group decided to reduce its exploration expenditure, high-grade its portfolio and farm-down licences to an appropriate equity interest before drilling (whilst maintaining operatorship where possible). The Group is also focused on drilling close to its core areas of discovery, and on commercial and financial screening of all new potential licences. The Directors believe that the Group's exploration-led strategy to discover commercial oil remains a significant driver of value.

—Selling a series of non-core assets and withdrawing from lower margin gas to power development projects in Mauritania and Namibia: The Group determined that the sale of non-core assets was appropriate to ensure that capital was recycled into the core activities of the Group that generated, or had the potential to generate, the most attractive rates of return. As a result, the Group sold all of its interests in Norway (with the majority of such sales having been completed by 31 December 2016) and also disposed of several non-core assets in the UK and Netherlands, and withdrew from gas to power development projects in Namibia and Mauritania.

Together with this revised approach to operations, Tullow was supported by a solid financial strategy, based on the following:

—Execution of its commodity price hedging programmes: Since 2001, Tullow has continued to enter into commodity price hedging contracts on a rolling basis. In 2015 and 2016 the Group had hedge receipts (net of premium) of $363 million and $365 million respectively. The Group's derivative instruments had a net positive fair value of $91 million as at 31 December 2016 and Tullow will benefit from approximately 60 per cent. of its entitlement oil production hedged at an average floor price of around $60/bbl and approximately 30 per cent. of its entitlement oil production hedged at an average floor price of around $52/bbl on a pre-tax basis in 2017 and 2018 respectively.

—Maintaining adequate financial headroom: Since 2012, the Group has undertaken a number of initiatives to ensure it retains adequate liquidity from a diverse range of funding sources. These initiatives included raising the covenant headroom under the RBL Facilities and the Corporate Facility to ensure continued compliance in a lower oil price environment, securing additional commitments under the RBL Facilities and the Corporate Facility, as well as extending the maturity of the Corporate Facility. In addition, the Group issued $650 million of 2020 Senior Notes, $650 million of 2022 Senior Notes and $300 million of Convertible Bonds. As demonstrated by the success of these initiatives, the Company has maintained strong relationships with its debt capital providers. As at 31 December 2016, the Company had net debt of approximately $4.8 billion and unutilised debt capacity of $875 million and free cash of $121 million. The Group continuously monitors opportunities in the debt capital markets and, from time to time, may engage in debt capital markets transactions to further diversify its capital structure, financing sources and debt maturities.

—Reducing future committed capital expenditure through strategic actions: In the low oil price environment the focus of the Group has been on reducing aggregate capital investment and allocating capital towards near term cash generative production and development assets. Tullow has further reduced capital spend in its portfolio by managing its portfolio of assets. Following completion of the farm-down of assets in Uganda to Total Uganda and CNOOC Uganda first announced in January 2017, the Group expects that its estimated share of pre-first oil upstream and pipeline capital expenditure associated with the Uganda development project will be funded by the deferred consideration payable by Total Uganda and CNOOC Uganda under the farm-down (assuming completion occurs). Having delivered the TEN development on time and on budget, near term capital expenditure associated with operating activities is expected to decrease from $0.9 billion in 2016 to $0.5 billion in 2017, which includes Uganda expenditure of $125 million which will be offset by the Uganda farm-down deferred consideration following completion of that farm-down.

3. The Rights Issue and use of proceeds

As a result of these operational and financial measures, the Group has re-set and streamlined its business for low oil prices. However, the combination of low oil prices and the significant development expenditure required by the TEN development has resulted in the Group's gearing exceeding its policy of less than 2.5x net debt/Adjusted EBITDAX. Although Tullow began to generate free cash flow in the final quarter of 2016 as the TEN development started production and commenced repayment of its debt, as at 31 December 2016 the Group's gearing remained high at 5.1x net debt/Adjusted EBITDAX.

Tullow has continued to generate free cash flow and repay its debt since 31 December 2016. However, in light of its high level of debt and the resultant lack of financial flexibility, the Group intends to accelerate the reduction of its debt towards its gearing policy of less than 2.5x net debt/Adjusted EBITDAX through a combination of the receipt of net proceeds of approximately £586 million (equivalent to $724 million at an exchange rate of £1.00 = $1.2363 on 16 March 2017) from the Rights Issue, improving cash flow from production growth, and value enhancing portfolio management activities, including future asset sales and farm-downs.

The Directors believe this stepped reduction of debt will improve Tullow's financial and operational flexibility, and enable growth within the next three to five years by allowing the Group to: (i) invest in further infill drilling opportunities in both its operated and non-operated portfolio, (ii) undertake exploration and appraisal around the Jubilee and TEN fields to further develop the high return near field resource base, (iii) undertake further exploration and appraisal activity in Kenya to further prove up the resource base, (iv) drill high impact, potentially high return prospects across Tullow's African and South American portfolio, and (v) take advantage of other opportunities that industry conditions offer.

The Board has given careful consideration to the structure and quantum of the proposed fundraising and has concluded that the most appropriate structure for the Company and its Shareholders at this time is the Rights Issue to raise gross proceeds of approximately £607 million (equivalent to $750 million at an exchange rate of £1.00 = $1.2363 on 16 March 2017). The Rights Issue provides an opportunity for Qualifying Shareholders (subject to certain exceptions) to participate in the fundraising by taking up their rights to subscribe for their respective entitlements to New Ordinary Shares.

The Directors believe that the proposed Rights Issue is in the best interests of Shareholders and the Directors recommend that Shareholders vote in favour of each of the Resolutions at the General Meeting.

4. Principal terms and conditions of the Rights Issue

The Company is proposing to raise gross proceeds of approximately £607 million (equivalent to $750 million at an exchange rate of £1.00 = $1.2363 on 16 March 2017) (approximately £586 million net of expenses (equivalent to $724 million at an exchange rate of £1.00 = $1.2363 on 16 March 2017)) by issuing 466,925,724 New Ordinary Shares under the Rights Issue, representing approximately 51.0 per cent. of the Company's Existing Ordinary Shares. The Rights Issue is fully underwritten by the Underwriters, subject to certain customary conditions.

The Issue Price of 130 pence per New Ordinary Share was set having regard to the prevailing market conditions and the size of the Rights Issue and represents a discount of approximately 45.2 per cent. to the Closing Price of 237.3 pence per Ordinary Share on 16 March 2017 (being the last Business Day before the announcement of the Rights Issue) and an approximate 35.3 per cent. discount to the theoretical ex-rights price of 201.1 pence per New Ordinary Share calculated by reference to the Closing Price on the same day. The Board believes that both the Issue Price and the discount are appropriate.

Subject to, among other things, the fulfilment of the conditions described below, Tullow will offer 466,925,724 New Ordinary Shares to Qualifying Shareholders (subject to certain exceptions) at the Issue Price of 130 pence per New Ordinary Share, payable in full on acceptance. The Rights Issue will be offered on the basis of:

25 New Ordinary Shares for every 49 Existing Ordinary Shares

held on the Record Date, and so in proportion to any other number of Existing Ordinary Shares then held and otherwise on the terms and conditions set out in this document. Qualifying Shareholders with registered addresses in the United States or in any of the Restricted Territories will not be sent Provisional Allotment Letters and Qualifying Shareholders in such territories will not have their CREST stock accounts credited with Nil Paid Rights, except where Tullow and the Joint Global Coordinators are satisfied that such action would not result in the contravention of any registration or other legal or regulatory requirement in such jurisdiction.

Where necessary, fractional entitlements to New Ordinary Shares will be rounded down to the nearest whole number and fractional entitlements will not be allotted to Qualifying Shareholders but will be aggregated and, if possible, sold in the market as soon as possible after the commencement of dealings in the New Ordinary Shares, nil paid. The net proceeds of such sales (after deduction of expenses) will accrue for the benefit of Tullow. Holdings of Existing Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purposes of calculating entitlements under the Rights Issue.

The New Ordinary Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including for all dividends or distributions made, paid or declared after completion of the Rights Issue.

The Rights Issue is conditional, among other things, upon:

- the passing of the Resolutions at the General Meeting without material amendment;
- Admission becoming effective by not later than 8.00 a.m. on 6 April 2017 (or such later time and/or date as the Company and the Joint Global Coordinators may agree); and
- the Underwriting Agreement having become unconditional in all respects (save for the condition relating to Admission) and not being terminated in accordance with its terms before Admission occurs.

Prior to Admission, the Joint Global Coordinators may terminate the Underwriting Agreement in certain defined circumstances. Following Admission, the Underwriting Agreement cannot be terminated.

A Qualifying Shareholder who does not, or who is not permitted to, take up any of their rights to New Ordinary Shares under the Rights Issue will have their proportionate shareholding in Tullow diluted by approximately 33.8 per cent. as a result of the Rights Issue. A Qualifying Shareholder who is permitted to and does take up all of their rights to New Ordinary Shares under the Rights Issue will, subject to the rounding down and sale of fractional entitlements, not be diluted as a result of the Rights Issue.

Some questions and answers in relation to the Rights Issue together with further terms and conditions of the Rights Issue, including the procedure for application and payment, are set out in Parts 2 and 3 of this document and, where relevant, will be set out in the Provisional Allotment Letter.

5. Summary information on the Tullow Group

Tullow is a leading independent oil and gas exploration and production company focused on finding and monetising oil primarily in Africa and South America. The Company has a successful track record of basin opening exploration and monetising discovered resources, both through developments (such as low cost, high margin oil projects offshore Ghana) and through farm-downs or asset sales (such as those carried out by the Group in Uganda).

Tullow has interests in 102 licences across 18 countries, covering exploration, development and production activities.

The Group's key producing assets (the Jubilee and TEN fields) are located offshore Ghana and are operated by the Group. The Group also has non-operated producing assets in Congo (Brazzaville), Côte d'Ivoire, Equatorial Guinea, Mauritania, Gabon, the United Kingdom and the Netherlands. In addition, the Group has material development assets in Uganda and Kenya. Tullow's exploration portfolio is focused primarily on Africa and South America.

The Group's average daily production (oil and gas) on a working interest basis for the 12 month period ended 31 December 2016 was 67,100 boepd (71,700 boepd including 4,600 bopd of production-equivalent barrels in respect of insurance payments received in relation to the Group's operations at the Jubilee field), and its net 2P reserves and net 2C resources were 303.7 mmboe and 890.2 mmboe, respectively, as at 31 December 2016, prior to the announced farm-down of a substantial portion of the Group's interests in Uganda. The Group's pro forma post Uganda farm-down net 2P reserves and net 2C resources would have been 303.7 mmboe and 569.4 mmboe, respectively, as at 31 December 2016.

Further detailed information on the Tullow Group is provided in, or incorporated by reference into, subsequent parts of this Prospectus, in particular Parts 4, 5, 6, 7, 9, 10 and 11.

6. Current trading, prospects and trends

On 7 March 2017, the Company published its Annual Report 2016 which contains the Group's audited financial statements for the financial year ended 31 December 2016 which are incorporated by reference into this document.

As disclosed in those financial statements, the Group generated sales revenue of $1.3 billion (2015: $1.6 billion) and operating cash flow before working capital of $0.8 billion (2015: $1.0 billion) in respect of the 2016 Financial Year. The Group's underlying cash operating costs were $0.4 billion (2015: $0.4 billion) and there were no material changes in the Group's inventory during the 2016 Financial Year. However, as a result of a number of non-cash charges the Group reported a loss after tax of $0.6 billion in respect of the 2016 Financial Year. These non-cash charges included exploration write-offs associated with the Uganda and Norway disposals, goodwill impairment associated with the Norway

disposal, a charge for onerous service contracts and impairment of property, plant and equipment as a result of increased forecast decommissioning costs and the low oil price environment.

Since 31 December 2016 oil prices have remained generally stable, with an average ICE Brent Crude oil price of $55.74/bbl during the period from 1 January 2017 to 28 February 2017. During the year to date, the Group's underlying cash operating costs per barrel are materially in line with those achieved during the 2016 Financial Year.

On 5 January 2017, the Company announced that its Chief Financial Officer, Ian Springett, was taking an extended leave of absence in order to undergo treatment for a medical condition and that the Company had appointed Les Wood as Interim Chief Financial Officer.

On 9 January 2017, the Company announced that it had agreed a substantial farm-down of its assets in Uganda to Total Uganda for a total consideration of $900 million.

On 11 January 2017, the Company announced a number of changes to the Board which are expected to take effect immediately following the annual general meeting of the Company which will take place on 26 April 2017.

On 17 January 2017, the Company announced that the Erut-1 well in Block 13T, northern Kenya, had discovered a gross oil interval of 55 metres with 25 metres of net oil pay at a depth of 700 metres. The overall oil column for the field is estimated to be 100 to 125 metres.

On 7 February 2017, the Group agreed a one year maturity extension of its Corporate Facility from April 2018 to April 2019.

Further information on these matters is set out in Parts 4 and 7 of this document. Save as set out above, the Group is not aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Group's prospects during the financial year ending 31 December 2017.

7. Financial impact of the Rights Issue

The Rights Issue will result in an increase in cash of the Company of approximately £586 million (equivalent to $724 million at an exchange rate of £1.00 = $1.2363 on 16 March 2017) with a corresponding increase in the net assets of the Company. The receipt of the net proceeds of the Rights Issue will reduce the Group's net debt.

8. Dividend policy

In 2015 Tullow suspended the payment of dividends as a result of the fall in oil prices and the resultant impact on the Group's earnings and cash flow. As announced on 8 February 2017, the Board has recommended that no final dividend be paid in respect of the 2016 Financial Year (2015: nil; 2014: 4 pence). The Board recognises that dividends are seen as an important component of equity returns by many Shareholders. However, at a time when the Company is focusing on capital allocation, financial flexibility and cost reductions, the Board currently believes that the Company and its Shareholders are better served by retaining funds in the business. The Board is committed to resuming dividend payments when it is prudent to do so. The Directors' decision as to when to declare a dividend and the amount to be paid will take into account, among other things, the Group's underlying earnings, cash flows, balance sheet leverage and financial flexibility at the relevant time.

9. The Tullow Share Schemes

The options and awards granted under the Tullow Share Schemes may be adjusted in such a way as the Remuneration Committee considers appropriate to compensate participants for any effect the Rights Issue will have on those option and awards (as permitted by the rules of the relevant Tullow Share Scheme). Any adjustments will not be made until after Admission and will be subject to any approvals required under the rules of the relevant Tullow Share Schemes, including the approval of HMRC where required. None of the options or awards granted under the Tullow Share Schemes will vest as a result of the Rights Issue. Participants in the Tullow Share Schemes will be contacted separately with further information on how their options and awards may be affected by the Rights Issue.

10. The Convertible Bonds

Holders of the Convertible Bonds will be advised separately of any adjustments to their rights under the Convertible Bonds as a result of the Rights Issue.

11. Admission of the New Ordinary Shares

The Existing Ordinary Shares are admitted to trading on the main markets for listed securities of the London Stock Exchange, the Irish Stock Exchange and the Ghana Stock Exchange. Applications will be made to the UK Listing Authority and the London Stock Exchange for the New Ordinary Shares to be admitted to the premium listing segment of the Official List of the UK Listing Authority and to trading (nil and fully paid) on the main market for listed securities of the London Stock Exchange. Applications will also be made to the Irish Stock Exchange for the New Ordinary Shares to be admitted to the secondary listing segment of the Official List of the Irish Stock Exchange and to trading (nil and fully paid) on the Irish Stock Exchange's main market for listed securities. Applications will also be made to the Ghana Stock Exchange and the Ghana SEC for the New Ordinary Shares (fully paid) to be admitted to listing and trading on the main market of the Ghana Stock Exchange. It is expected that Admission will occur on 6 April 2017, when dealings for normal settlement in the New Ordinary Shares on the main markets of the London Stock Exchange and the Irish Stock Exchange, nil paid, are expected to commence.

The Existing Ordinary Shares are already admitted to CREST. It is expected that all of the New Ordinary Shares, when issued and fully paid, will be capable of being held and transferred by means of CREST.

The New Ordinary Shares will trade under ISIN GB0001500809 and the SEDOL number of the New Ordinary Shares is 0150080. The ISIN for the Nil Paid Rights is GB00BF0BYM74 and the ISIN for the Fully Paid Rights is GB00BF0BYN81.

12. The General Meeting

12.1. General

You will find set out at the end of this document a notice convening a general meeting of Tullow which is to be held at the Company's offices at 9 Chiswick Park, 566 Chiswick High Road, London W4 5XT at 11.00 a.m. on 5 April 2017.

The General Meeting is being held for the purpose of considering and, if thought fit, passing the Resolutions. The Resolutions must be passed in order for the Rights Issue to proceed.

A summary and explanation of the Resolutions is set out below. However, you should read the summary of the Resolutions in conjunction with the full text of the Resolutions set out in the Notice of General Meeting at the end of this document.

12.2. The Resolutions

Resolution 1—Approval of the Rights Issue

Resolution 1 is an ordinary resolution requiring a simple majority of votes in favour. Resolution 1 proposes that the Rights Issue be approved and that the Directors be authorised to take all steps and enter into all agreements and arrangements necessary, expedient or desirable to implement the Rights Issue.

Resolution 2—Authority to allot the New Ordinary Shares

Resolution 2 is an ordinary resolution requiring a simple majority of votes in favour. Resolution 2 proposes that, subject to and conditional upon the passing of Resolution 1, the Directors be generally and unconditionally authorised to allot shares in Tullow up to a nominal amount of £46,692,572.40 (representing 466,925,724 Ordinary Shares) pursuant to, or in connection with, the Rights Issue. If granted, this authority will apply until the date falling three months after the passing of the Resolution.

Resolution 3—Disapplication of pre-emption rights for the issue of the New Ordinary Shares

Resolution 3 is a special resolution requiring at least 75 per cent. of votes in favour. Resolution 3 proposes that, subject to and conditional upon Resolutions 1 and 2 being duly passed, the Directors be given power to allot up to 466,925,724 new Ordinary Shares, representing approximately 51.0 per cent. of the Company's issued share capital as at the Latest Practicable Date and being the maximum number of New Ordinary Shares that could be allotted under the Rights Issue, as if section 561 of the Companies Act did not apply to such allotment. If granted, this authority will apply until the date falling three months after the passing of the Resolution.

13. Overseas Shareholders

The attention of Qualifying Shareholders who have registered addresses outside the United Kingdom or Ireland, or who are citizens of, or residents or located in, countries other than the United Kingdom or

Ireland, or who are holding Existing Ordinary Shares for the benefit of such persons (including, without limitation, nominees, custodians and trustees), or have a contractual or legal obligation to forward this document, the Form of Proxy or the Provisional Allotment Letter to such persons, is drawn to the information in paragraph 8 of Part 3 of this document.

New Ordinary Shares will be provisionally allotted (nil paid) to all Qualifying Shareholders, including Overseas Shareholders. However, subject to certain exceptions, Provisional Allotment Letters will not be sent to Qualifying Non-CREST Shareholders with registered addresses, or who are located, in the United States or any of the Restricted Territories, nor will the CREST stock accounts of Qualifying CREST Shareholders with registered addresses, or who are located, in the United States or any Restricted Territory be credited with Nil Paid Rights. Except as instructed otherwise by the Company or any of the Joint Global Coordinators, any person with a registered address, or who is located, in the United States or any Restricted Territory who obtains a copy of this Prospectus or a Provisional Allotment Letter is required to disregard them. The Company has made arrangements under which the Joint Bookrunners will try to find subscribers for the New Ordinary Shares provisionally allotted to such Qualifying Shareholders by 8.00 p.m. on 26 April 2017. If the Joint Bookrunners find subscribers and are able to achieve a premium over the Issue Price and the related expenses of procuring those subscribers (including any applicable brokerage and commissions and amounts in respect of VAT which are not recoverable), such Qualifying Shareholders will be sent a cheque for the amount of that aggregate premium above the Issue Price less such related expenses, so long as the amount in question is at least £5.00.

If any person in the United States or any Restricted Territory receives this Prospectus and/or a Provisional Allotment Letter, that person should not seek to, and will not be able to, take up his rights thereunder, except as described in paragraph 8 of Part 3 of this Prospectus. The provisions of paragraph 8 of Part 3 of this Prospectus will apply to Overseas Shareholders who cannot or do not take up the New Ordinary Shares provisionally allotted to them.

Notwithstanding any other provision of this Prospectus or the Provisional Allotment Letter, the Company reserves the right to permit any Qualifying Shareholder to take up their rights if the Company in its sole and absolute discretion is satisfied that the transaction in question will not violate applicable laws.

Qualifying Shareholders who have registered addresses outside the United Kingdom or Ireland or who are citizens of, or resident or located in, countries other than the United Kingdom or Ireland should consult their professional advisers as to whether they require any governmental or other consent or need to observe any other formalities to enable them to take up their entitlements in the Rights Issue.

14. Taxation

Certain information about UK and US taxation in relation to the Rights Issue is set out in Part 8 of this document. **If you are in any doubt as to your tax position, you should consult your own independent tax adviser without delay.**

15. Action to be taken

15.1. The General Meeting

Shareholders will find enclosed with this document a Form of Proxy for use in connection with the General Meeting.

Whether or not you intend to be present at the General Meeting, you are asked to complete and sign the Form of Proxy in accordance with the instructions printed on it and to return it to the Company's registrar, Computershare Investor Services PLC, at The Pavilions, Bridgwater Road, Bristol BS99 6ZY, as soon as possible and, in any event, so as to arrive not later than 11.00 a.m. on 3 April 2017.

You may also submit your proxies electronically at www.investorcentre.co.uk/eproxy.

If you hold Ordinary Shares in CREST, you may appoint a proxy by completing and transmitting a CREST Proxy Instruction to the Registrar, ID 3RA50, provided it is received no later than 11.00 a.m. on 3 April 2017.

The completion and return of a Form of Proxy (or the electronic appointment of a proxy) will not preclude you from attending the General Meeting and voting in person, if you so wish.

15.2. The Rights Issue

Qualifying Shareholders should read the terms and conditions of the Rights Issue set out in Part 3 of this document, particularly paragraphs 1 to 3 of that Part 3.

If you are a Qualifying Shareholder whose Existing Ordinary Shares are held in certificated form (that is, a Qualifying Non-CREST Shareholder) with a registered address outside the United States and the Restricted Territories (subject to certain exceptions), you will be sent a Provisional Allotment Letter giving you details of your Nil Paid Rights by post on or around 5 April 2017. If you are a Qualifying Shareholder whose Existing Ordinary Shares are held in uncertificated form (that is, a Qualifying CREST Shareholder), you will not be sent a Provisional Allotment Letter. Instead, provided that you have a registered address outside the United States and the Restricted Territories (subject to certain exceptions), you will receive a credit to your appropriate stock account in CREST in respect of Nil Paid Rights, which is expected to take place as soon as practicable after 8.00 a.m. on 6 April 2017.

If you sell or transfer, or have sold or otherwise transferred, all of your holding of Existing Ordinary Shares (other than ex-rights) held in certificated form before the Ex-Rights Date, please forward this document and any Provisional Allotment Letter, if and when received, at once to the purchaser or transferee or the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee, except that such documents should not be sent to any jurisdiction where to do so might constitute a violation of local securities laws or regulations, including, but not limited to, the United States and the Restricted Territories. If you sell or transfer, or have sold or otherwise transferred, only part of your holding of Existing Ordinary Shares (other than ex-rights) held in certificated form before the Ex-Rights Date, please consult immediately the stockbroker, bank or other agent through whom the sale or transfer was effected and refer to the instructions regarding split applications set out in Part 3 of this document and, if and when received, in the Provisional Allotment Letter.

If you sell or transfer, or have sold or otherwise transferred, all or some of your Existing Ordinary Shares (other than ex-rights) held in uncertificated form before the Ex-Rights Date, a claim transaction will automatically be generated by Euroclear which, on settlement, will transfer the appropriate number of Nil Paid Rights to the purchaser or transferee.

The latest time and date for acceptance and payment in full under the Rights Issue is 11.00 a.m. on 24 April 2017. The procedure for acceptance and payment is set out in Part 3 of this document and, if applicable, in the Provisional Allotment Letter.

For Qualifying Non-CREST Shareholders who take up their rights, the New Ordinary Shares will be issued in certificated form and will be represented by definitive share certificates, which are expected to be despatched by no later than 2 May 2017 to the registered address of the person(s) entitled to them.

For Qualifying CREST Shareholders who take up their rights, the Registrar will instruct CREST to credit the stock accounts in CREST of the Qualifying CREST Shareholders with their entitlements to New Ordinary Shares. It is expected that this will take place by 8.00 a.m. on 25 April 2017.

Qualifying CREST Shareholders who are CREST sponsored members should refer to their CREST sponsor regarding the action to be taken in connection with this document and the Rights Issue.

If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant, fund manager or other independent financial adviser authorised under FSMA if you are in the United Kingdom, or, if you are resident in Ireland, from a person, organisation or firm authorised or exempted pursuant to the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3) of Ireland or the Investment Intermediaries Act 1995 of Ireland, or, if you are resident in a territory outside the United Kingdom or Ireland, from another appropriately authorised independent financial adviser.

16. Further information and where to obtain further help

Your attention is drawn to the section entitled “Risk Factors” (on pages 20 to 52 of this document) and to the further information set out in Parts 4 to 11 of this document.

In addition, some frequently asked questions and answers to those questions are set out in Part 2 of this document.

You are advised to read all of the information contained in this document and the documents incorporated by reference, before deciding the action to take in respect of the General Meeting and the Rights Issue, and not to rely solely on the information contained in this letter.

The results of the votes cast at the General Meeting will be announced as soon as possible after the General Meeting through a Regulatory Information Service and on the Tullow website (www.tullowoil.com). It is expected that this will be by 6.00 p.m. on the day of the General Meeting.

If you have any questions relating to this Prospectus or the completion and return of the Form of Proxy or the Provisional Allotment Letter, please telephone Computershare on 0370 703 6242 (or if calling from outside the UK +44 370 703 6242). Calls may be recorded and randomly monitored for security and training purposes. Lines are open from 8.30 a.m. until 5.30 p.m. (London time) Monday to Friday (excluding English public holidays). The helpline cannot provide advice on the merits of the Rights Issue nor give any financial, legal or tax advice. Please note that, for legal reasons, the helpline is only able to provide information contained in this Prospectus and information relating to the Company's register of members.

17. Importance of your vote

As explained in paragraph 4 above, the Rights Issue is conditional upon, amongst other things, the Resolutions being passed by Shareholders at the General Meeting. Whether or not you intend to be present at the General Meeting, you are asked to vote in favour of the Resolutions in order for the Rights Issue to proceed.

The Company is of the opinion that, after taking into account the net proceeds of the Rights Issue and the Existing Finance Agreements, the Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of publication of this Prospectus.

The Company began to generate free cash flow in the final quarter of 2016 and has commenced repayment of its debt. The Directors believe that the stepped reduction of debt through, amongst other things, the proceeds of the Rights Issue will improve Tullow's financial and operational flexibility, and enable growth within the next three to five years by allowing the Group to: (i) invest in further infill drilling opportunities in both its operated and non-operated portfolio, (ii) undertake exploration and appraisal around the Jubilee and TEN fields to further develop the high return near field resource base, (iii) undertake further exploration and appraisal activity in Kenya to further prove up the resource base, (iv) drill high impact, potentially high return prospects across Tullow's African and South American portfolio, and (v) take advantage of other opportunities that industry conditions offer.

If the Resolutions are not passed and the Rights Issue does not proceed, the Company would be constrained in the scale of its future investment in exploration and appraisal activities which would therefore limit the Company's longer term growth prospects. Without the net proceeds of the Rights Issue, the Company would continue to execute its strategy and apply its cash flow, after production and development capital expenditure and limited exploration and appraisal capital expenditure, towards deleveraging but the Company would have reduced financial and operational flexibility to take advantage of growth opportunities and it would take longer to achieve the Company's gearing policy of less than 2.5x net debt/Adjusted EBITDAX.

Further, around 14 months after the date of publication of this Prospectus (which is outside the 12 month period covered by the working capital statement at paragraph 11 of Part 11 of this document (the "**Working Capital Statement**")), as a result of the financial conditions forecast under the reasonable worst case scenario in the Group's working capital projections (the "**reasonable worst case scenario**"), and excluding the net proceeds of the Rights Issue, there is a possibility, absent any remedial action taken by the Company, that the Company may not be in compliance with its leverage covenant under the RBL Facilities and the Corporate Facility for the measurement period ending 31 December 2017 and for subsequent measurement periods. The measurement period ending 31 December 2017, being the period for which the Company might exceed its permitted covenant limit in the reasonable worst case scenario excluding the net proceeds of the Rights Issue, is within 12 months of the date of publication of this Prospectus. The Company would be required to notify its lenders of the outturn of the leverage covenant as of 31 December 2017 on the date of publication of its audited consolidated financial statements for the financial year ending 31 December 2017, which is expected to be on or around 7 March 2018. A notification of non-compliance with the leverage covenant would trigger a period of time during which the Company could attempt to resolve the non-compliance, either by seeking agreement with its lenders to waive the non-compliance or by way of a qualifying capital injection. Under such a reasonable worst case scenario an event of default under the RBL Facilities and the Corporate Facility might occur, in the absence of any appropriate remedial action, no earlier than mid-May 2018, which falls outside of the 12 month period covered by the Working Capital Statement. Following such a potential event of default, the lenders would be entitled to demand accelerated payment in full of the relevant amounts (principal and other items) outstanding under the RBL Facilities (being $3,000 million as at the Latest Practicable Date) and the Corporate Facility (being $225 million as at the Latest Practicable Date). Following any such demand, the Company may not have the funds available to repay such amounts at that time.

It is the Company's stated intention to seek to refinance the RBL Facilities during 2017 and as part of this refinancing, the Company will seek to agree with the lenders under the RBL Facilities and the Corporate Facility, as it has done twice before within the last two years, a covenant profile that would ensure that, even under the forecast reasonable worst case scenario and excluding the net proceeds of the Rights Issue, the Company would remain in compliance with its leverage covenant.

Commitments under the RBL Facilities will amortise by $508 million within the 12 month period from the date of this Prospectus and a further $453 million of commitments will amortise in the 12 to 18 month period from the date of this Prospectus. Commitments under the Corporate Facility will amortise by $400 million within the 12 month period from the date of this Prospectus and a further $100 million of commitments will amortise in the 12 to 18 month period from the date of this Prospectus.

As part of the proposed refinancing of the RBL Facilities during 2017, the Company will seek to amend the commitments amortisation schedule such that, other than $55 million of commitments which amortise in April 2017, no contractual repayment will be required in October 2017 and April 2018 under the refinanced RBL Facilities. There are no contractual repayments required under the Corporate Facility based on the Group's drawings under that facility as at the Latest Practicable Date.

The Directors believe that the Company has strong relationships with its lending banks, demonstrated most recently by the extension of the Corporate Facility in February 2017, the RBL Facilities accordion that was exercised in 2016, and the leverage covenant amendments that the Company successfully negotiated in 2015 and 2016. This track record provides the Board with confidence that a successful refinancing of the RBL Facilities and a successful renegotiation of the leverage covenant levels under those facilities would be achieved well ahead of any potential amortisation repayment or non-compliance under the forecast reasonable worst case scenario excluding the net proceeds of the Rights Issue.

As the Company has done in the past, if required, the Company could look to take other actions to ensure that it can continue to comply with its leverage covenant and meet its facility repayments, such as the farm-down of assets, as recently undertaken in respect of the Group's interests in Uganda, or the sale of assets. However, there can be no certainty that these actions could be completed ahead of any potential non-compliance with its leverage covenant.

If the Resolutions are not passed and the Rights Issue does not proceed, the Company would also seek to re-evaluate certain exploration and appraisal activities in light of the financial and operational constraints that the Company would face in this circumstance and certain activities might be cancelled, delayed or altered, which could have an adverse effect on the Group's growth prospects.

Accordingly, it is very important that Shareholders vote in favour of the Resolutions so that the Rights Issue can proceed.

18. Directors' intentions and recommendation

The Board is fully supportive of the Rights Issue. Each of the Directors who holds Existing Ordinary Shares either intends, to the extent that he or she is able, to take up in full his or her rights to subscribe for New Ordinary Shares under the Rights Issue or to sell a sufficient number of his or her Nil Paid Rights during the nil paid trading period to meet the costs of taking up the balance of his or her entitlement to New Ordinary Shares.

The Board considers the Rights Issue and the passing of each of the Resolutions to be in the best interests of the Company and Shareholders as a whole. Accordingly, the Board unanimously recommends that Shareholders vote in favour of each of the Resolutions to be proposed at the General Meeting as the Directors intend to do in respect of their own beneficial holdings amounting in aggregate to 6,883,309 Existing Ordinary Shares, representing approximately 0.8 per cent. of the Existing Ordinary Shares.

Yours sincerely

Simon Thompson
Chairman

PART 2

SOME QUESTIONS AND ANSWERS ON THE RIGHTS ISSUE

The questions and answers set out in this Part 2 are intended to act as guidance only and, as such, you should also read the terms and conditions of the Rights Issue set out in Part 3 of this Prospectus for full details of what action you should take.

If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant, fund manager or other appropriate independent financial adviser who is authorised under FSMA if you are resident in the United Kingdom, or, if you are resident in Ireland, from a person, organisation or firm authorised or exempted pursuant to the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3) of Ireland or the Investment Intermediaries Act 1995 of Ireland, or, if you are resident in a territory outside the United Kingdom or Ireland, from another appropriately authorised independent financial adviser.

If you are an Overseas Shareholder, you should read the answer to question 4.7 of this Part 2 and you should take professional advice as to whether you are eligible and/or need to observe any formalities to enable you to take up your Rights.

Ordinary Shares can be held in certificated form (that is, represented by one or more share certificate(s)) or in uncertificated form (that is, through CREST). Accordingly, these questions and answers are split into four sections:

- **Section 1** answers general questions you may have about the Rights Issue.
- **Section 2** answers questions you may have in respect of the procedures for Qualifying Shareholders who hold their Existing Ordinary Shares in certificated form (that is, represented by one or more share certificates(s)).
- **Section 3** answers questions you may have in respect of the procedures for Qualifying Shareholders who hold their Existing Ordinary Shares in uncertificated form (that is, though CREST).
- **Section 4** answers some questions about your Rights and the actions you may need to take, and are applicable whether you hold your Existing Ordinary Shares in certificated form or though CREST.

If you do not know whether your Existing Ordinary Shares are in certificated or uncertificated form, please telephone Computershare on 0370 703 6242 (or if calling from outside the UK +44 370 703 6242). Lines are open from 8.30 a.m. until 5.30 p.m. (London time) Monday to Friday (excluding UK public holidays). Calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Rights Issue nor give any financial, legal or tax advice.

1. General

1.1. What is a rights issue?

A rights issue is a way for a company to raise money, whereby the company issues new shares for cash and gives its existing shareholders a right to buy those new shares in proportion to their existing shareholdings.

For example, if a rights issue is described as a three for five rights issue it means that a shareholder is entitled to buy three new ordinary shares for every five ordinary shares currently held.

This Rights Issue is a 25 for 49 rights issue; that is, an offer of 25 New Ordinary Shares for every 49 Existing Ordinary Shares held by a Qualifying Shareholder (subject to certain exceptions) at 6.00 p.m. on 3 April 2017 (the "**Record Date**").

New ordinary shares are typically offered in a rights issue at a discount to the current share price. As a result of this discount, the right to buy the new ordinary shares is potentially valuable. In this Rights Issue, the Issue Price of 130 pence per New Ordinary Share represents a 45.2 per cent. discount to the Closing Price of 237.3 pence per Existing Ordinary Share on 16 March 2017 (being the last Business Day prior to the announcement of the Rights Issue) and a 35.3 per cent. discount to the theoretical ex-rights price of 201.1 pence per New Ordinary Share calculated by reference to the Closing Price on the same day.

If you do not want to buy the New Ordinary Shares to which you are entitled (if any), you can instead sell your rights to buy those new shares to a third party and receive the net proceeds in cash. This is referred to as dealing "nil paid".

1.2. What happens next?

The Company has called a General Meeting to be held at the Company's offices at 9 Chiswick Park, 566 Chiswick High Road, London W4 5XT at 11.00 a.m. on 5 April 2017. The Notice of General Meeting is set out at the end of this Prospectus. As you will see from the contents of the Notice of General Meeting, the Directors are seeking Shareholders' approval for the allotment of the New Ordinary Shares free from pre-emption rights.

You will also find enclosed with this Prospectus a Form of Proxy for use in connection with the General Meeting.

Whether or not you intend to be present in person at the General Meeting, you are requested to complete, sign and return the Form of Proxy to Computershare at The Pavilions, Bridgwater Road, Bristol BS99 6ZY so that it arrives no later than 11.00 a.m. on 3 April 2017. You may also deliver the Form of Proxy by hand to Computershare during normal business hours or use the electronic proxy appointment service by logging on to www.investorcentre.co.uk/eproxy.

If the Resolutions are passed at the General Meeting, the Rights Issue will proceed. Assuming the Rights Issue proceeds, it is expected that the Provisional Allotment Letters will be despatched on 5 April 2017 to Qualifying Non-CREST Shareholders (other than, subject to certain exceptions, Qualifying Non-CREST Shareholders with registered addresses in the United States or any of the Restricted Territories) and that the Nil Paid Rights will be credited to the CREST accounts of Qualifying CREST Shareholders (other than, subject to certain exceptions, Qualifying CREST Shareholders with registered addresses in the United States or any of the Restricted Territories) as soon as practicable after 8.00 a.m. on 6 April 2017.

If the Resolutions are not passed at the General Meeting, the Rights Issue will not proceed and no Provisional Allotment Letters will be despatched and no CREST accounts will be credited.

2. Ordinary Shares held in certificated form

2.1. How do I know if I am eligible to participate in the Rights Issue?

If you receive a Provisional Allotment Letter then you should be eligible to participate in the Rights Issue as long as you have not sold all of your Existing Ordinary Shares before 8.00 a.m. on 6 April 2017 (being the time when the Existing Ordinary Shares are expected to be marked "ex-rights" by the London Stock Exchange, the Irish Stock Exchange and the Ghana Stock Exchange). If you have sold all of your Existing Ordinary Shares, you will need to follow the instructions on the front page of this Prospectus.

However, if you receive a Provisional Allotment Letter and you have a registered address in, or are a resident, citizen or national of, a country other than the United Kingdom or Ireland you must satisfy yourself as to the full observance of the applicable laws of such territory including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territory. Receipt of this Prospectus or a Provisional Allotment Letter or the credit of Nil Paid Rights to stock accounts does not constitute an offer in those jurisdictions in which it would be illegal to make an offer. Overseas Shareholders should refer to paragraph 8 of Part 3 of this Prospectus for further details.

If you do not receive a Provisional Allotment Letter, and you do not hold your shares in CREST, this probably means you are not eligible to subscribe for any New Ordinary Shares. However, please read the answer to question 2.4 in this Part 2.

2.2. What are my options and what should I do with the Provisional Allotment Letter?

If you hold your Existing Ordinary Shares in certificated form and do not have a registered address, nor are you located, in the United States or any of the Restricted Territories, you should be sent a Provisional Allotment Letter. The Provisional Allotment Letter will show:

- **In Box 1**: how many Ordinary Shares you held at the Record Date.
- **In Box 2**: how many New Ordinary Shares you are entitled to buy pursuant to the Rights Issue.
- **In Box 3**: how much you need to pay if you want to take up your rights in full.

2.2.1. ***If you want to take up your rights to subscribe for New Ordinary Shares in full***

If you want to take up in full your rights to subscribe for the New Ordinary Shares to which you are entitled, all you need to do is send the Provisional Allotment Letter, together with your cheque or banker's draft for the full amount shown in Box 3, payable to "CIS PLC re Tullow Oil plc Rights Issue" and crossed "A/C payee only", by post to Computershare at Corporate Actions Projects, Bristol BS99 6AH or by hand (during normal business hours only) to Computershare at The Pavilions, Bridgwater Road, Bristol BS13 8AE so as to arrive by 11.00 a.m. on 24 April 2017. You can use the reply-paid envelope which will be provided with the Provisional Allotment Letter. Please allow sufficient time for delivery.

Paragraph 4.2 of Part 3 of this Prospectus sets out full instructions on how to accept and pay for your New Ordinary Shares. These instructions are also set out in the Provisional Allotment Letter. You will be required to pay in full for all the rights you take up.

A definitive share certificate will be sent to you for the New Ordinary Shares you subscribe for and it is expected that such certificate(s) will be despatched to you by 2 May 2017. You should keep your existing share certificate(s) as this will remain valid.

Your Provisional Allotment Letter will not be returned to you unless you specifically request so by completing Box 5 on the Provisional Allotment Letter. You will only need your Provisional Allotment Letter to be returned to you if you want to deal in your Fully Paid Rights.

2.2.2. ***If you do not want to take up or sell any of your rights to subscribe for New Ordinary Shares at all***

If you do not want to take up or sell any of your rights to subscribe for New Ordinary Shares, you do not need to do anything.

If you do not return your Provisional Allotment Letter together with payment for the New Ordinary Shares to which you are entitled by 11.00 a.m. on 24 April 2017, the Company has made arrangements under which the Joint Bookrunners will try to find investors to take up your rights by 8.00 p.m. on 26 April 2017.

If the Joint Bookrunners find investors and are able to achieve a premium over the Issue Price and the related expenses of procuring those investors (including any applicable brokerage and commissions and amounts in respect of VAT which are not recoverable), you will be sent a cheque for the amount of that aggregate premium above the Issue Price less such related expenses, so long as the amount in question is at least £5.00. Cheques in respect of such amounts are expected to be despatched by 2 May 2017 and will be sent to your address as it appears on the Company's register of members (or to the first named holder if you hold Existing Ordinary Shares jointly).

Alternatively, if you want to sell or transfer all of your Nil Paid Rights, see the answer to question 2.2.4 or if you want to sell or transfer part of your Nil Paid Rights, see the answer to question 2.2.3 in this Part 2.

2.2.3. ***If you want to take up some but not all of your rights to subscribe for New Ordinary Shares***

If you want to take up some but not all of your rights to subscribe for New Ordinary Shares and wish to sell some or all of your remaining rights, you should split the Provisional Allotment Letter by completing Form X on page 2 of the Provisional Allotment Letter and then return it by post to Computershare at Corporate Actions Projects, Bristol BS99 6AH or by hand (during normal business hours only) to Computershare at The Pavilions, Bridgwater Road, Bristol BS13 8AE so as to be received by 3.00 p.m. on 20 April 2017, being the last time and date for splitting Provisional Allotment Letters, together with your cheque or banker's draft for the amount relating to the Nil Paid Rights you wish to take up, payable to "CIS PLC re Tullow Oil plc Rights Issue" and crossed "A/C payee only" and a covering letter stating the number of split Provisional Allotment Letters required and the number of Nil Paid Rights or Fully Paid Rights to be comprised in each split Provisional Allotment Letter. You can use the reply-paid envelope which will be provided with the Provisional Allotment Letter. Please allow sufficient time for delivery.

Alternatively, if you want only to take up some of your rights to subscribe for New Ordinary Shares (and do not wish to sell some or all of your remaining rights), you should complete Form X on page 2 of the Provisional Allotment Letter and return it by post to Computershare at Corporate Actions Projects, Bristol BS99 6AH or by hand (during normal business hours only) to Computershare at The Pavilions, Bridgwater Road, Bristol BS13 8AE, together with a covering letter confirming the number of New Ordinary Shares you wish to take up and a cheque or banker's draft for the appropriate amount payable to "CIS PLC re Tullow Oil plc Rights Issue" and crossed "A/C payee only". In this case the Provisional Allotment Letter and cheque must be received by Computershare by 3.00 p.m. on 20 April 2017, being the last time and date for the splitting of Provisional Allotment Letters. You can use the reply-paid

envelope which will be provided with the Provisional Allotment Letter. Please allow sufficient time for delivery.

You can also elect to sell a sufficient number of Nil Paid Rights to raise money to effect a cashless take-up of your remaining rights through the Special Dealing Facility operated by Computershare. If you want to effect a cashless take-up, you should tick the box in the section headed "Cashless Take-up" on page 1 of the Provisional Allotment Letter, sign and date it and return the Provisional Allotment Letter by 3.00 p.m. on 13 April 2017.

Please note that your ability to sell your rights is dependent on demand for such rights and that the price for Nil Paid Rights may fluctuate. Please ensure that you allow enough time so as to enable the person acquiring your rights to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 24 April 2017.

Further details relating to payment and acceptance are set out in paragraph 4.2 of Part 3 of this Prospectus.

2.2.4. *If you want to sell all of your rights to subscribe for New Ordinary Shares*

If you want to sell all of your Nil Paid Rights you should complete and sign Form X on page 2 of the Provisional Allotment Letter (if it is not already marked "Original Duly Renounced") and pass the entire letter to your stockbroker, bank or other appropriate financial adviser through whom you made the sale or transfer or to the purchaser or transferee (provided they do not have a registered address, nor are they located, in the United States or any of the Restricted Territories).

Please note that your ability to sell your rights is dependent on demand for such rights and that the price for Nil Paid Rights may fluctuate.

The latest time and date for selling all of your rights is 11.00 a.m. on 24 April 2017. Please ensure, however, that you allow enough time so as to enable the person acquiring your rights to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 24 April 2017.

You can also elect to sell all your Nil Paid Rights through the Special Dealing Service operated by Computershare. If you want to sell all of your Nil Paid Rights, you should tick the box in the section headed "Sell all of your rights" on page 1 of the Provisional Allotment Letter, sign and date it and return the Provisional Allotment Letter by 3.00 p.m. on 13 April 2017.

2.3. How do I transfer my rights into the CREST system?

If you are a Qualifying Non-CREST Shareholder but are also a CREST member and want your New Ordinary Shares to be in uncertificated form, you should complete Form X and the CREST Deposit Form (both on page 2 of the Provisional Allotment Letter), and ensure they are delivered to the CREST Courier and Sorting Service so as to be received by 3.00 p.m. on 19 April 2017 at the latest. CREST sponsored members should arrange for their CREST sponsors to do this.

If you have transferred your rights into CREST, you should refer to paragraph 5 of Part 3 of this Prospectus for details on how to pay for the New Ordinary Shares.

2.4. What if I do not receive a Provisional Allotment Letter?

If you do not receive a Provisional Allotment Letter and you do not hold your Ordinary Shares in CREST, this probably means that you are not eligible to participate in the Rights Issue.

Some Qualifying Shareholders, however, will not receive a Provisional Allotment Letter but may still be able to participate in the Rights Issue, namely:

- Qualifying CREST Shareholders who held their Existing Ordinary Shares in uncertificated form on 3 April 2017 and who have converted them into certificated form;
- Qualifying Non-CREST Shareholders who bought Ordinary Shares before 8.00 a.m. on 6 April 2017 but were not registered as the holders of those Ordinary Shares at 6.00 p.m. on 3 April 2017 (see the answer to question 2.5 in this Part 2); and
- certain Overseas Shareholders who can demonstrate to the satisfaction of the Company that the offer under the Rights Issue can lawfully be made to them without contravention of any relevant legal or regulatory requirements (see the answer to question 4.7 in this Part 2).

If you do not receive a Provisional Allotment Letter on or about 5 April 2017 but think you should have received one, please telephone Computershare on 0370 703 6242 (or if calling from outside the UK +44

370 703 6242). Lines are open from 8.30 a.m. until 5.30 p.m. (London time) Monday to Friday (excluding UK public holidays). Calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Rights Issue nor give any financial, legal or tax advice.

2.5. If I buy Ordinary Shares before 8.00 a.m. on 6 April 2017 (being the date on which the Ordinary Shares are expected to start trading ex-rights) will I be eligible to participate in the Rights Issue?

If you buy Ordinary Shares before 8.00 a.m. on 6 April 2017 (being the date on which the Ordinary Shares are expected to start trading ex-rights (that is, without the right to participate in the Rights Issue, referred to as the Ex-Rights Date)) but you were not registered as the holder of those Ordinary Shares on the Record Date you may still be eligible to participate in the Rights Issue. If you are in any doubt, please consult your stockbroker, bank or other appropriate financial adviser, or whoever arranged your share purchase, to ensure you claim your entitlement.

You will not be entitled to Nil Paid Rights in respect of any Ordinary Shares acquired on or after the Ex-Rights Date.

2.6. What should I do if I sell or have sold or transferred all or some of the Ordinary Shares shown in Box 1 of the Provisional Allotment Letter before the Ex-Rights Date?

If you sell or have sold or transferred all of your Ordinary Shares before the Ex-Rights Date but were registered as the holder of those Ordinary Shares on the Record Date, you should complete Form X on page 2 of the Provisional Allotment Letter and send the entire Provisional Allotment Letter together with this Prospectus to the stockbroker, bank or other appropriate financial adviser through whom you made the sale or transfer or to the purchaser or transferee (provided they do not have a registered address, nor are they located, in the United States or any of the Restricted Territories).

If you sell or have sold or transferred only some of your holding of Ordinary Shares before the Ex-Rights Date, you will need to complete Form X on page 2 of the Provisional Allotment Letter and consult the stockbroker, bank or other appropriate financial adviser through whom you made the sale or transfer before taking any action with regard to the balance of rights due to you.

2.7. How many New Ordinary Shares will I be entitled to subscribe for? Am I entitled to fractions of New Ordinary Shares?

You will be entitled to 25 New Ordinary Shares for every 49 Existing Ordinary Shares held on the Record Date (rounding down to the nearest whole number). Box 2 of the Provisional Allotment Letter will show the number of New Ordinary Shares you will be entitled to subscribe for. Subject to the exceptions set out in question 2.4 above, all Qualifying Non-CREST Shareholders (other than certain Overseas Shareholders) will be sent a Provisional Allotment Letter after the General Meeting has approved the Resolutions. Where necessary, fractional entitlements to New Ordinary Shares will be rounded down to the nearest whole number and will not be allotted to Qualifying Shareholders. The New Ordinary Shares representing the aggregated fractions that would otherwise be allotted to Qualifying Shareholders will be issued in the market nil paid for the benefit of the Company.

2.8. What should I do if I think my holding of Ordinary Shares (as shown in Box 1 of the Provisional Allotment Letter) is incorrect?

If you are concerned about the figure shown in Box 1 of the Provisional Allotment Letter, please telephone Computershare on 0370 703 6242 (or if calling from outside the UK +44 370 703 6242). Lines are open from 8.30 a.m. until 5.30 p.m. (London time) Monday to Friday (excluding UK public holidays). Calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Rights Issue nor give any financial, legal or tax advice.

2.9. If I take up any of my rights, when will I receive my New Ordinary Share certificate?

If you take up any of your rights under the Rights Issue, share certificates for the New Ordinary Shares are expected to be posted by 2 May 2017. You are reminded that you should retain your existing share certificate(s) as it remains valid.

3. Ordinary Shares held in CREST

3.1. How do I know if I am eligible to participate in the Rights Issue?

If you are a Qualifying CREST Shareholder (save as mentioned below), and on the assumption that the Rights Issue proceeds as planned, your CREST stock account is expected to be credited with your entitlement to Nil Paid Rights on 6 April 2017.

The stock account to be credited will be the account under the participant ID and member account ID that apply to your Ordinary Shares on the Record Date.

The Nil Paid Rights are expected to be enabled as soon as practicable after 8.00 a.m. on 6 April 2017. If you are a CREST sponsored member, you should consult your CREST sponsor if you wish to check that your account has been credited with your entitlement to Nil Paid Rights. The CREST stock accounts of Overseas Shareholders with a registered address in the United States or any of the Restricted Territories will not (subject to certain exceptions) be credited with Nil Paid Rights. Overseas Shareholders should refer to paragraph 8 of Part 3 of this Prospectus.

3.2. How do I take up my rights using CREST?

If you are a Qualifying CREST Shareholder, you should refer to paragraph 5 of Part 3 of this Prospectus for details on how to take up and pay for your rights. If you are a CREST member you should ensure that a Many-to-Many ("**MTM**") instruction has been inputted and has settled by 11.00 a.m. on 24 April 2017 in order to make a valid acceptance.

If your Ordinary Shares are held by a nominee or you are a CREST sponsored member, you should speak directly to the agent who looks after your stock or your CREST sponsor (as appropriate) who will be able to help you. If you have further questions, please telephone Computershare on 0370 703 6242 (or if calling from outside the UK +44 370 703 6242). Lines are open from 8.30 a.m. until 5.30 p.m. (London time) Monday to Friday (excluding UK public holidays). Calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Rights Issue nor give any financial, legal or tax advice.

3.3. If I buy or have bought Ordinary Shares before 8.00 a.m. on 6 April 2017 (being the date on which the Ordinary Shares are expected to start trading ex-rights) will I be eligible to participate in the Rights Issue?

If you buy or have bought Ordinary Shares before 8.00 a.m. on 6 April 2017 (being the date on which the Ordinary Shares are expected to start trading ex-rights (that is without the right to participate in the Rights Issue, referred to as the Ex-Rights Date)), but you were not registered as the holder of those Ordinary Shares on the Record Date, you may still be eligible to participate in the Rights Issue.

Euroclear will raise claims in the normal manner in respect of your purchase and your Nil Paid Rights will be credited to your stock account(s) on settlement of those claims.

You will not be entitled to Nil Paid Rights in respect of any further Ordinary Shares acquired on or after the Ex-Rights Date.

3.4. What should I do if I sell or transfer all or some of my Ordinary Shares before 8.00 a.m. on 6 April 2017 (being the date on which the Ordinary Shares are expected to start trading ex-rights)?

You do not have to take any action except, where you sell or transfer all of your Ordinary Shares before the Ex-Rights Date, to send this Prospectus to the stockbroker, bank or other financial adviser through whom you made the sale or transfer or the purchaser or transferee (provided they do not have a registered address, nor are they located, in the United States or any of the Restricted Territories).

A claim transaction in respect of that sale or transfer will automatically be generated by Euroclear which, on settlement, will transfer the appropriate number of Nil Paid Rights to the purchaser or transferee.

3.5. How many New Ordinary Shares am I entitled to subscribe for? Am I entitled to fractions of New Ordinary Shares?

If you are a Qualifying CREST Shareholder (other than, subject to certain exceptions, Qualifying CREST Shareholders with registered addresses in the United States or any of the Restricted Territories), your stock account will be credited with Nil Paid Rights in respect of the number of New Ordinary Shares which you are entitled to subscribe for.

You will be entitled to subscribe for 25 New Ordinary Shares for every 49 Existing Ordinary Shares you hold at 6.00 p.m. on 3 April 2017 (being the Record Date) (rounding down to the nearest whole number). You can also view the claim transactions in respect of purchases/sales effected after this date, but before the Ex-Rights Date (see the answer to question 3.3 above). If you are a CREST sponsored member, you should consult your CREST sponsor.

Where necessary, fractional entitlements to New Ordinary Shares will be rounded down to the nearest whole number and will not be allotted to Qualifying Shareholders. The New Ordinary Shares representing the aggregated fractions that would otherwise be allotted to Qualifying Shareholders will be issued in the market nil paid for the benefit of the Company.

3.6. What should I do if I think my holding of Ordinary Shares is incorrect?

If you buy or sell Ordinary Shares between the date of this Prospectus and 3 April 2017, your transaction may not be entered on the register of members before the Record Date and you should consult the stockbroker, bank or other appropriate financial adviser through whom you made the sale, purchase or transfer before taking any other action.

If you are concerned about the number of Nil Paid Rights with which your stock account has been credited, please telephone Computershare on 0370 703 6242 (or if calling from outside the UK +44 370 703 6242). Lines are open from 8.30 a.m. until 5.30 p.m. (London time) Monday to Friday (excluding UK public holidays). Calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Rights Issue nor give any financial, legal or tax advice.

3.7. If I take up any of my rights, when will New Ordinary Shares be credited to my CREST stock account(s)?

If you take up any of your rights under the Rights Issue, it is expected that New Ordinary Shares will be credited to the CREST stock account in which you hold your Fully Paid Rights on 25 April 2017.

4. Further procedures for Ordinary Shares whether held in certificated form or in CREST

4.1. Will I be taxed if I take up or sell my rights or if my rights are sold on my behalf?

If you are resident in the United Kingdom for tax purposes, you should not have to pay UK tax when you fully take up your right to receive New Ordinary Shares, although the Rights Issue may affect the amount of UK tax you may pay when you sell your Ordinary Shares. However, you may be subject to tax on chargeable gains on any proceeds you receive from the sale of your rights.

Further information in relation to the current tax position in the UK is contained in Part 8 of this Prospectus. This information is intended only as a general guide to the current tax position in the UK and Qualifying Shareholders who are in any doubt as to their position, or who are subject to tax in any other jurisdiction, should obtain their own personal financial advice immediately.

The shareholder helpline cannot provide any tax advice.

4.2. I understand that there is a period when there is trading in the Nil Paid Rights. What does this mean?

If you do not want to buy the New Ordinary Shares being offered to you under the Rights Issue, you can (provided that, subject to certain exceptions, you do not have a registered address, nor are you located, in the United States or any of the Restricted Territories) instead sell or transfer your Nil Paid Rights to a third party and receive the net proceeds of the sale or transfer in cash.

This is referred to as dealing “nil paid”. During the nil paid trading period (between 8.00 a.m. on 6 April 2017 and 11.00 a.m. on 24 April 2017), subject to demand and market conditions, persons can buy and sell the Nil Paid Rights.

Please note that your ability to sell your rights is dependent on demand for such rights and that the price of the Nil Paid Rights may fluctuate.

If you wish to sell or transfer all or some of your Nil Paid Rights and you hold your Ordinary Shares in certificated form, you will need to complete Form X, the form of renunciation, on page 2 of the Provisional Allotment Letter and send it to the stockbroker, bank or other appropriate financial adviser through whom you made the sale or transfer or to the purchaser or the transferee (provided they do not have a registered address, nor are they located, in the United States or any of the Restricted Territories).

If you buy Nil Paid Rights, you are buying an entitlement to take up the New Ordinary Shares, subject to your paying for them in accordance with the terms of the Rights Issue and provided that you do not have an address, nor are you located, in the United States or any of the Restricted Territories. Any seller of Nil Paid Rights who holds his Ordinary Shares in certificated form will need to forward to you his Provisional Allotment Letter (with Form X on page 2 of the Provisional Allotment Letter completed) for you to complete and return, with your cheque, by 11.00 a.m. on 24 April 2017, in accordance with the instructions in the Provisional Allotment Letter.

If you are a Qualifying Non-CREST Shareholder and have received a Provisional Allotment Letter but you are a CREST member or CREST sponsored member and you wish to hold your Nil Paid Rights in uncertificated form in CREST, then you should send the Provisional Allotment Letter with Form X and the CREST Deposit Form on page 2 of the Provisional Allotment Letter completed (in the case of a CREST member) to the CREST Courier and Sorting Service or (in the case of a CREST sponsored member) to your CREST sponsor by 3.00 p.m. on 19 April 2017 at the latest.

Qualifying CREST Shareholders and, subject to dematerialisation of their Nil Paid Rights as set out in the Provisional Allotment Letter, Qualifying Non-CREST Shareholders who are CREST members or CREST sponsored members can transfer Nil Paid Rights, in whole or in part, by means of CREST in the same manner as any other security that is admitted to CREST. Please consult your CREST sponsor or stockbroker, bank or other appropriate financial adviser, or whoever arranged your share purchase, for details.

4.3. What if I want to sell the New Ordinary Shares for which I have paid?

If you are a Qualifying Non-CREST Shareholder and (subject to certain exceptions) you do not have a registered address and are not located in the United States or any of the Restricted Territories, provided the New Ordinary Shares have been paid for and you have requested the return of the receipted Provisional Allotment Letter, you can transfer the Fully Paid Rights by completing Form X (the form of renunciation) on page 2 of the receipted Provisional Allotment Letter in accordance with the instructions set out on pages 3 and 4 of the Provisional Allotment Letter until 11.00 a.m. on 24 April 2017.

After that time, you will be able to sell your New Ordinary Shares in the normal way. However, the share certificate relating to your New Ordinary Shares is expected to be despatched to you only by 2 May 2017. Pending despatch of such share certificate, valid instruments of transfer will be certified by Computershare against the Company's register of members.

If you hold your New Ordinary Shares and/or rights in CREST, you may transfer them in the same manner as any other security that is admitted to CREST. Please consult your stockbroker, bank or other appropriate financial adviser, or whoever arranged your share purchase, for details.

4.4. What if I do nothing?

If you do not want to take up any of your rights, you do not need to do anything. If you do not take up your rights, the number of Ordinary Shares you hold in the Company will stay the same, but the proportion of the total number of Ordinary Shares that you will hold will be lower than that held currently.

If you are a Qualifying Non-CREST Shareholder and do not return your Provisional Allotment Letter and payment for the New Ordinary Shares to which you are entitled by 11.00 a.m. on 24 April 2017, the Company has made arrangements under which the Joint Bookrunners will try to find investors to take up your rights by 8.00 p.m. on 26 April 2017. If the Joint Bookrunners find investors and are able to achieve a premium over the Issue Price and the related expenses of procuring those investors (including any applicable brokerage and commissions and amounts in respect of VAT which are not recoverable), you will be sent a cheque for the amount of that aggregate premium above the Issue Price less such related expenses, so long as the amount in question is at least £5.00. Cheques are expected to be despatched by 2 May 2017 and will be sent to your address as it appears on the Company's register of members (or to the first named holder if you hold Existing Ordinary Shares jointly).

4.5. Do I need to comply with the Money Laundering Regulations (as described in paragraphs 4.3 and 5.3 of Part 3 of this Prospectus)?

If you are a Qualifying Non-CREST Shareholder, you do not need to follow these procedures if the value of the New Ordinary Shares you are subscribing for is less than €15,000 (approximately £13,000) or if you pay for them by a cheque drawn on an account in your own name and that account is one which is held with an EU or UK regulated bank or building society. If you are a Qualifying CREST Shareholder, you will not generally need to comply with the Money Laundering Regulations unless you apply to take up all or some of your entitlement to Nil Paid Rights as agent for one or more persons and you are not an EU or UK regulated financial institution.

Qualifying Non-CREST Shareholders and Qualifying CREST Shareholders should refer to paragraphs 4.3 and 5.3 respectively of Part 3 of this Prospectus for a fuller description of the requirements of the Money Laundering Regulations.

4.6. What if I hold options and awards under the Tullow Share Schemes?

The options and awards granted under the Tullow Share Schemes may be adjusted in such a way as the Remuneration Committee considers appropriate to compensate participants for any effect the Rights Issue will have on those options and awards (as permitted by the rules of the relevant Tullow Share Scheme). Any adjustments will not be made until after Admission and will be subject to any approvals required under the rules of the relevant Tullow Share Schemes, including the approval of HMRC where required. None of the options or awards granted under the Tullow Share Schemes will vest as a result of the Rights Issue. Participants in the Tullow Share Schemes will be contacted separately with further information on how their options and awards may be affected by the Rights Issue.

4.7. What should I do if I live outside the United Kingdom and Ireland?

Your ability to take up rights to New Ordinary Shares may be affected by the laws of the country in which you live and you should take professional advice about any formalities you need to observe. Shareholders with registered addresses or located outside the United Kingdom and Ireland, particularly those with registered addresses or located in the United States, Canada, Australia, Hong Kong, Japan, New Zealand, Ghana, the People's Republic of China or the Republic of South Africa, should refer to paragraph 8 of Part 3 of this Prospectus.

As regards Qualifying Shareholders with registered addresses in the United States or any of the Restricted Territories, the Company has made arrangements under which, subject to certain exceptions, the Joint Bookrunners will try to find investors to take up such Qualifying Shareholders' rights by 8.00 p.m. on 26 April 2017. If the Joint Bookrunners find investors and are able to achieve a premium over the Issue Price and the related expenses of procuring those investors (including any applicable brokerage and commissions and amounts in respect of VAT which are not recoverable), such Qualifying Shareholders will be sent a cheque for the amount of that aggregate premium above the Issue Price less such related expenses, so long as the amount in question is at least £5.00. Cheques are expected to be despatched by 2 May 2017 and will be sent to such Qualifying Shareholders' addresses as they appear on the Company's register of members (or to the first named holder if such Qualifying Shareholders hold Existing Ordinary Shares jointly). Qualifying Shareholders with registered addresses in the United States or any of the Restricted Territories should refer to paragraph 8 of Part 3 of this Prospectus.

4.8. Will the Rights Issue affect the dividends Tullow pays?

In 2015 Tullow suspended the payment of dividends as a result of the fall in oil prices and the resultant impact on the Group's earnings and cash flow. As announced on 8 February 2017, the Board has recommended that no final dividend be paid in respect of the 2016 Financial Year (2015: nil; 2014: 4 pence). The Board recognises that dividends are seen as an important component of equity returns by many Shareholders. However, at a time when the Company is focusing on capital allocation, financial flexibility and cost reductions, the Board currently believes that the Company and its Shareholders are better served by retaining funds in the business. The Board is committed to resuming dividend payments when it is prudent to do so. The Directors' decision as to when to declare a dividend and the amount to be paid will take into account, among other things, the Group's underlying earnings, cash flows, balance sheet leverage and financial flexibility at the relevant time.

5. What do I do if I have any further queries about the Rights Issue or the action I should take?

If you have any other questions, please telephone Computershare on 0370 703 6242 (or if calling from outside the UK +44 370 703 6242). Lines are open from 8.30 a.m. until 5.30 p.m. (London time) Monday to Friday (excluding UK public holidays). Calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Rights Issue nor give any financial, legal or tax advice. However, the staff can explain the options available to you, which forms you need to fill in and how to fill them in correctly.

Your attention is drawn to the terms and conditions of the Rights Issue in Part 3 of this Prospectus and (in the case of Qualifying Non-CREST Shareholders) in the Provisional Allotment Letter.

PART 3

TERMS AND CONDITIONS OF THE RIGHTS ISSUE

1. Summary of the Rights Issue

Tullow is proposing, subject to certain conditions, to raise gross proceeds of approximately £607 million (equivalent to $750 million at an exchange rate of £1.00 = $1.2363 on 16 March 2017) (approximately £586 million net of expenses (equivalent to $724 million at an exchange rate of £1.00 = $1.2363 on 16 March 2017)) by way of a 25 for 49 Rights Issue at a price of 130 pence per New Ordinary Share.

The Issue Price of 130 pence per New Ordinary Share represents a discount of approximately 45.2 per cent. to the Closing Price of an Existing Ordinary Share of 237.3 pence on 16 March 2017 (being the last Business Day prior to the announcement of the Rights Issue) and an approximately 35.3 per cent. discount to the theoretical ex-rights price based on that Closing Price.

2. Terms and conditions of the Rights Issue

Subject to the terms and conditions set out in this Prospectus (and, in the case of Qualifying Non-CREST Shareholders, the Provisional Allotment Letter (if and when they receive one)), the New Ordinary Shares are being offered by way of rights to Qualifying Shareholders (other than, subject to certain exceptions, Qualifying Shareholders with registered addresses or located in the United States or any of the Restricted Territories) on the following basis:

25 New Ordinary Shares at an issue price of 130 pence each for every 49 Existing Ordinary Shares

held and registered in their name at the Record Date and so in proportion to any other number of Existing Ordinary Shares then held.

Qualifying Shareholders who do not, or who are not permitted to, take up any Rights (for example because they are Qualifying Shareholders with registered addresses in the United States or any of the Restricted Territories) will have their proportionate shareholdings in Tullow diluted by approximately 33.8 per cent. as a result of the Rights Issue. Those Qualifying Shareholders who are permitted to, and do, take up all of their rights to the New Ordinary Shares provisionally allotted to them will, subject to the rounding down and sale of fractional entitlements, have the same proportionate voting and distribution rights as held by them at the Record Date.

Holdings of Ordinary Shares in certificated and uncertificated form will be treated as separate holdings to calculate entitlements under the Rights Issue. Where necessary, fractional entitlements to New Ordinary Shares will be rounded down to the nearest whole number and fractions of New Ordinary Shares will not be allotted to Qualifying Shareholders but will be aggregated and, if possible, sold in the market as soon as practicable after the commencement of dealings in the New Ordinary Shares, nil paid. The proceeds of such sales (after deduction of expenses) will accrue for the benefit of Tullow.

The attention of Overseas Shareholders and any person (including, without limitation, custodians, nominees and trustees) who has a contractual or other legal obligation to forward this Prospectus or a Provisional Allotment Letter into a jurisdiction other than the United Kingdom or Ireland is drawn to paragraph 8 of this Part 3. In particular, subject to the provisions of paragraph 8 of this Part 3, Qualifying Shareholders with registered addresses in the United States or any of the Restricted Territories will not be sent Provisional Allotment Letters and will not have their stock accounts credited with Nil Paid Rights.

Applications will be made to the FCA for the New Ordinary Shares to be admitted to the premium listing segment of the Official List of the UK Listing Authority and to the London Stock Exchange for the New Ordinary Shares (nil paid and fully paid) to be admitted to trading on the London Stock Exchange's main market for listed securities. Applications will also be made to the Irish Stock Exchange for the New Ordinary Shares to be admitted to the secondary listing segment of the Official List of the Irish Stock Exchange and to be admitted to trading (nil paid and fully paid) on the Irish Stock Exchange's main market for listed securities. Applications will also be made to the Ghana Stock Exchange and the Ghana SEC for the New Ordinary Shares (fully paid) to be admitted to listing and trading on the main market of the Ghana Stock Exchange. It is expected that Admission will become effective and that dealings in the New Ordinary Shares, nil paid, will commence on the London Stock Exchange and the Irish Stock Exchange at 8.00 a.m. on 6 April 2017 (whereupon an announcement will be made by the Company to a Regulatory Information Service).

The Existing Ordinary Shares are already admitted to CREST. The Existing Ordinary Shares are, and when issued the New Ordinary Shares will be, in registered form and capable of being held in

certificated form or uncertificated form via CREST. Applications will be made for the Nil Paid Rights, the Fully Paid Rights and the New Ordinary Shares to be admitted to CREST. Euroclear requires Tullow to confirm to it that certain conditions are satisfied before Euroclear will admit the New Ordinary Shares to CREST. It is expected that these conditions will be satisfied on Admission. As soon as practicable after Admission, Tullow will confirm this to Euroclear. Subject to any relevant conditions being satisfied, it is expected that:

- Provisional Allotment Letters in respect of Nil Paid Rights will be despatched to Qualifying Non-CREST Shareholders (other than, subject to certain exceptions, Qualifying Non-CREST Shareholders with registered addresses in the United States or any of the Restricted Territories) following the General Meeting;
- the Receiving Agent will instruct Euroclear to credit the appropriate stock accounts of Qualifying CREST Shareholders (other than, subject to certain exceptions, Qualifying CREST Shareholders with registered addresses in the United States or any of the Restricted Territories) with such shareholders' entitlements to Nil Paid Rights, with effect from 8.00 a.m. on 6 April 2017;
- the Nil Paid Rights and the Fully Paid Rights will be enabled for settlement by Euroclear on 6 April 2017, as soon as practicable after Tullow has confirmed to Euroclear that all the conditions for admission of such rights to CREST have been satisfied;
- New Ordinary Shares will be credited to the appropriate stock accounts of relevant Qualifying CREST Shareholders (or their renouncees) who validly take up their rights as soon as practicable after 8.00 a.m. on 25 April 2017; and
- share certificates for the New Ordinary Shares will be despatched to relevant Qualifying Non-CREST Shareholders (or their renouncees) who validly take up their rights by no later than 2 May 2017 (at their own risk).

Qualifying Shareholders taking up their rights by completing a Provisional Allotment Letter or by sending an MTM Instruction to Euroclear will be deemed to have given the representations and warranties set out in paragraph 9 of this Part 3, unless such requirement is waived by Tullow and the Joint Global Coordinators.

The New Ordinary Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends or other distributions declared with a record date falling after the date of allotment of the New Ordinary Shares.

The Underwriters have agreed to underwrite fully, severally and in their due underwriting proportions, the Rights Issue in accordance with the terms and subject to the conditions in the Underwriting Agreement.

The Underwriting Agreement is conditional upon certain conditions being satisfied by no later than 8.00 a.m. on 6 April 2017 (or such later time and/or date as the Company and the Joint Global Coordinators may agree) and certain undertakings not being breached, and it may be terminated by the Joint Global Coordinators prior to Admission upon the occurrence of certain specified events (in which case the Rights Issue will not proceed). The Underwriting Agreement is not subject to any rights of termination after Admission (including in respect of any statutory withdrawal rights). The Underwriters may arrange sub-underwriting for some, all or none of the New Ordinary Shares which they would otherwise be required to subscribe for. A summary of certain terms and conditions of the Underwriting Agreement is contained in paragraph 10.1 of Part 11 of this Prospectus.

The Underwriters, Co-Lead Managers and any of their respective affiliates may engage in certain trading activity in connection with their roles under the Underwriting Agreement and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for their own account in securities of Tullow and related or other securities and instruments (including Nil Paid Rights, Fully Paid Rights and Ordinary Shares). None of the Underwriters or the Co-Lead Managers intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so. In addition, the Underwriters, the Co-Lead Managers and their affiliates may enter into certain financing arrangements (including swaps) with investors in connection with which such Underwriters, Co-Lead Managers or their affiliates may from time to time acquire, hold or dispose of Ordinary Shares.

All documents and cheques posted to or by Qualifying Shareholders and/or their transferees or renouncees (or their agents, as appropriate) will be posted at their own risk.

If the Rights Issue is delayed so that Provisional Allotment Letters cannot be despatched on 5 April 2017, the timetable set out in the section of this Prospectus entitled "Expected Timetable of Principal Events" will be adjusted accordingly and the revised dates will be set out in the Provisional Allotment

Letters and announced through a Regulatory Information Service, in which case all relevant references in this Prospectus should be read as being subject to such adjustment.

3. Action to be taken by Qualifying Shareholders

The action to be taken by Qualifying Shareholders (other than, subject to certain exceptions, Qualifying Shareholders with a registered address, or who are located, in the United States or any of the Restricted Territories) in respect of the New Ordinary Shares depends on whether, at the relevant time, the Nil Paid Rights or Fully Paid Rights in respect of which action is to be taken are held in certificated form (that is, are represented by Provisional Allotment Letters) or are held in uncertificated form (that is, are in CREST).

If you are a Qualifying Non-CREST Shareholder and do not have a registered address, and are not located, in the United States or any of the Restricted Territories (subject to certain limited exceptions), please refer to paragraph 4 of this Part 3.

If you hold your Existing Ordinary Shares in CREST and do not have a registered address, and are not located, in the United States or any of the Restricted Territories (subject to certain limited exceptions), please refer to paragraph 5 of this Part 3 and to the CREST Manual for further information on the CREST procedures referred to in paragraph 5 of this Part 3.

If you are a Qualifying Shareholder and have a registered address or are located in the United States or any of the Restricted Territories, please refer to paragraph 8 of this Part 3.

CREST sponsored members should refer to their CREST sponsors as only their CREST sponsors will be able to take the necessary actions specified in paragraph 5 of this Part 3 to take up the entitlements or otherwise to deal with the Nil Paid Rights or Fully Paid Rights of CREST sponsored members.

If you have any questions relating to this Prospectus, the Form of Proxy or, if and when received, the Provisional Allotment Letter, please telephone Computershare on 0370 703 6242 (or if calling from outside the UK +44 370 703 6242). Lines are open from 8.30 a.m. until 5.30 p.m. (London time) Monday to Friday (excluding UK public holidays). Calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Rights Issue nor give any financial, legal or tax advice.

4. Action to be taken by Qualifying Non-CREST Shareholders in relation to Nil Paid Rights represented by Provisional Allotment Letters

4.1. General

Provisional Allotment Letters are expected to be despatched to Qualifying Non-CREST Shareholders (other than, subject to certain exceptions, Qualifying Non-CREST Shareholders with registered addresses in the United States or any of the Restricted Territories) on 5 April 2017. The Provisional Allotment Letter will be subject to the Rights Issue becoming unconditional and will set out:

- the holding of Existing Ordinary Shares on which a Qualifying Non-CREST Shareholder's entitlement to New Ordinary Shares has been based;
- the aggregate number and cost of New Ordinary Shares provisionally allotted to such Qualifying Non-CREST Shareholder;
- the procedures to be followed if a Qualifying Non-CREST Shareholder wishes to dispose of all or part of his entitlement or to convert all or part of his entitlement into uncertificated form;
- the procedures to be followed if a Qualifying Non-CREST Shareholder who is eligible to use the Special Dealing Service wishes to sell all of his, her or its Nil Paid Rights or to effect a Cashless Take-up using the Special Dealing Service; and
- instructions regarding acceptance and payment, consolidation, splitting and registration of renunciation.

The latest time and date for acceptance and payment in full will be 11.00 a.m. on 24 April 2017.

If the Rights Issue is delayed so that Provisional Allotment Letters cannot be despatched on 5 April 2017, the timetable set out in the section of this Prospectus entitled "Expected Timetable of Principal Events" will be adjusted accordingly and the revised dates will be set out in the Provisional Allotment Letters and announced through a Regulatory Information Service, in which case all relevant references in this Prospectus should be read as being subject to such adjustment.

4.2. Procedure for acceptance and payment

4.2.1. Qualifying Non-CREST Shareholders who wish to accept in full

Holders of Provisional Allotment Letters who wish to take up all of their Nil Paid Rights should complete the Provisional Allotment Letter in accordance with its instructions. The Provisional Allotment Letter must be returned, together with a cheque or banker's draft in pounds sterling, made payable to "CIS PLC re Tullow Oil plc Rights Issue" and crossed "A/C payee only", for the full amount payable on acceptance, in accordance with the instructions printed on the Provisional Allotment Letter, by post to Computershare at Corporate Actions Projects, Bristol BS99 6AH or by hand (during normal business hours only) to Computershare at The Pavilions, Bridgwater Road, Bristol BS13 8AE so as to be received as soon as possible and, in any event, not later than 11.00 a.m. on 24 April 2017. If you post your Provisional Allotment Letter, it is recommended that you allow sufficient time for delivery (for instance, allowing four days for first class post within the United Kingdom). Payments via CHAPs, BACS or electronic transfer will not be accepted. Once your Provisional Allotment Letter, duly completed, and payment have been received by the Receiving Agent in accordance with the above instructions, you will have accepted the offer to subscribe for the number of New Ordinary Shares specified on your Provisional Allotment Letter.

4.2.2. Qualifying Non-CREST Shareholders who wish to accept in part

Holders of Provisional Allotment Letters who wish to take up some but not all of their Nil Paid Rights (other than by using the Special Dealing Service described in paragraph 6 of this Part 3) should refer to paragraph 4.6 of this Part 3.

4.2.3. Qualifying Non-CREST Shareholders who wish to dispose of some or all of their Nil Paid Rights

Any Qualifying Non-CREST Shareholder who is permitted to, and wishes to, dispose of all or part of his Nil Paid Rights (other than by using the Special Dealing Service described in paragraph 6 of this Part 3) should contact his or her stockbroker or bank or other appropriate authorised independent financial adviser to arrange the disposal of those Nil Paid Rights in the market. The stockbroker, bank or other authorised independent financial adviser will require the Provisional Allotment Letter to arrange such a disposal and you will need to make arrangements with the stockbroker, bank or other authorised independent financial adviser for the completion of the Provisional Allotment Letter and its despatch to the stockbroker, bank or other authorised independent financial adviser. Further information about such disposals by Qualifying Non-CREST Shareholders is set out in paragraph 4.4 of this Part 3.

Nil Paid Rights may only be transferred in compliance with applicable securities laws and regulations of all relevant jurisdictions.

4.2.4. Discretion as to validity of acceptances

If payment as set out in paragraph 4.2.5 of this Part 3 is not received in full by 11.00 a.m. on 24 April 2017, the provisional allotment will be deemed to have been declined and will lapse.

Tullow and the Joint Global Coordinators may (in their absolute discretion), but shall not be obliged to, treat as valid acceptances received prior to 11.00 a.m. on 24 April 2017 in respect of which (i) Provisional Allotment Letters and accompanying remittances for the full amount are received and (ii) applications in respect of which remittances are received from an authorised person (as defined in paragraph 31(2) of FSMA) specifying the number of New Ordinary Shares to be acquired and an undertaking by that person to lodge the relevant Provisional Allotment Letter, duly completed, by a time and date which are satisfactory to Tullow and the Joint Global Coordinators, in their sole discretion. Tullow and the Joint Global Coordinators may also (in their absolute discretion) treat a Provisional Allotment Letter as valid and binding on the person(s) by whom or on whose behalf it is lodged even if it is not completed in accordance with the relevant instructions or is not accompanied by a valid power of attorney where required.

Tullow reserves the right (in its absolute discretion, after consulting with the Joint Global Coordinators) to treat as invalid any acceptance or purported acceptance of the New Ordinary Shares that appears to Tullow to have been executed in, despatched from, or that provides an address for delivery of definitive share certificates for New Ordinary Shares in, the United States or any of the Restricted Territories.

A Qualifying Non-CREST Shareholder who makes a valid acceptance and payment in accordance with this paragraph is deemed to request that the New Ordinary Shares to which they will become entitled be issued to them on the terms set out in this Prospectus and the Provisional Allotment Letter and subject to the Articles.

4.2.5. Payments

All payments made by Qualifying Non-CREST Shareholders must be made in pounds sterling by cheque or banker's draft made payable to "CIS PLC re Tullow Oil plc Rights Issue" and crossed "A/C payee only". Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has inserted details of the name of the account holder and have either added the building society or bank branch stamp or have provided a supporting letter confirming the source of funds. The name of the account holder should be the same as the name of the Shareholder shown on page 1 of the Provisional Allotment Letter. Cheques or banker's drafts must be drawn on an account at a branch (which must be in the United Kingdom, the Channel Islands or the Isle of Man) of a bank or building society which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through facilities provided by either of these companies. Such cheques and banker's drafts must bear the appropriate sorting code in the top right-hand corner. Post-dated cheques will not be accepted. Payments via CHAPS, BACS or electronic transfer will not be accepted.

Cheques and banker's drafts will be presented for payment on receipt. No interest will be paid on payments made before they are due and any interest on such payments ultimately will accrue for the benefit of Tullow. It is a term of the Rights Issue that cheques shall be honoured on first presentation, and Tullow may elect to treat as invalid any acceptances in respect of which cheques are not so honoured. Return of a Provisional Allotment Letter will constitute a warranty that the cheque will be honoured on first presentation. All documents, cheques and banker's drafts sent through the post will be sent at the risk of the sender. If New Ordinary Shares have already been allotted to Qualifying Shareholders prior to any payment not being so honoured or such Qualifying Shareholders' acceptances being treated as invalid, Tullow may (in its absolute discretion as to manner, timing and terms) make arrangements for the sale of such shares on behalf of those Qualifying Shareholders and hold the proceeds of sale (net of Tullow's reasonable estimate of any loss that it has suffered as a result of the acceptance being treated as invalid and of the expenses of sale including, without limitation, any stamp duty or SDRT payable on the transfer of such shares, and of all amounts payable by such Qualifying Shareholders pursuant to the provisions of this Part 3 in respect of the acquisition of such shares) on behalf of such Qualifying Shareholders. None of Tullow, the Underwriters, the Co-Lead Managers, the Irish Sponsor or any other person shall be responsible for, or have any liability for, any loss, expenses or damage suffered by Qualifying Shareholders as a result.

If you are an Overseas Shareholder and are experiencing difficulty in obtaining a cheque or banker's draft in pounds sterling drawn on an account at a bank or building society or a branch of a bank or building society in the United Kingdom, the Channel Islands or the Isle of Man, please contact Computershare at the following email address and seek further assistance in paying: tullowoilpaymentqueries@computershare.co.uk. Please note that contact should be made with Computershare in good time, leaving sufficient time for any subsequent application to be made under the Rights Issue by no later than 11.00 a.m. on 24 April 2017.

4.3. Money Laundering Regulations

To ensure compliance with the Money Laundering Regulations, the Receiving Agent may require, at its absolute discretion, verification of the identity of the person by whom or on whose behalf the Provisional Allotment Letter is lodged with payment (which requirements are referred to below as the "verification of identity requirements"). If an application is made by a United Kingdom regulated broker or intermediary acting as agent and which is itself subject to the Money Laundering Regulations, any verification of identity requirements are the responsibility of such broker or intermediary and not of the Receiving Agent. In such case, the lodging agent's stamp should be inserted on the Provisional Allotment Letter. The person lodging the Provisional Allotment Letter with payment (the "applicant"), including any person who appears to the Receiving Agent to be acting on behalf of some other person, shall thereby be deemed to agree to provide the Receiving Agent with such information and other evidence as the Receiving Agent may require to satisfy the verification of identity requirements and agree for the Receiving Agent to make a search using a credit reference agency for the purpose of confirming such identity; where deemed necessary a record of the search will be retained. Submission of a Provisional Allotment Letter will constitute a warranty that the Money Laundering Regulations will not be breached by the acceptance of the remittance and an undertaking by the applicant to provide promptly to the Receiving Agent such information as may be specified by the Receiving Agent as being required for the purpose of the Money Laundering Regulations.

If the Receiving Agent determines that the verification of identity requirements apply to any applicant or application, the relevant New Ordinary Shares (notwithstanding any other term of the Rights Issue) will not be issued to the relevant applicant unless and until the verification of identity requirements have been satisfied in respect of that applicant or application. The Receiving Agent is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any applicant or application and whether such requirements have been satisfied, and none of the Receiving Agent, Tullow, the Underwriters, the Co-Lead Managers or the Irish Sponsor will be liable to any person for any loss or damage suffered or incurred (or alleged), directly or indirectly, as a result of the exercise of such discretion.

If the verification of identity requirements apply, failure to provide the necessary evidence of identity within a reasonable time may result in delays and potential rejection of an application. If, within a reasonable period of time following a request for verification of identity, the Receiving Agent has not received evidence satisfactory to it as aforesaid, Tullow may, in its absolute discretion, treat the relevant application as invalid, in which event the application monies will be returned (at the applicant's risk) without interest to the account of the bank or building society on which the relevant cheque or banker's draft was drawn. If the acceptance is not treated as invalid and the verification of identity requirements are not satisfied within such period, being not less than seven days after a request for evidence of identity is despatched to the applicant, as Tullow may in its absolute discretion allow, Tullow will be entitled to make arrangements (in its absolute discretion as to manner, timing and terms) to sell the relevant shares (and for that purpose Tullow will be expressly authorised to act as agent of the applicant). Any proceeds of sale (net of expenses) of the relevant shares which shall be issued to and registered in the name of the purchaser(s) or an amount equivalent to the original payment, whichever is the lower, will be held by Tullow on trust for the applicant, subject to the requirements of the Money Laundering Regulations. The verification of identity requirements will not usually apply if:

- the applicant is an organisation required to comply with the EU Money Laundering Directive (2005/60/EC) as amended;
- the applicant is a regulated United Kingdom broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations;
- the applicant is a company whose securities are listed on a regulated market subject to specified disclosure obligations;
- the applicant (not being an applicant who delivers his/its application in person) makes payment through an account in the name of such applicant with a credit institution which is subject to the Money Laundering Regulations or with a credit institution situated in a non-EEA State which imposes requirements equivalent to those laid down in the EU Money Laundering Directive (No. 91/308EEC) as amended; or
- the aggregate price for taking up the relevant New Ordinary Shares is less than €15,000 (or its pounds sterling equivalent).

In other cases, the verification of identity requirements may apply. Satisfaction of these requirements may be facilitated in the following ways.

- If payment is made by cheque or banker's draft in pounds sterling drawn on a branch of a bank or building society in the United Kingdom and bears a United Kingdom bank sort code in the top right-hand corner, the following applies. Cheques, which must be drawn on the personal account of the individual investor where they have sole or joint title to the funds, should be made payable to "CIS PLC re Tullow Oil plc Rights Issue" and crossed "A/C payee only". Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has inserted details of the name of the account holder and have either added the building society or bank branch stamp or have provided a supporting letter confirming the source of funds. The name of the account holder should be the same as the name of the Shareholder shown on page 1 of the Provisional Allotment Letter.
- If the Provisional Allotment Letter is lodged with payment by an agent which is an organisation of the kind referred to above or which is subject to anti-money laundering regulations in a country which is a member of the Financial Action Task Force (the non-EU members of which are Argentina, Australia, Brazil, Canada, China, members of the Gulf Cooperation Council (being Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates), Hong Kong, Iceland, India, Japan, Malaysia, Mexico, New Zealand, Norway, the Republic of Korea, the Russian Federation, Singapore, South Africa, Switzerland, Turkey and the United States), the agent should provide written confirmation that it has that status with the Provisional Allotment Letter(s) and that it has

obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to the Receiving Agent and/or any relevant regulatory or investigatory authority.

In order to confirm the acceptability of any written assurance referred to in this paragraph, or in any other case, the applicant should contact Computershare on 0370 703 6242 (or if calling from outside the UK +44 370 703 6242). Lines are open from 8.30 a.m. until 5.30 p.m. (London time) Monday to Friday (excluding UK public holidays). Calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Rights Issue nor give any financial, legal or tax advice.

- If a Provisional Allotment Letter is lodged by hand by the applicant in person, he should ensure that he has with him evidence of identity bearing his photograph (for example, his passport or driving licence) and evidence of his address.

4.4. Dealings in Nil Paid Rights

Assuming the Rights Issue becomes unconditional, dealings on the London Stock Exchange and the Irish Stock Exchange in the Nil Paid Rights are expected to commence at 8.00 a.m. on 6 April 2017. A transfer of Nil Paid Rights can be made by renunciation of the Provisional Allotment Letter in accordance with the instructions printed on it or, in the case of any person in whose favour the rights have been renounced, by delivery of such letter to the transferee.

4.5. Dealings in Fully Paid Rights

After acceptance by a Qualifying Non-CREST Shareholder of the provisional allotment and payment in full in accordance with the provisions set out in this Prospectus and the Provisional Allotment Letter, the resultant Fully Paid Rights may be transferred by renunciation of the relevant fully paid Provisional Allotment Letter and lodging of the same, by post or by hand (during normal business hours only), with the Receiving Agent so as to be received not later than 11.00 a.m. on 24 April 2017. To do this, a Qualifying Non-CREST Shareholder will need to have his fully paid Provisional Allotment Letter returned to him after the acceptance has been effected by the Receiving Agent. However, fully paid Provisional Allotment Letters will not be returned to Qualifying Non-CREST Shareholders unless their return is requested by completing Box 5 on the Provisional Allotment Letter.

The New Ordinary Shares are expected to be held in registered form and transferable in the usual way from 2 May 2017.

4.6. Renunciation and splitting of Provisional Allotment Letters

Qualifying Non-CREST Shareholders who are permitted to, and wish to, transfer all of their Nil Paid Rights or, after acceptance of the provisional allotment and payment in full, Fully Paid Rights represented by a Provisional Allotment Letter may (save as required by the laws of certain overseas jurisdictions) renounce such allotment by completing and signing Form X on page 2 of the Provisional Allotment Letter (if it is not already marked "Original Duly Renounced") and passing the entire Provisional Allotment Letter to their stockbroker or bank or other appropriate financial adviser or to the transferee. Once a Provisional Allotment Letter has been renounced, it will become a negotiable instrument in bearer form. The latest time and date for registration of renunciation of Provisional Allotment Letters is 11.00 a.m. on 24 April 2017.

If a holder of a Provisional Allotment Letter wishes to have only some of the New Ordinary Shares registered in his name and to transfer the remainder, or wishes to transfer all the Nil Paid Rights, or (if appropriate) Fully Paid Rights represented by that Provisional Allotment Letter but to different persons, he may have the Provisional Allotment Letter split, for which purpose he must sign and date Form X on page 2 of the Provisional Allotment Letter. The Provisional Allotment Letter must then be delivered by post to Computershare at Corporate Actions Projects, Bristol BS99 6AH or by hand (during normal business hours only) to Computershare at The Pavilions, Bridgwater Road, Bristol BS13 8AE by not later than 3.00 p.m. on 20 April 2017, to be cancelled and exchanged for the new (split) Provisional Allotment Letters required. The number of split Provisional Allotment Letters required and the number of Nil Paid Rights or (as appropriate) Fully Paid Rights to be represented by each split Provisional Allotment Letter should be stated in an accompanying letter. Form X on page 2 of split Provisional Allotment Letters will be marked "Original Duly Renounced" before issue. The Provisional Allotment Letter will then be cancelled and exchanged for new (split) Provisional Allotment Letters. The split Provisional Allotment Letter representing the New Ordinary Shares they wish to accept should be delivered together with the cheque or banker's draft in pounds sterling for the appropriate amount, made

payable to "CIS PLC re Tullow Oil plc Rights Issue" and crossed "A/C payee only", by 11.00 a.m. on 24 April 2017, being the last date and time for acceptance. Once the holder's split Provisional Allotment Letter, duly completed, and payment have been received by the Receiving Agent in accordance with the above, the holder will have accepted the offer to subscribe for the number of New Ordinary Shares specified on that split Provisional Allotment Letter. The second Provisional Allotment Letter (representing the New Ordinary Shares they do not wish to take up) will be required in order to sell those rights.

Alternatively, Qualifying Non-CREST Shareholders who are permitted to, and wish to, take up some of their rights, without selling or transferring the remainder, should complete Form X on page 2 of the original Provisional Allotment Letter and return it by post to Computershare at Corporate Actions Projects, Bristol BS99 6AH or by hand (during normal business hours only) to Computershare at The Pavilions, Bridgwater Road, Bristol BS13 8AE together with a covering letter confirming the number of New Ordinary Shares to be taken up and a cheque for the appropriate amount made payable to "CIS PLC re Tullow Oil plc Rights Issue" and crossed "A/C payee only" and with the Allotment Number on page 1 of the Provisional Allotment Letter, written on the reverse of the cheque or banker's draft to pay for this number of shares. In this case, the Provisional Allotment Letter and cheque or banker's draft must be received by the Receiving Agent by 11.00 a.m. on 24 April 2017, being the last time and date for acceptance. Once the holder's Provisional Allotment Letter, duly completed, and payment have been received by the Receiving Agent in accordance with the above, the holder will have accepted the offer to subscribe for the number of New Ordinary Shares specified on their Provisional Allotment Letter.

Tullow reserves the right to refuse to register any renunciation in favour of any person in respect of whom the Tullow Board believes such renunciation may violate applicable legal or regulatory requirements including (without limitation) any renunciation in the name of any person with an address in the United States or any Restricted Territory.

4.7. Registration in the name of someone other than the Qualifying Shareholder originally entitled

To register the New Ordinary Shares in certificated form in the name of someone other than the Qualifying Shareholder(s) originally entitled, the renouncee or his agent(s) must complete Form Y on page 2 of the Provisional Allotment Letter (unless the renouncee is a CREST member who wishes to hold such New Ordinary Shares in uncertificated form, in which case Form X and the CREST Deposit Form (both on page 2 of the Provisional Allotment Letter) must be completed (see paragraph 4.8 of this Part 3)) and send the entire Provisional Allotment Letter, by post to Computershare at Corporate Actions Projects, Bristol BS99 6AH or by hand (during normal business hours only) to Computershare at The Pavilions, Bridgwater Road, Bristol BS13 8AE so as to be received by not later than 11.00 a.m. on 24 April 2017. Registration cannot be effected unless and until the New Ordinary Shares represented by a Provisional Allotment Letter are fully paid for.

The New Ordinary Shares represented by two or more Provisional Allotment Letters (duly renounced where applicable) may be registered in the name of one holder (or joint holders). To consolidate rights attached to two or more Provisional Allotment Letters, complete Form Y on page 2 of the Provisional Allotment Letter and attach a letter detailing each Allotment Number (as shown on page 1 of the Provisional Allotment Letter), the number of New Ordinary Shares represented by each Provisional Allotment Letter, the total number of Provisional Allotment Letters to be consolidated and the total number of New Ordinary Shares represented by all the Provisional Allotment Letters to be consolidated. All the Provisional Allotment Letters to be consolidated must be lodged in one batch together.

4.8. Deposit of Nil Paid Rights or Fully Paid Rights into CREST

The Nil Paid Rights or Fully Paid Rights represented by a Provisional Allotment Letter may be converted into uncertificated form, that is, deposited into CREST (whether such conversion arises as a result of a renunciation of those rights or otherwise). Similarly, Nil Paid Rights or Fully Paid Rights held in CREST may be converted into certificated form, that is, withdrawn from CREST. Subject as provided in paragraph 4.9 of this Part 3 or in the Provisional Allotment Letter, normal CREST procedures and timings apply in relation to any such conversion.

Shareholders are recommended to refer to the CREST Manual for details of such procedures. The procedure for depositing the Nil Paid Rights or Fully Paid Rights represented by a Provisional Allotment Letter into CREST, whether such rights are to be converted into uncertificated form in the name(s) of the person(s) whose name(s) and address(es) appear on page 2 of the Provisional Allotment Letter or in the name of a person or persons to whom the Provisional Allotment Letter has been renounced, is as follows: Form X and the CREST Deposit Form (both on page 2 of the Provisional Allotment Letter) will

need to be completed and the Provisional Allotment Letter deposited with the CCSS (as this term is defined in the CREST Manual). In addition, the normal CREST Stock Deposit procedures will need to be carried out, except that (a) it will not be necessary to complete and lodge a separate CREST Transfer Form (prescribed under the Stock Transfer Act 1963) with the CCSS; and (b) only the whole of the Nil Paid Rights or Fully Paid Rights represented by the Provisional Allotment Letter may be deposited into CREST. If a Qualifying Shareholder (or his renouncee or transferee) wishes to deposit some only of the Nil Paid Rights or Fully Paid Rights represented by the Provisional Allotment Letter into CREST, he must first apply for split Provisional Allotment Letters. If the rights represented by more than one Provisional Allotment Letter are to be deposited, the CREST Deposit Form on each Provisional Allotment Letter must be completed and deposited.

A holder of the Nil Paid Rights (or, if appropriate, the Fully Paid Rights) represented by a Provisional Allotment Letter who is proposing to convert those rights into uncertificated form (whether following a renunciation of such rights or otherwise) is recommended to ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring the Nil Paid Rights (or, if appropriate, the Fully Paid Rights) in CREST following the conversion to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 24 April 2017. In particular, having regard to processing times in CREST and on the part of the Receiving Agent, the latest recommended time for depositing a renounced Provisional Allotment Letter (with Form X and the CREST Deposit Form both on page 2 of the Provisional Allotment Letter duly completed), with the CCSS (to enable the person acquiring the Nil Paid Rights (or, if appropriate, the Fully Paid Rights) in CREST as a result of the conversion to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 24 April 2017) is 3.00 p.m. on 19 April 2017.

When Form X and the CREST Deposit Form (both on page 2 of the Provisional Allotment Letter) have been completed, the title to the Nil Paid Rights or the Fully Paid Rights represented by the Provisional Allotment Letter will cease forthwith to be renounceable or transferable by delivery and for the avoidance of doubt, any entries in Form Y on page 2 of the Provisional Allotment Letter will not be recognised or acted upon by the Receiving Agent. All renunciations or transfers of the Nil Paid Rights or Fully Paid Rights must be effected through the means of the CREST system once such rights have been deposited into CREST.

CREST sponsored members should contact their CREST sponsors as only their CREST sponsors will be able to take the necessary actions to take up the entitlements or otherwise to deal with the Nil Paid Rights or Fully Paid Rights of CREST sponsored members.

4.9. Issue of New Ordinary Shares in definitive form

Definitive share certificates in respect of the New Ordinary Shares to be held in certificated form are expected to be despatched by post by 2 May 2017, at the risk of persons entitled thereto, to Qualifying Non-CREST Shareholders (or their transferees who hold Fully Paid Rights in certificated form), or in the case of joint holdings, to the first named Qualifying Shareholder on the register of members, at their registered address (unless lodging agent details have been completed on page 2 of the Provisional Allotment Letter). After despatch of definitive share certificates, Provisional Allotment Letters will cease to be valid for any purpose whatsoever. Pending despatch of definitive share certificates, instruments of transfer of the New Ordinary Shares will be certified by the Registrar against the register of members of the Company.

5. Action to be taken in relation to Nil Paid Rights or Fully Paid Rights in CREST

5.1. General

Subject as provided in paragraph 8 and paragraph 9 of this Part 3 in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder is expected to receive a credit to his CREST stock account of his entitlement to Nil Paid Rights on 6 April 2017. The CREST stock account to be credited will be an account under the participant ID and member account ID that apply to the Ordinary Shares held on the Record Date by the Qualifying CREST Shareholder in respect of which the Nil Paid Rights are provisionally allotted.

The maximum number of New Ordinary Shares that a Qualifying CREST Shareholder may take up is that which has been provisionally allotted to that Qualifying CREST Shareholder and for which he receives a credit of entitlement into his stock account in CREST. The minimum number of New Ordinary Shares a Qualifying CREST Shareholder may take up is one.

The Nil Paid Rights and Fully Paid Rights each constitute a separate security for the purposes of CREST and can accordingly be transferred, in whole or in part, by means of CREST in the same manner as any other security that is admitted to CREST.

If for any reason it is impracticable to credit the stock accounts of Qualifying CREST Shareholders or to enable the Nil Paid Rights by 6 April 2017, Provisional Allotment Letters shall, unless Tullow and the Joint Global Coordinators agree otherwise, be sent out in substitution for the Nil Paid Rights which have not been so credited or enabled and the expected timetable as set out in this Prospectus may, with the consent of the Joint Global Coordinators, be adjusted as appropriate. References to dates and times in this Prospectus should be read as being subject to any such adjustment. Tullow will make an appropriate announcement to a Regulatory Information Service giving details of the revised dates but Qualifying CREST Shareholders may not receive any further written communication.

CREST members who wish to take up all or part of their entitlements in respect of, or otherwise to transfer all or part of, their Nil Paid Rights or Fully Paid Rights held by them in CREST (including CREST members who wish to effect a Cashless Take-up) should refer to the CREST Manual for further information on the CREST procedures referred to in this paragraph 5. A CREST sponsored member should consult their CREST sponsor if they wish to take up their entitlements as only their CREST sponsor will be able to take the necessary action to take up their entitlement or otherwise to deal with their Nil Paid Rights or Fully Paid Rights (including effecting a Cashless Take-up).

5.2. Procedure for acceptance and payment

5.2.1. MTM Instructions

CREST members who are permitted to, and wish to, take up all or part of their entitlement in respect of Nil Paid Rights in CREST must send (or, in the case of CREST sponsored members, procure that their CREST sponsor sends) an MTM Instruction to Euroclear which, on its settlement, will have the following effect:

(a) the crediting of a stock account of the Receiving Agent under the participant ID and member account ID specified in paragraph 5.2.2 of this Part 3, with the number of Nil Paid Rights to be taken up;

(b) the creation of a settlement bank payment obligation (as this term is defined in the CREST Manual), in accordance with the RTGS payment mechanism (as this term is defined in the CREST Manual), in favour of the RTGS settlement bank of the Receiving Agent in respect of the full amount payable on acceptance in respect of the Nil Paid Rights referred to in paragraph (a) above; and

(c) the crediting of a stock account of the accepting CREST member (being an account under the same participant ID and member account ID as the account from which the Nil Paid Rights are to be debited on settlement of the MTM Instruction) of the corresponding number of Fully Paid Rights to which the CREST member is entitled on taking up his Nil Paid Rights referred to in paragraph (a) above.

5.2.2. Contents of MTM Instructions

The MTM Instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- the number of Nil Paid Rights to which the acceptance relates;
- the participant ID of the accepting CREST member;
- the member account ID of the accepting CREST member from which the Nil Paid Rights are to be debited;
- the participant ID of the Receiving Agent, in its capacity as a CREST receiving agent. This is 3RA52;
- the member account ID of the Receiving Agent, in its capacity as a CREST receiving agent. This is TULLOWRI;
- the number of Fully Paid Rights that the CREST member is expecting to receive on settlement of the MTM Instruction. This must be the same as the number of Nil Paid Rights to which the acceptance relates;

- the amount payable by means of the CREST assured payment arrangements on settlement of the MTM Instruction. This must be the full amount payable on acceptance in respect of the number of Nil Paid Rights to which the acceptance relates;
- the intended settlement date (which must be on or before 11.00 a.m. on 24 April 2017);
- the Nil Paid ISIN which is GB00BF0BYM74;
- the Fully Paid ISIN which is GB00BF0BYN81;
- the corporate action number for the Rights Issue. This will be available by viewing the relevant corporate action details in CREST;
- a contact name and telephone number (in the free format shared note field); and
- a priority of at least 90.

5.2.3. Valid acceptance

An MTM Instruction complying with each of the requirements as to authentication and contents set out in paragraph 5.2.2 of this Part 3 will constitute a valid acceptance where either:

- the MTM Instruction settles by not later than 11.00 a.m. on 24 April 2017; or
- at the discretion of Tullow: (a) the MTM Instruction is received by Euroclear by not later than 11.00 a.m. on 24 April 2017; (b) the number of Nil Paid Rights inserted in the MTM Instruction is credited to the CREST stock account of the accepting CREST member specified in the MTM Instruction at 11.00 a.m. on 24 April 2017; and (c) the relevant MTM Instruction settles by 2.00 p.m. on 24 April 2017 (or such later date as Tullow has determined).

An MTM Instruction will be treated as having been received by Euroclear for these purposes at the time at which the instruction is processed by the Network Provider's Communications Host (as this term is defined in the CREST Manual) at Euroclear of the network provider used by the CREST member (or by the CREST sponsored member's CREST sponsor). This will be conclusively determined by the input time stamp applied to the MTM Instruction by the Network Provider's Communications Host.

5.2.4. Representations, warranties and undertakings of CREST members

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with this paragraph 5.2 represents, warrants and undertakes to Tullow that he/it has taken (or procured to be taken), and will take (or will procure to take), whatever action is required to be taken by him/it or by his/its CREST sponsor (as appropriate) to ensure that the MTM Instruction concerned is capable of settlement at 11.00 a.m. on 24 April 2017 and remains capable of settlement at all times after that until 2.00 p.m. on 24 April 2017 (or until such later time and date as Tullow may determine). In particular, the CREST member or CREST sponsored member represents, warrants and undertakes that at 11.00 a.m. on 24 April 2017 and at all times thereafter until 2.00 p.m. on 24 April 2017 (or until such later time and date as Tullow may determine) there will be sufficient Headroom within the Cap (as those terms are defined in the CREST Manual) in respect of the cash memorandum account to be debited with the amount payable on acceptance to permit the MTM Instruction to settle. CREST sponsored members should contact their CREST sponsor if they are in any doubt. In addition, such CREST sponsored member taking up entitlements makes the representations and gives the warranties set out in paragraph 9 of this Part 3.

If there is insufficient Headroom within the Cap (as those terms are defined in the CREST Manual) in respect of the cash memorandum account of a CREST member or CREST sponsored member for such amount to be debited or the CREST member's or CREST sponsored member's acceptance is otherwise treated as invalid and New Ordinary Shares have already been allotted to such CREST member or CREST sponsored member, Tullow may (in its absolute discretion as to manner, timing and terms) make arrangements for the sale of such New Ordinary Shares on behalf of that CREST member or CREST sponsored member and hold the proceeds of sale (net of Tullow's reasonable estimate of any loss that it has suffered as a result of the acceptance being treated as invalid and of the expenses of sale including, without limitation, any stamp duty or SDRT payable on the transfer of such New Ordinary Shares, and of all amounts payable by the CREST member or CREST sponsored member pursuant to the provisions of this Part 3 in respect of the acquisition of such shares) on behalf of such CREST member or CREST sponsored member. None of Tullow, the Underwriters, the Co-Lead Managers, the Irish Sponsor nor any other person shall be responsible for, or have any liability for, any loss, expenses or damage suffered by such CREST member or CREST sponsored member as a result.

5.2.5. CREST procedures and timings

CREST members and CREST sponsors (on behalf of CREST sponsored members) should note that Euroclear does not make available special procedures in CREST for any particular corporate action.

Normal system timings and limitations will therefore apply in relation to the input of an MTM Instruction and its settlement in connection with the Rights Issue. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) the action necessary to ensure that a valid acceptance is received by 11.00 a.m. on 24 April 2017. In this connection, CREST members and (where applicable) CREST sponsors are referred in particular to those paragraphs of the CREST Manual concerning practical limitations of the CREST system and timings.

5.2.6. CREST member's undertaking to pay

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with the procedures set out in this paragraph 5.2: (a) undertakes to pay to the Receiving Agent, or procure the payment to the Receiving Agent of, the amount payable in pounds sterling on acceptance in accordance with the procedures set out in this paragraph 5.2 or in such other manner as the Receiving Agent may require (it being acknowledged that, where payment is made by means of the RTGS payment mechanism (as defined in the CREST Manual) the creation of a RTGS settlement bank payment obligation in pounds sterling in favour of the Receiving Agent's RTGS settlement bank (as defined in the CREST Manual), in accordance with the RTGS payment mechanism shall, to the extent of the obligation so created, discharge in full the obligation of the CREST member (or CREST sponsored member) to pay to the Receiving Agent the amount payable on acceptance); and (b) requests that the Fully Paid Rights and/or New Ordinary Shares, to which they will become entitled, be issued to them on the terms set out in this Prospectus and subject to the Articles.

If the payment obligations of the relevant CREST member in relation to such New Ordinary Shares are not discharged in full and such New Ordinary Shares have already been allotted to the CREST member or CREST sponsored member, Tullow may (in its absolute discretion as to the manner, timing and terms) make arrangements for the sale of such shares on behalf of that CREST member or CREST sponsored member and hold the proceeds of sale (net of Tullow's reasonable estimate of any loss that it has suffered as a result of the same and of the expenses of sale including, without limitation, any stamp duty or SDRT payable on the transfer of such shares, and all amounts payable by the CREST member or CREST sponsored member pursuant to the provisions of this Part 3 in respect of the acquisition of such shares) or an amount equal to the original payment of the CREST member or CREST sponsored member (whichever is lower) on trust for such CREST member or CREST sponsored member. In these circumstances, neither the Underwriters, the Co-Lead Managers, the Irish Sponsor nor Tullow shall be responsible for, or have any liability for, any loss, expenses or damage arising as a result.

5.2.7. Discretion as to rejection and validity of acceptances

Tullow may agree (in its absolute discretion, after consulting with the Joint Global Coordinators) to:

- reject any acceptance constituted by an MTM Instruction, which is otherwise valid, in the event of breach of any of the representations, warranties and undertakings set out or referred to in this paragraph 5 (and, to the extent applicable, pursuant to paragraph 9.2 of this Part 3). Where an acceptance is made as described in this paragraph 5 which is otherwise valid, and the MTM Instruction concerned fails to settle by 2.00 p.m. on 24 April 2017 (or by such later time and date as Tullow may determine), Tullow shall be entitled to assume, for the purposes of its right to reject an acceptance as described in this paragraph 5, that there has been a breach of the representations, warranties and undertakings set out or referred to in this paragraph 5;
- treat as valid (and binding on the CREST member or CREST sponsored member concerned) an acceptance which does not comply in all respects with the requirements as to validity set out or referred to in this paragraph 5;
- accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid acceptance in substitution for, or in addition to, an MTM Instruction and subject to such further terms and conditions as Tullow may determine;
- treat a properly authenticated dematerialised instruction (in this paragraph the "first instruction") as not constituting a valid acceptance if, at the time at which the Receiving Agent receives a properly authenticated dematerialised instruction giving details of the first instruction, either Tullow or the

Receiving Agent has received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; or

- accept an alternative instruction or notification from a CREST member or (where applicable) a CREST sponsor, or extend the time for acceptance and/or settlement of an MTM Instruction or any alternative instruction or notification if, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to take up all of part of his/its Nil Paid Rights by means of the procedures set out in this paragraph 5.2. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of the facilities and/or systems operated by the Receiving Agent in connection with CREST.

5.3. Money Laundering Regulations

If a person holds his Nil Paid Rights in CREST and applies to take up all or part of his entitlement as agent for one or more persons and he is not a United Kingdom or EU regulated person or institution (e.g. a United Kingdom financial institution), then, irrespective of the value of the application, the Receiving Agent is required to take reasonable measures to establish the identity of the person or persons on whose behalf such person is making the application. Such person must therefore contact the Receiving Agent before sending any MTM Instruction or other instruction so that appropriate measures may be taken. Submission of an MTM Instruction which constitutes, or which may on its settlement constitute, a valid acceptance as described in paragraph 5.2 of this Part 3 constitutes an undertaking by the applicant to provide promptly to the Receiving Agent any information the Receiving Agent may specify as being required for the purposes of the Money Laundering Regulations or FSMA. Pending the provision of evidence satisfactory to the Receiving Agent as to identity, the Receiving Agent, having consulted with Tullow, may take, or omit to take, such action as it may determine to prevent or delay settlement of the MTM Instruction. If satisfactory evidence of identity has not been provided within a reasonable time, then the Receiving Agent will not permit the MTM Instruction concerned to proceed to settlement, but without prejudice to the right of Tullow to take proceedings to recover any loss suffered by it as a result of failure by the applicant to provide satisfactory evidence.

5.4. Dealings in Nil Paid Rights

Assuming the Rights Issue becomes unconditional, dealings in the Nil Paid Rights on the London Stock Exchange and the Irish Stock Exchange are expected to commence at 8.00 a.m. on 6 April 2017. Dealings in Nil Paid Rights can be made by means of CREST in the same manner as any other security that is admitted to CREST. The Nil Paid Rights are expected to be disabled in CREST after 11.00 a.m. on 24 April 2017.

5.5. Dealings in Fully Paid Rights

After acceptance of the provisional allotment and payment in full in accordance with the provisions set out in this Prospectus, the Fully Paid Rights may be transferred by means of CREST in the same manner as any other security that is admitted to CREST. The latest time for settlement of any transfer of Fully Paid Rights in CREST is expected to be 11.00 a.m. on 24 April 2017. The Fully Paid Rights are expected to be disabled in CREST after the close of CREST business on 24 April 2017.

The New Ordinary Shares are expected to be held in registered form in the name(s) of the person(s) entitled to them (including those holding Fully Paid Rights at 6.00 p.m. on 24 April 2017) from 25 April 2017 in Tullow's register of members and will be transferable in the usual way.

5.6. Withdrawal of Nil Paid Rights or Fully Paid Rights from CREST

Nil Paid Rights or Fully Paid Rights held in CREST may be converted into certificated form, that is, withdrawn from CREST. Normal CREST procedures (including timings) apply in relation to any such conversion.

The recommended latest time for receipt by Euroclear of a properly authenticated dematerialised instruction requesting withdrawal of Nil Paid Rights or, if appropriate, Fully Paid Rights, from CREST is 4.30 p.m. on 18 April 2017, so as to enable the person acquiring or (as appropriate) holding the Nil Paid Rights or, if appropriate, Fully Paid Rights, following the conversion, to take all necessary steps in

connection with taking up the entitlement prior to 11.00 a.m. on 24 April 2017. It is recommended that reference is made to the CREST Manual for details of such procedures.

5.7. Issue of New Ordinary Shares in CREST

Fully Paid Rights in CREST are expected to be disabled in CREST after the close of CREST business on 24 April 2017 (being the latest date for settlement of transfers of Fully Paid Rights in CREST). New Ordinary Shares will be issued in uncertificated form to those persons registered as holding Fully Paid Rights in CREST at 6.00 p.m. on the date on which the Fully Paid Rights are disabled. The Receiving Agent will instruct Euroclear to credit the appropriate stock accounts of those persons (under the same participant ID and member account ID that applied to the Fully Paid Rights held by those persons) with their entitlements to New Ordinary Shares with effect from 8.00 a.m. on the next Business Day (expected to be 25 April 2017).

5.8. Right to allot and issue in certificated form

Despite any other provision of this Prospectus, Tullow reserves the right to allot and to issue any Nil Paid Rights, Fully Paid Rights or New Ordinary Shares in certificated form if it has first obtained the Joint Global Coordinators' written consent. In normal circumstances, this right is only likely to be exercised in the event of an interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of the facilities and/or systems operated by the Receiving Agent in connection with CREST.

6. Special Dealing Service

6.1. Qualifying Non-CREST Shareholders who wish to sell all of their entitlement using the Special Dealing Service

Qualifying Non-CREST Shareholders who are individuals with a registered address in the United Kingdom or any other EEA State and who wish to sell all of the Nil Paid Rights to which they are entitled may elect to do so using the Special Dealing Service. Such Qualifying Non-CREST Shareholders should complete and return the Provisional Allotment Letter in accordance with the instructions printed thereon, by post to Computershare at Corporate Actions Projects, Bristol BS99 6AH or by hand (during normal business hours only) to Computershare at The Pavilions, Bridgwater Road, Bristol BS13 8AE by not later than 3.00 p.m. on 13 April 2017, being the latest time and date for requesting the sale of Nil Paid Rights through the Special Dealing Service.

If you post your Provisional Allotment Letter within the United Kingdom by first-class post, it is recommended that you allow at least four days for delivery. Please note that Computershare will charge a commission of 0.35 per cent. of the gross proceeds of sale of all of the Nil Paid Rights to which the Qualifying Non-CREST Shareholder is entitled, subject to a minimum of £20, for effecting such sale through the Special Dealing Service.

Under the Special Dealing Service, Computershare will collate all the instructions from Qualifying Non-CREST Shareholders wishing to use the service to sell all their Nil Paid Rights up to 3.00 p.m. on 13 April 2017 and instruct a broker to sell all such Nil Paid Rights in accordance with the Special Dealing Service Terms and Conditions which will accompany the Provisional Allotment Letter.

Computershare will aggregate instructions from all Qualifying Non-CREST Shareholders who have elected to sell all of their Nil Paid Rights under the Special Dealing Service that are received (or are treated as having been received). Such Nil Paid Rights in respect of which an instruction is received may be sold in several transactions and on separate days. Qualifying Non-CREST Shareholders would receive the average price obtained for the sale of all of the Nil Paid Rights aggregated for sale purposes in accordance with the above. This may result in Qualifying Non-CREST Shareholders who choose to sell all of their Nil Paid Rights through the Special Dealing Service receiving a higher or lower price than if their Nil Paid Rights were sold separately. This may also result in Qualifying Non-CREST Shareholders who choose to sell all of their Nil Paid Rights through the Special Dealing Service receiving a higher or lower price for their Nil Paid Rights than if all of their Nil Paid Rights had been sold in a single transaction or on a single day and such Qualifying Non-CREST Shareholders may receive the proceeds of sale later than if their Nil Paid Rights had been sold by another broker on an individual basis. A Qualifying Non-CREST Shareholder who is considering giving an instruction to sell all of their Nil Paid Rights under the Special Dealing Service should note that there is no guarantee that the sale of Nil Paid Rights will be effected under the Special Dealing Service in relation to their Nil Paid Rights.

Whether such Qualifying Non-CREST Shareholder's Nil Paid Rights will be sold under the Special Dealing Service will depend on whether it is expected that the proceeds from the sale of the Nil Paid Rights of the majority of the Qualifying Non-CREST Shareholders who elect to sell all of their Nil Paid

Rights and whose instructions are aggregated for sale purposes will exceed the commissions referred to above. If a Qualifying Non-CREST Shareholder's Nil Paid Rights are sold but the proceeds obtained for the sale of such Nil Paid Rights are less than the commissions referred to above, such Qualifying Non-CREST Shareholder will not receive any proceeds.

6.2. Qualifying Non-CREST Shareholders who wish to effect a Cashless Take-up using the Special Dealing Service

Qualifying Non-CREST Shareholders who are individuals with a registered address in the United Kingdom or any other EEA State can elect to sell a sufficient number of Nil Paid Rights to raise money to effectuate a cashless take-up of their remaining rights through the Special Dealing Facility operated by Computershare.

Any such Qualifying Non-CREST Shareholders who wish to effect a Cashless Take-up should complete and return the Provisional Allotment Letter in accordance with the instructions printed thereon, by post to Computershare at Corporate Actions Projects, Bristol BS99 6AH or by hand (during normal business hours only) to Computershare at The Pavilions, Bridgwater Road, Bristol BS13 8AE by not later than 3.00 p.m. on 13 April 2017, being the latest time and date for requesting a Cashless Take-up through the Special Dealing Service.

If you post your Provisional Allotment Letter within the United Kingdom by first-class post, it is recommended that you allow at least four days for delivery. Please note that Computershare will charge a commission of 0.35 per cent. of the gross proceeds of sale of such number of Nil Paid Rights as is required to effect a Cashless Take-up for a Qualifying Non-CREST Shareholder, subject to a minimum of £20.

Under the Special Dealing Service, Computershare will collate all the instructions from Qualifying Non-CREST Shareholders wishing to use the service to effect a Cashless Take-up up to 3.00 p.m. on 13 April 2017 and instruct a broker to sell sufficient Nil Paid Rights for Qualifying Non-CREST Shareholders to take up the remainder of their Nil Paid Rights in accordance with the Special Dealing Service Terms and Conditions which will accompany the Provisional Allotment Letter. Computershare will aggregate instructions from all Qualifying Non-CREST Shareholders who elect a Cashless Take-up under the Special Dealing Service that are received (or are treated as having been received). Such number of Nil Paid Rights which need to be sold to effect a Cashless Take-up for Qualifying Non-CREST Shareholders under the Special Dealing Service may be sold in several transactions and on separate days. Qualifying Non-CREST Shareholders would receive the average price obtained for the sale of all of the Nil Paid Rights aggregated for sale purposes in accordance with the above. This may result in Qualifying Non-CREST Shareholders who choose to effect a Cashless Take-up under the Special Dealing Service receiving a higher or lower price than if their Nil Paid Rights were sold separately. This may also result in Qualifying Non-CREST Shareholders who choose to effect a Cashless Take-up under the Special Dealing Service receiving a higher or lower price for their Nil Paid Rights than if such Nil Paid Rights had been sold in a single transaction or on a single day.

A Qualifying Non-CREST Shareholder who is considering giving an instruction for Cashless Take-up under the Special Dealing Service should note that there is no guarantee that Cashless Take-up will be effected under the Special Dealing Service in relation to his Nil Paid Rights. Whether such Qualifying Non-CREST Shareholder's Nil Paid Rights will be sold under the Special Dealing Service will depend on whether it is expected that the proceeds from the sale of the Nil Paid Rights of the majority of the Qualifying Non-CREST Shareholders who elect for a Cashless Take-up under the Special Dealing Service and whose instructions are aggregated for sale purposes will be sufficient, after deducting the commissions referred to above, to take-up one New Ordinary Share for each of the majority of the Qualifying Non-CREST Shareholders. If a Qualifying Non-CREST Shareholder's Nil Paid Rights are sold but the proceeds obtained for the sale of the Nil Paid Rights are not sufficient, after the deduction of the commissions referred to above, to acquire any New Ordinary Shares at the Issue Price, such Qualifying Non-CREST Shareholder will not receive any New Ordinary Shares.

6.3. General

By giving an instruction under the Special Dealing Service, a Qualifying Non-CREST Shareholder will be deemed to have represented, warranted and undertaken that he will not thereafter seek to take any action in respect of his Provisional Allotment Letter. By giving your instruction under the Special Dealing Service, you will be deemed to have renounced your Nil Paid Rights, as applicable to your instruction.

The Special Dealing Service Terms and Conditions will be posted to Qualifying Non-CREST Shareholders together with the Provisional Allotment Letter. A Qualifying Non-CREST Shareholder who is eligible for and elects to use the Special Dealing Service agrees to the terms and conditions of the

Rights Issue set out in this Prospectus and the Special Dealing Service Terms and Conditions (including how the price for the sale of their Nil Paid Rights is calculated and the commissions that will be deducted from the proceeds of their sale of such Nil Paid Rights). Qualifying Non-CREST Shareholders using the Special Dealing Service should note that they will be clients of Computershare and not of the Company when using such service. Computershare's liability to such a Qualifying Non-CREST Shareholder and its responsibility for providing the protections afforded by the UK regulatory regime to clients for whom such services are provided is as set out in the Special Dealing Service Terms and Conditions and neither Computershare nor Tullow shall have any liability or responsibility to a Qualifying Non-CREST Shareholder using the Special Dealing Service, except as set out in those Special Dealing Service Terms and Conditions. None of Tullow, Computershare or their agents shall be responsible for any loss or damage (whether actual or alleged) arising from the terms or timing of any sale, any settlement issues arising from any sale, any exercise of discretion in relation to any sale, or any failure to procure any sale, of Nil Paid Rights pursuant to the Special Dealing Service.

Tullow, Computershare and/or their agents shall each have sole discretion to determine the eligibility of Qualifying Non-CREST Shareholders in relation to the Special Dealing Service and may each in their sole discretion interpret instructions (including handwritten markings) on the Provisional Allotment Letter, and none of the Company, Computershare or their agents shall be responsible for any loss or damage (whether actual or alleged) arising from any such exercise of discretion. All remittances will be sent by post, at the risk of the Qualifying Non-CREST Shareholder entitled thereto, to the registered address of the relevant Qualifying Non-CREST Shareholder (or, in the case of joint holders, to the address of the joint holder whose name stands first in the Company's register of members). No interest will be payable on any proceeds received from the sale of Nil Paid Rights under the Special Dealing Service.

Tullow, Computershare and/or their agents cannot offer financial, legal, tax or investment advice on the Special Dealing Service. The Share Dealing Service is an "execution only" service and not a recommendation to buy or sell the Nil Paid Rights. The Special Dealing Service Terms and Conditions apply to the Special Dealing Service. The value of the Ordinary Shares and any income from them can fluctuate and, when sold, investors may receive less than the original amount invested. Past performance is not a guide to future returns. The Special Dealing Service is provided by Computershare which is authorised by the FCA.

7. Procedure in respect of New Ordinary Shares not taken up and withdrawal rights

7.1. Procedure in respect of New Ordinary Shares not taken up

If an entitlement to New Ordinary Shares is not validly taken up in accordance with the procedure laid down for acceptance and payment, then that provisional allotment shall be deemed to have been declined and will lapse. If an entitlement to New Ordinary Shares is not validly taken up by 11.00 a.m. on 24 April 2017 in accordance with the procedure laid down for acceptances and payment, then the Joint Bookrunners, on behalf of the Underwriters, (as agents for Tullow) will use reasonable endeavours to procure, by not later than 8.00 p.m. on 26 April 2017, subscribers for all (or, at their discretion, for as many as possible) of those New Ordinary Shares not taken up if an amount which is not less than the total of the Issue Price and the expenses of procuring such subscribers (including any related brokerage and commissions and amounts in respect of VAT which are not recoverable) can be obtained.

Notwithstanding the above, the Joint Bookrunners may cease to endeavour to procure any such subscribers if, in the opinion of the Joint Bookrunners, there is no reasonable likelihood that any such subscribers can be so procured at such a price by such time. If and to the extent that subscribers cannot be procured on the basis outlined above, or if procurement of subscribers would give rise to a breach of law, the relevant New Ordinary Shares will be subscribed for by the Underwriters as principals pursuant to the Underwriting Agreement or by sub-underwriters procured by the Underwriters, in each case, at the Issue Price and in the due underwriting proportions.

New Ordinary Shares for which subscribers are procured on this basis will be re-allotted to such subscribers and the aggregate of any premiums (being the amount paid by such subscribers after deducting the Issue Price and the expenses of procuring such subscribers, including any applicable brokerage and commissions and amounts in respect of VAT which are not recoverable), if any, will be paid (without interest) to those persons entitled (as referred to above) pro rata to the relevant lapsed provisional allotments on the basis set out below (save that amounts of less than £5.00 per holding will not be so paid but will be aggregated and retained for the benefit of the Company):

- where the Nil Paid Rights were, at the time they lapsed, represented by a Provisional Allotment Letter, to the person whose name and address appeared on page 1 of the Provisional Allotment Letter;

- where the Nil Paid Rights were, at the time they lapsed, in uncertificated form, to the person registered as the holder of those Nil Paid Rights at the time of their disablement in CREST; and
- where an Overseas Shareholder received neither a Provisional Allotment Letter nor a credit to his, her or its CREST account, to that Overseas Shareholder,

save that no payment will be made of amounts of less than £5.00, which amounts will be aggregated and will ultimately accrue to the benefit of Tullow.

Any transactions undertaken pursuant to this paragraph 7 shall be deemed to have been undertaken at the request of the persons entitled to the lapsed provisional allotments and none of Tullow, the Underwriters or any other person procuring subscribers shall be responsible for any loss or damage (whether actual or alleged) arising from the terms of or timing of any such subscription, any decision not to endeavour to procure subscribers or the failure to procure subscribers on the basis described above. The Underwriters will be entitled to retain any brokerage fees, commissions or other benefits received in connection with these arrangements.

Cheques for the amounts due will be sent in pounds sterling, by post, at the risk of the person(s) entitled, to their registered addresses (in the case of joint holders, to the registered address of the first named), provided that where any entitlement concerned was held in CREST, the amount due will, unless Tullow (in its absolute discretion) otherwise determines, be satisfied by Tullow procuring the creation of an assured payment obligation in favour of the relevant CREST member's (or CREST sponsored member's) RTGS settlement bank in respect of the cash amount concerned in accordance with the RTGS payment mechanism.

There is no procedure for Shareholders to apply for New Ordinary Shares in excess of their entitlement.

7.2. Withdrawal rights

Persons wishing to exercise statutory withdrawal rights after the issue by Tullow of a document supplementing this Prospectus must do so by sending a written notice of withdrawal which must include the account number, the full name and address of the person wishing to exercise such right of withdrawal and, if such person is a CREST member, the participant ID and the member account ID of such CREST member, in writing to Computershare at Corporate Actions Projects, Bristol BS99 6AH or by hand (during normal business hours only) to Computershare at The Pavilions, Bridgwater Road, Bristol BS13 8AE within two Business Days of the issue of such supplementary document. For further details, Shareholders should contact Computershare on 0370 703 6242 (or if calling from outside the UK +44 370 703 6242). Lines are open from 8.30 a.m. until 5.30 p.m. (London time) Monday to Friday (excluding UK public holidays). Calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Rights Issue nor give any financial, legal or tax advice.

Notice of withdrawal given by any other means or which is deposited with or received by the Receiving Agent after expiry of such period will not constitute a valid withdrawal. Furthermore, the exercise of withdrawal rights will not be permitted after payment in full by the relevant person in respect of their New Ordinary Shares taken up and the allotment of those New Ordinary Shares to such person becoming unconditional. In such circumstances, Shareholders are advised to consult their professional advisers. Provisional allotments of entitlements to New Ordinary Shares which are the subject of a valid withdrawal notice will be deemed to be declined. Such entitlements to New Ordinary Shares will be subject to the provisions of paragraph 7.1 of this Part 3 as if the entitlement had not been validly taken up.

8. Overseas Shareholders

This Prospectus has been approved by the FCA, being the competent authority in the United Kingdom, and it is expected that this Prospectus will be passported into Ireland. However, there will be no public offer of the Nil Paid Rights, the Fully Paid Rights or the New Ordinary Shares in Ireland, and Ireland shall be deemed to be a Restricted Territory for the purposes of this Prospectus and the Rights Issue, until this Prospectus has been passported into Ireland.

It is the responsibility of any person (including, without limitation, custodians, nominees and trustees) outside the United Kingdom and Ireland wishing to take up rights under the Rights Issue to satisfy himself as to the full observance of the laws of any relevant territory in connection therewith, including the obtaining of any governmental or other consents which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such territory. The comments set out in this paragraph 8 are intended as a general guide only and any Overseas

Shareholder who is in doubt as to his, her or its position should consult his, her or its professional adviser without delay.

8.1. General

The allocation of Nil Paid Rights and/or offer of Fully Paid Rights and/or New Ordinary Shares to persons resident in, or who are citizens of, or who have a registered address, in countries other than the United Kingdom and Ireland may be affected by the law of the relevant jurisdiction. Those persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their rights.

This paragraph 8 sets out the restrictions applicable to Qualifying Shareholders who have registered addresses outside the United Kingdom and Ireland, who are citizens or residents of countries other than the United Kingdom and Ireland, or who are persons (including, without limitation, custodians, nominees and trustees) who have a contractual or legal obligation to forward this Prospectus to a jurisdiction outside the United Kingdom or Ireland or who hold Ordinary Shares for the account or benefit of any such person. The restrictions set out in this paragraph 8 will also apply to any investors who acquire New Ordinary Shares in connection with the placement of New Ordinary Shares not subscribed for in the Rights Issue.

New Ordinary Shares will be provisionally allotted (nil paid) to all Qualifying Shareholders, including Overseas Shareholders. However, Provisional Allotment Letters have not been, and will not be, sent to, and Nil Paid Rights will not be credited to CREST accounts of, Qualifying Shareholders with registered addresses in the United States or any of the Restricted Territories except where Tullow and the Joint Global Coordinators are satisfied that such action would not result in a contravention of any registration or other legal requirement in any such jurisdiction.

Having considered the circumstances, the Directors have formed the view that it is necessary and expedient to restrict the ability of Qualifying Shareholders in the United States and the Restricted Territories to take up their rights under the Rights Issue due to the time and costs involved in the filing or registration of this Prospectus and the registration of the Rights Issue and/or compliance with the relevant local legal or regulatory requirements in those jurisdictions.

Receipt of this Prospectus and/or a Provisional Allotment Letter or the crediting of Nil Paid Rights to a stock account in CREST does not and will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Prospectus and/or a Provisional Allotment Letter must be treated as sent for information only (subject to certain exceptions) and should not be copied or redistributed. No person who has received or receives a copy of this Prospectus and/or a Provisional Allotment Letter and/or who receives a credit of Nil Paid Rights to a stock account in CREST in any territory other than the United Kingdom and Ireland (a) may treat the same as constituting an invitation or offer to him/it; or (b) should use the Provisional Allotment Letter or deal with Nil Paid Rights or Fully Paid Rights in CREST, in the relevant territory, unless (in the case of (a) or (b)) such an invitation or offer could lawfully be made to him/it or the Provisional Allotment Letter or Nil Paid Rights or Fully Paid Rights in CREST could lawfully be used or dealt with without contravention of any registration or other legal or regulatory requirements.

Accordingly, persons who have received a copy of this Prospectus or a Provisional Allotment Letter or whose stock account in CREST is credited with Nil Paid Rights or Fully Paid Rights should not, in connection with the Rights Issue, distribute or send the same in or into, or transfer Nil Paid Rights or Fully Paid Rights to any person in or into, the United States or any Restricted Territory. If a Provisional Allotment Letter or a credit of Nil Paid Rights or Fully Paid Rights in CREST is received by any person in any such territory, or by his/its agent or nominee, he/it must not seek to take up the rights referred to in the Provisional Allotment Letter or in this Prospectus or renounce the Provisional Allotment Letter or transfer the Nil Paid Rights or Fully Paid Rights in CREST unless Tullow and the Joint Global Coordinators determine that such actions would not violate applicable legal or regulatory requirements. Any person who does forward this Prospectus or a Provisional Allotment Letter in or into any such territories (whether under a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this paragraph 8.

Subject to paragraph 8.2 of this Part 3, any person (including, without limitation, agents, nominees and trustees) outside the United Kingdom and Ireland wishing to take up their rights under the Rights Issue must satisfy himself as to full observance of the applicable laws of any relevant territory including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territory. The comments set out in this paragraph 8

are intended as a general guide only and any Qualifying Shareholder that is an Overseas Shareholder who is in any doubt as to his/its position should consult his/its professional advisers without delay.

Tullow and the Joint Global Coordinators may treat as invalid any exercise or purported exercise of Nil Paid Rights or any acceptance or purported acceptance of the offer of Fully Paid Rights or New Ordinary Shares which appears to Tullow or the Joint Global Coordinators or their respective agents to have been executed, effected or despatched in a manner which may involve a breach of the laws or regulations of any jurisdiction or if, in the case of a Provisional Allotment Letter, it provides for an address for delivery of the share certificates in or, in the case of a credit of New Ordinary Shares in CREST, a CREST member or CREST sponsored member whose registered address is in, the United States or any of the Restricted Territories or any other jurisdiction outside the United Kingdom and Ireland in which it would be unlawful to deliver such share certificates or make such a credit or if the Tullow Board believes or its agents believe that the same may violate applicable legal or regulatory requirements. The attention of United States persons and Qualifying Shareholders with registered addresses in the United States or holding Ordinary Shares on behalf of persons with such addresses is drawn to paragraph 8.2 of this Part 3.

Despite any other provision of this Prospectus or the Provisional Allotment Letter, Tullow reserves the right to permit any Qualifying Shareholder to take up his/its rights if Tullow, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations giving rise to the restrictions in question. If Tullow is so satisfied, Tullow will arrange for the relevant Qualifying Shareholder to be sent a Provisional Allotment Letter if he/it is a Qualifying Non-CREST Shareholder or, if he/it is a Qualifying CREST Shareholder, arrange for Nil Paid Rights to be credited to the relevant CREST stock account.

Those Shareholders who wish, and are permitted, to take up their entitlement should note that payments must be made as described in paragraph 4.2 and paragraph 5.2 of this Part 3.

The provisions of paragraph 7.1 of this Part 3 will apply to all Overseas Shareholders who do not or are unable to take up New Ordinary Shares provisionally allotted to them. Accordingly, such Overseas Shareholders will be treated as not having taken up their rights to New Ordinary Shares and the Joint Global Coordinators will endeavour to procure, on behalf of such Overseas Shareholders, subscribers for the New Ordinary Shares.

8.2. United States

8.2.1 Offering restrictions in respect of the Rights Issue relating to the United States

The Nil Paid Rights, the Fully Paid Rights, the New Ordinary Shares and the Provisional Allotment Letters have not been and will not be registered under the Securities Act or under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, taken up, exercised, resold, pledged, renounced, transferred or delivered, directly or indirectly, within the United States except pursuant to an applicable exemption from the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. There will be no public offer of the Nil Paid Rights, Fully Paid Rights, Provisional Allotment Letters or the New Ordinary Shares in the United States.

Accordingly, Tullow is not extending the offer under the Rights Issue into the United States unless an exemption from the registration requirements of the Securities Act is available and, subject to certain exceptions, none of this Prospectus or the Provisional Allotment Letter constitutes, or will constitute, or forms part of, any offer of, or an invitation to apply for or an offer or invitation to acquire or subscribe for, any Nil Paid Rights, Fully Paid Rights or New Ordinary Shares in the United States. Subject to certain exceptions, neither this Prospectus nor a Provisional Allotment Letter will be sent to any Qualifying Shareholder with a registered address in the United States. Subject to certain exceptions, Provisional Allotment Letters or renunciations thereof sent from or postmarked in the United States will be deemed to be invalid and all persons subscribing for New Ordinary Shares and wishing to hold such New Ordinary Shares in registered form must provide an address for registration of the New Ordinary Shares issued upon exercise thereof outside the United States.

Subject to certain exceptions, any person who acquires or subscribes for Nil Paid Rights, Fully Paid Rights or New Ordinary Shares will be deemed to have declared, warranted and agreed, by accepting delivery of this Prospectus and/or the Provisional Allotment Letter, taking up their entitlement or accepting delivery of the Nil Paid Rights, the Fully Paid Rights or the New Ordinary Shares, that they are not, and that at the time of acquiring or subscribing, as applicable, for the Nil Paid Rights, the Fully Paid Rights or the New Ordinary Shares they will not be, in the United States or acting on behalf of, or for the account or benefit of, a person on a non-discretionary basis in the United States.

A Qualifying Shareholder in the United States will be permitted to take up its entitlements to New Ordinary Shares under the Rights Issue only if it is a QIB and it executes an investor representation letter in the form provided by the Company and delivers it to the Company, with a copy to the Joint Global Coordinators. The investor representation letter will require each such QIB to represent and agree that, amongst other things, (i) it is a QIB and (ii) it will only offer, sell, transfer, assign, pledge or otherwise dispose of the New Ordinary Shares in transactions exempt from, or not subject to, the registration requirements of the Securities Act and in compliance with applicable state securities laws. The investor representation letter will contain additional written representations, agreements and acknowledgements relating to the transfer restrictions applicable to the New Ordinary Shares. Any such QIBs who hold Ordinary Shares through a bank, a broker or other financial intermediary should procure that the relevant bank, broker or financial intermediary submits an investor representation letter on their behalf. The Company has the discretion to refuse to accept any Provisional Allotment Letter that is incomplete, unexecuted or not accompanied by an executed investor representation letter or any other required additional documentation.

Tullow reserves the right to treat as invalid any Provisional Allotment Letter (or renunciation thereof) that appears to Tullow or its agents to have been executed in or despatched from the United States, or that provides an address in the United States for the acceptance or renunciation of the Rights Issue, or which does not make the warranties set out in the Provisional Allotment Letter to the effect that the person accepting and/or renouncing the Provisional Allotment Letter does not have a registered address and is not otherwise located in the United States and is not acquiring or subscribing for the Nil Paid Rights, the Fully Paid Rights or the New Ordinary Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Nil Paid Rights, Fully Paid Rights or New Ordinary Shares in the United States or where Tullow believes acceptance of such Provisional Allotment Letter may infringe applicable legal or regulatory requirements. Tullow will not be bound to allot (on a non-provisional basis) or issue any Nil Paid Rights, Fully Paid Rights or New Ordinary Shares to any person with an address in, or who is otherwise located in, the United States in whose favour a Provisional Allotment Letter or any Nil Paid Rights, Fully Paid Rights or New Ordinary Shares may be transferred or renounced. In addition, Tullow and the Joint Global Coordinators reserve the right to reject any MTM Instruction sent by or on behalf of any CREST member with a registered address in the United States in respect of the Nil Paid Rights.

In addition, until 40 days after the commencement of the Rights Issue, an offer, sale or transfer of the Nil Paid Rights, the Fully Paid Rights, the New Ordinary Shares or the Provisional Allotment Letters within the United States by a dealer (whether or not participating in the Rights Issue) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an applicable exemption from registration under the Securities Act. The provisions of paragraph 7.1 of this Part 3 will apply to any rights not taken up. Accordingly, subject to certain exceptions, Shareholders with a registered address in the United States will be treated as unexercising holders and the Joint Bookrunners will endeavour to procure, on behalf of such unexercising holders, subscribers for the New Ordinary Shares.

Any person in the United States who obtains a copy of this document or a Provisional Allotment Letter and who is not a QIB is required to disregard them.

8.2.2 United States selling and transfer restrictions in respect of New Ordinary Shares not taken up in the Rights Issue

Any person within the United States that subscribes for any New Ordinary Shares that were not taken up in the Rights Issue must meet certain requirements and will be deemed to have represented, warranted, acknowledged and agreed that it has received a copy of this document and such other information as it deems necessary to make an investment decision and to have further represented, warranted, acknowledged and agreed as follows (terms defined in Rule 144A or Regulation S shall have the same meaning in this section):

(a) It is a QIB.

(b) It is empowered, authorised and qualified to purchase the New Ordinary Shares and the person making these deemed representations, warranties, acknowledgements and agreements has all necessary power and authority to do so.

(c) It is acquiring the New Ordinary Shares for its own account, or for the account of other QIBs as to whom it exercises sole investment discretion and on whose behalf it has the power and authority to make, and does make, all of the representations, warranties, acknowledgments and agreements herein, in each case for investment purposes only and not with a view to any distribution of the New

Ordinary Shares that would be in violation of the Securities Act or any applicable state securities laws.

(d) It acknowledges that (i) the New Ordinary Shares have not been and will not be registered under the Securities Act or applicable state securities laws, and are being offered and sold in transactions not involving a "public offering" within the meaning of the Securities Act pursuant to exemptions from the registration requirements of the Securities Act and applicable state securities laws and (ii) the sellers of the New Ordinary Shares may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

(e) It acknowledges that the Company's corporate disclosure may differ from the disclosure made available by similar companies in the United States, and publicly-available information about issuers of securities admitted to trading on the London Stock Exchange and the Irish Stock Exchange differs from and, in certain respects, is less detailed than the information that is regularly published by or about listed companies in the United States, and regulations governing the London Stock Exchange and the Irish Stock Exchange may not be as extensive in all respects as those governing United States securities markets.

(f) It (i) has received and read a copy of this Prospectus, (ii) understands and agrees that the Prospectus speaks only as of its date and that the information contained or incorporated by reference herein may not be correct or complete as of any time subsequent to that date and (iii) has held and will hold the Prospectus in confidence, it being understood that the Prospectus received by it is solely for its use and it has not duplicated, distributed, forwarded, transferred or otherwise transmitted, and will not duplicate, distribute, forward, transfer or otherwise transmit, the Prospectus or any other materials concerning the New Ordinary Shares (including electronic copies thereof) to any other persons.

(g) It acknowledges that the Prospectus has been prepared in accordance with UK format and style, which differ from United States format and style, and the financial information contained or incorporated by reference in the Prospectus has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and thus may not be comparable to financial statements of United States companies prepared in accordance with United States generally accepted accounting principles.

(h) It has made its own assessment concerning the relevant tax, legal and other economic considerations relevant to its investment in the New Ordinary Shares, including, without limitation, the particular United States federal income tax consequences of the offer of the New Ordinary Shares, and the purchase, ownership and disposition of the New Ordinary Shares in light of its particular situation as well as any consequences arising under the laws of any other applicable taxing jurisdiction. It will base its investment decision solely on this Prospectus, including the information incorporated by reference herein. It acknowledges that none of the Company, any of its affiliates or any other person (including any of the Underwriters, the Co-Lead Managers, the Irish Sponsor or any of their respective affiliates) has made any representations, express or implied, to it with respect to the Company, the Rights Issue, the New Ordinary Shares or the accuracy, completeness or adequacy of any financial or other information concerning the Company, the Rights Issue or the New Ordinary Shares, other than (in the case of the Company and its affiliates only) the information contained or incorporated by reference in this document. It acknowledges and agrees that it will not hold the Underwriters, the Co-Lead Managers, the Irish Sponsor or any of their affiliates or any person acting on their behalf responsible or liable for any misstatements in or omissions from any publicly available information relating to the Company. It acknowledges that it has not relied on any investigation that the Underwriters, the Co-Lead Managers, the Irish Sponsor or any person acting on their behalf may have conducted, nor any information contained in any research reports prepared by the Underwriters, the Co-Lead Managers or any of their respective affiliates, and it has relied solely on its own judgment, examination and due diligence of the Company, and the terms of the Rights Issue, including the merits and risks involved, and not upon any view expressed by or information provided by, or on behalf of, the Underwriters, the Co-Lead Managers, the Irish Sponsor or any of their affiliates.

(i) It is not acquiring the New Ordinary Shares as a result of any "general solicitation" or "general advertising" within the meaning of Rule 502(c) under the Securities Act.

(j) It is an institution which (i) invests in or purchases securities similar to the New Ordinary Shares in the normal course of business, (ii) has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of its investment in the New Ordinary Shares, and (iii) is, and any accounts for which it is acting are, able to bear the economic risk, and

sustain a complete loss, of such investment in the New Ordinary Shares for an indefinite period of time.

(k) It is aware that the New Ordinary Shares (whether in physical, certificated form or in uncertificated form held in CREST) will be "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act and that, for so long as they remain "restricted securities", the New Ordinary Shares may not be deposited, and it will not deposit the New Ordinary Shares, into any unrestricted depositary receipt facility established or maintained by a depositary bank.

(l) It (i) agrees that it will not reoffer, resell, pledge or otherwise transfer the New Ordinary Shares except (a) pursuant to an effective registration statement under the Securities Act, (b) in an "offshore transaction" within the meaning of, and pursuant to Rule 903 or Rule 904 of, Regulation S under the Securities Act, (c) in a transaction meeting the requirements of Rule 144A (if available) to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or for the account of another QIB, (d) pursuant to Rule 144 under the Securities Act (if available) or (e) pursuant to another available exemption from the registration requirements of the Securities Act, in each case in accordance with any applicable securities laws of any state or other jurisdiction of the United States and subject to the delivery to the Company of an opinion of counsel, certifications or other evidence as the Company may reasonably require, (ii) acknowledges that no representation has been or will be made as to the availability of the exemptions provided by Rule 144A or Rule 144 under the Securities Act or any state securities laws for the reoffer, resale, pledge or transfer of the New Ordinary Shares and (iii) accepts the New Ordinary Shares subject to the foregoing restrictions on transfer and agrees to notify any transferee to whom it subsequently reoffers, resells, pledges or otherwise transfers the New Ordinary Shares of the foregoing restrictions on transfer.

(m) It agrees that, if any New Ordinary Shares are delivered to it in certificated form, the certificate to be delivered and all certificates issued in exchange therefor or in substitution therefor will bear a legend substantially in the form below, for so long as the New Ordinary Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act.

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR UNDER THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (I) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, (II) IN AN "OFFSHORE TRANSACTION" WITHIN THE MEANING OF, AND PURSUANT TO RULE 903 OR RULE 904 OF, REGULATION S UNDER THE SECURITIES ACT, (III) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A (IF AVAILABLE) TO A PERSON THAT THE SELLER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT (A "QIB") PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ANOTHER QIB, (IV) PURSUANT TO RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (V) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND SUBJECT TO THE DELIVERY TO THE COMPANY OF AN OPINION OF COUNSEL, CERTIFICATIONS OR OTHER EVIDENCE AS THE COMPANY MAY REASONABLY REQUIRE. NO REPRESENTATION HAS BEEN OR WILL BE MADE AS TO THE AVAILABILITY OF THE EXEMPTIONS PROVIDED BY RULE 144A OR RULE 144 UNDER THE SECURITIES ACT OR ANY STATE SECURITIES LAWS FOR THE REOFFER, RESALE, PLEDGE OR TRANSFER OF THE SECURITIES REPRESENTED HEREBY.

NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THIS SECURITY MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY FACILITY MAINTAINED BY ANY DEPOSITARY BANK UNLESS AND UNTIL SUCH TIME AS THIS SECURITY IS NO LONGER A "RESTRICTED SECURITY" WITHIN THE MEANING OF RULE 144(A)(3) UNDER THE SECURITIES ACT. EACH HOLDER, BY ITS ACCEPTANCE OF THESE SECURITIES, REPRESENTS THAT IT UNDERSTANDS AND AGREES TO THE FOREGOING RESTRICTIONS."

(n) It acknowledges that the Company and the registrar and transfer agent for the New Ordinary Shares will not be required to accept the registration of transfer of any New Ordinary Shares acquired by it, except upon presentation of evidence satisfactory to the Company that the restrictions on transfer set forth and described herein have been complied with.

(o) It acknowledges and agrees that the Company may make a notation on its records or give instructions to the registrar and any transfer agent for the New Ordinary Shares in order to implement the restrictions on transfer set forth and described herein.

(p) It satisfies any and all standards for investors in the New Ordinary Shares imposed by the jurisdiction of its residence or otherwise.

(q) It acknowledges that the foregoing representations, warranties, acknowledgements and agreements are required in connection with the laws of the United States and the states thereof, and the Company, the Underwriters, the Co-Lead Managers, the Irish Sponsor and their respective affiliates will rely, and are entitled to rely, upon the truth and accuracy of the representations, warranties, acknowledgements and agreements set forth herein, and it agrees to notify the Company and the Joint Global Coordinators promptly in writing if any of the representations, warranties or acknowledgments set forth herein ceases to be accurate and complete, or if it fails to comply with any of the agreements contained herein.

Prospective purchasers are hereby notified that sellers of the New Ordinary Shares may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A.

8.3. Canada

8.3.1 Canadian selling and transfer restrictions in respect of New Ordinary Shares not taken up in the Rights Issue

In Canada, the New Ordinary Shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario) and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the New Ordinary Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts ("NI 33-105"), the Underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with the Rights Issue.

9. Representations and warranties relating to Overseas Shareholders

9.1. Qualifying Non-CREST Shareholders

Any person accepting and/or renouncing a Provisional Allotment Letter or requesting registration of the New Ordinary Shares comprised therein represents and warrants to Tullow, the Underwriters, the Co-Lead Managers and the Irish Sponsor that, except where proof has been provided to Tullow's satisfaction that such person's use of the Provisional Allotment Letter will not result in the contravention of any applicable legal or regulatory requirement in any jurisdiction: (i) (a) such person is not in the United States and is not accepting and/or renouncing the Provisional Allotment Letter, or requesting registration of the relevant New Ordinary Shares, in the United States; or (b) if such person is located within the United States, it is a QIB and it (or its custodian or nominee on its behalf) has delivered an executed investor representation letter to Tullow and/or one of its designees; (ii) such person is not in any of the Restricted Territories or in any other territory in which it is unlawful to make or accept an offer to subscribe for New Ordinary Shares or to use the Provisional Allotment Letter in any manner in which such person has used or will use it; (iii) such person is not acting on a non-discretionary basis on behalf of, or for the account or benefit of, a person located within any of the Restricted Territories, and in particular such person is not accepting for the account or benefit of any person who is located in the United States unless (a) the instruction to accept was received from a person outside the United States; and (b) the person giving such instruction has confirmed that (x) it has the authority to give such instruction; and either (y) has investment discretion over such account; or (z) is an investment company that is subscribing for the New Ordinary Shares in an "offshore transaction" within the meaning of Regulation S; and (iv) such person is not subscribing for New Ordinary Shares with a view to the offer,

sale, resale, transfer, delivery or distribution, directly or indirectly, of any such New Ordinary Shares into the United States or any territory referred to in (ii) above.

Tullow may treat as invalid any acceptance or purported acceptance of the allotment of New Ordinary Shares comprised in, or renunciation or purported renunciation of, a Provisional Allotment Letter if it: (a) appears to Tullow to have been executed in, or despatched from, the United States or any of the Restricted Territories or in any territory in which it is otherwise unlawful to make or accept an offer to acquire the Fully Paid Rights or subscribe for New Ordinary Shares, or otherwise in a manner which may involve a breach of the laws of any jurisdiction or if it or its agents believe the same may violate any applicable legal or regulatory requirement; (b) provides an address in the United States or any of the Restricted Territories for delivery of definitive share certificates for New Ordinary Shares or any jurisdiction outside the United Kingdom and Ireland in which it would be unlawful to deliver such certificates; or (c) purports to exclude the warranty required by this paragraph 9.1.

9.2. Qualifying CREST Shareholders

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with the procedures set out in this Part 3 represents and warrants to Tullow, the Underwriters, the Co-Lead Managers and the Irish Sponsor that, except where proof has been provided to Tullow's satisfaction that such person's acceptance will not result in the contravention of any applicable legal or regulatory requirement in any jurisdiction: (i) (a) such person is not in the United States and is not accepting, or requesting registration of the relevant New Ordinary Shares, in the United States; or (b) if such person is located within the United States, it is a QIB and it (or its custodian or nominee on its behalf) has delivered an executed investor representation letter to Tullow and/or one of its designees; (ii) such person is not in any of the Restricted Territories or in any other territory in which it is unlawful to make or accept an offer to subscribe for New Ordinary Shares; (iii) such person is not acting on a non-discretionary basis on behalf of, or for the account or benefit of, a person located within any of the Restricted Territories, and in particular such person is not accepting for the account or benefit of any person who is located in the United States unless (a) the instruction to accept was received from a person outside the United States; and (b) the person giving such instruction has confirmed that (x) it has the authority to give such instruction; and either (y) has investment discretion over such account; or (z) is an investment company that is subscribing for the New Ordinary Shares in an "offshore transaction" within the meaning of Regulation S; and (iv) such person is not subscribing for New Ordinary Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such New Ordinary Shares into the United States or any territory referred to in (ii) above.

Tullow may treat as invalid any MTM Instruction which appears to Tullow to have been despatched from the United States, any of the Restricted Territories or any territory in which it is otherwise unlawful to make or accept an offer to acquire the Fully Paid Rights or subscribe for New Ordinary Shares, or otherwise in a manner which may involve a breach of the laws of any jurisdiction or if it or its agents believe the same may violate any applicable legal or regulatory requirement or purports to exclude the warranty required by this paragraph 9.2.

10. Waiver

The provisions of paragraph 8 and paragraph 9 of this Part 3 and of any other terms of the Rights Issue relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholder(s) or on a general basis by Tullow in its absolute discretion. Subject to this, the provisions of paragraph 8 and paragraph 9 of this Part 3 supersede any terms of the Rights Issue inconsistent herewith. References in paragraph 8 and paragraph 9 of this Part 3 to "Shareholders" shall include references to the person or persons executing a Provisional Allotment Letter and, in the event of more than one person executing a Provisional Allotment Letter, the provisions of this paragraph 10 shall apply to them jointly and to each of them.

11. Taxation

Information on taxation in the United Kingdom in relation to the Rights Issue is set out in section 1 of Part 8 of this Prospectus. Information on taxation in the United States in relation to the Rights Issue is set out in section 2 of Part 8 of this Prospectus.

The information contained in Part 8 of this Prospectus is intended only as a general guide to the current tax position in the United Kingdom and the United States.

Qualifying Shareholders should consult their own tax advisers regarding the tax treatment of the Rights Issue in light of their own circumstances. Shareholders who are in any doubt as to their tax position or

who are subject to tax in any other jurisdiction should consult an appropriate professional adviser immediately.

12. Times and dates

Tullow shall, in its discretion and after consultation with the Joint Global Coordinators, be entitled to amend the date that dealings in Nil Paid Rights commence and amend or extend the latest date for acceptance under the Rights Issue and all related dates set out in this Prospectus, and in such circumstances shall notify the FCA, the London Stock Exchange, the Irish Stock Exchange, the Ghana Stock Exchange and a Regulatory Information Service and, if appropriate, Shareholders, but Qualifying Shareholders may not receive any further written communication.

If a supplementary document is issued by Tullow two days or fewer prior to the date specified in this Prospectus as the latest date for acceptance under the Rights Issue (or such later date as may be agreed between Tullow and the Joint Global Coordinators), the latest date for acceptance under the Rights Issue shall be extended to the date which is three Business Days after the date of issue of the supplementary document (and the dates and times of principal events due to take place following such date shall be extended accordingly).

13. Dilution

Qualifying Shareholders who do not, or who are not permitted to, take up any Rights (for example because they are Qualifying Shareholders with registered addresses in the United States or any of the Restricted Territories) will have their proportionate shareholdings in Tullow diluted by approximately 33.8 per cent. as a result of the Rights Issue. Those Qualifying Shareholders who are permitted to, and do, take up all of their rights to the New Ordinary Shares provisionally allotted to them will, subject to the rounding down and sale of fractional entitlements, have the same proportionate voting and distribution rights as held by them at the Record Date.

14. Tullow Share Schemes

In accordance with the rules of the applicable Tullow Share Schemes, outstanding options and awards may be adjusted to take account of the Rights Issue in such manner as the Remuneration Committee may consider appropriate. This is subject to any approvals required under the rules of the applicable Tullow Share Schemes, including the approval of HMRC where required. Participants in the applicable Tullow Share Schemes will be notified of any adjustment in due course. This adjustment seeks to compensate for the reduction in economic value of outstanding options and awards which may otherwise result on the basis that the New Ordinary Shares are being offered at a discount. The intention in respect of any adjustment to be carried out pursuant to the rules of the applicable Tullow Share Schemes is to ensure that participants are neither advantaged nor disadvantaged as a result of the Rights Issue.

15 Governing law and jurisdiction

The terms and conditions of the Rights Issue as set out in this Prospectus and the Provisional Allotment Letter (where appropriate) and any non-contractual obligation arising out of or related thereto shall be governed by, and construed in accordance with, English law. The courts of England and Wales have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Rights Issue, this Prospectus or the Provisional Allotment Letter. By accepting Rights under the Rights Issue in accordance with the instructions set out in this Prospectus and, in the case of Qualifying Non-CREST Shareholders only, the Provisional Allotment Letter, Qualifying Shareholders irrevocably submit to the jurisdiction of the courts of England and Wales and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

PART 4

INFORMATION ABOUT THE TULLOW GROUP

Unless otherwise indicated, the oil and gas reserves data presented in this Part 4 has been audited by ERCE in accordance with SPE PRMS guidelines and definitions. Estimated oil and gas reserves presented herein may differ from estimates made in accordance with guidelines and definitions used by other companies in the oil and gas industry. See "Important Information—Presentation of certain reserves and production information" at the beginning of this document. Unless otherwise indicated, all references to production figures in this Part 4 are presented on a net to the Group's working interest basis. Where gross amounts are indicated, they are presented on a total basis (being the actual interest of the relevant licence holder in the relevant fields and licence areas without deduction for the economic interest of the Group's commercial partners, taxes or royalty interests or otherwise).

Overview

Tullow is a leading independent oil and gas exploration and production company, with a large and diversified portfolio of assets primarily in Africa and South America. Since its inception in 1985, the Group has grown both organically and through acquisitions and has operated or owned interests in oil and gas assets on four continents. The Group has a balanced and diversified portfolio of exploration assets, selective developments and producing assets, which the Directors believe has the potential to deliver long term, sustainable growth, and upholds high environmental, health and safety standards. The Directors believe that the Company has the right assets and skills to continue to deliver this long term growth.

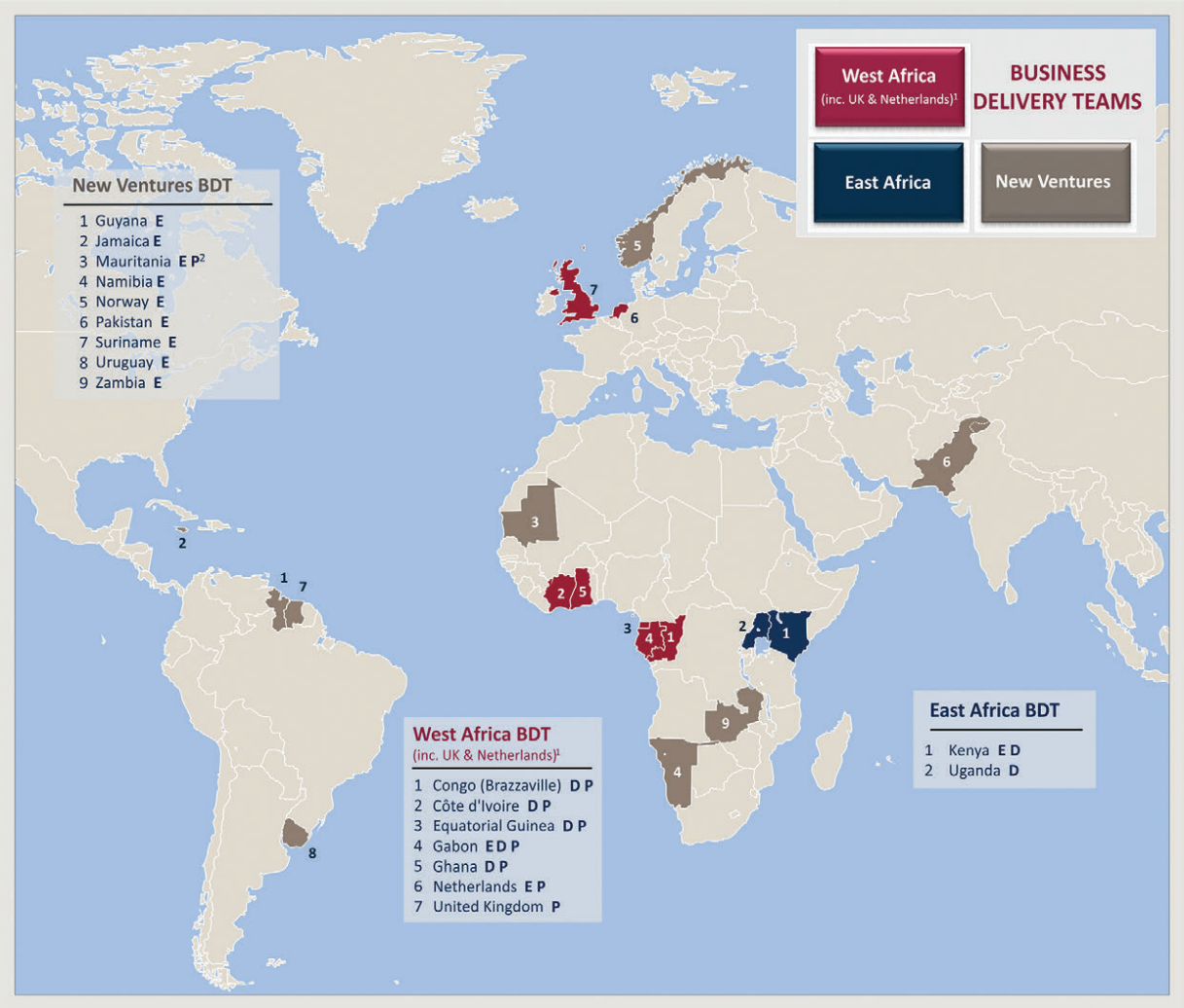
The Group's initial operations consisted of oil and gas production in Senegal in the 1980s. Since the 1990s the Group has expanded by acquiring companies, assets and interests in licences in Africa, Europe, South America, the Caribbean and Asia, transforming it into a more balanced oil and gas exploration and production company, with a notable focus on, and expertise in, high impact exploration. Since 2006, the Group's drilling, exploration and appraisal campaigns have resulted in basin opening discoveries in Uganda (2006), Ghana (2007), Kenya (2012) and Norway (2013). In 2007, the Group recorded its largest oil discovery to date in the Jubilee field, offshore Ghana. The Group's development team, together with its partners, successfully brought the field on stream within a period of approximately 40 months from first discovery, adding significant new commercial reserves and establishing the Group's deepwater development and operatorship capabilities. Those capabilities were further demonstrated in August 2016, as the Group's Tweneboa, Enyenra and Ntomme ("**TEN**") fields, also offshore Ghana, started production on time and on budget.

The Group's portfolio of 102 licences includes producing assets, near term development projects and high impact exploration opportunities across 18 countries. The Group has structured its business into three separate business delivery teams: West Africa, East Africa and New Ventures. As at 31 December 2016, the Group had commercial reserves of 303.7 mmboe (of which approximately 90 per cent. was oil) and aggregate commercial reserves and contingent resources of 1,193.9 mmboe (of which approximately 87 per cent. was oil). During the year ended 31 December 2016, the Group's average daily production (oil and gas) on a working interest basis was 67,100 boepd (71,700 boepd including 4,600 bopd of production-equivalent barrels in respect of insurance payments received in relation to the Group's operations at the Jubilee field) and its revenue was $1.3 billion.

The Group's portfolio consists of producing assets in eight countries. The Group's West African light oil production portfolio generates the majority of its cash flow and, in 2016, it represented 100 per cent. of its oil production. The Group's largest producing asset is the Jubilee field, offshore Ghana, in which it has a 35.48 per cent. equity interest and which the Group operates on behalf of Anadarko Petroleum, Kosmos Energy, PetroSA and the Ghana National Petroleum Corporation. In 2016, production at the Jubilee field was affected by problems with the FPSO Kwame Nkrumah's turret bearing system. The problems are now being addressed and the capital costs associated with the remediation works, the lost revenue resulting from the shutdown period, and the increased operating costs have been, and are expected to continue to be, covered by the commercial partners' hull and machinery insurance policy and the Group's business interruption insurance policy in respect of the Jubilee development (the Group will cease to receive any payments in May 2019). In August 2016, the Group successfully delivered first oil from the TEN fields offshore Ghana, approximately three years after the development plan was approved. The Group is the operator and holds a 47.18 per cent. equity interest in the TEN fields, working with the same commercial partners as at the Jubilee field. The Group's other significant West African light oil production includes non-operated fields offshore Equatorial Guinea, Côte d'Ivoire, Mauritania, onshore Congo (Brazzaville) and offshore and onshore Gabon.

The Group's future plans include developing discoveries in the Lake Albert Rift Basin onshore Uganda and in the South Lokichar Basin in Kenya. In Uganda, together with Total SA and CNOOC, the Group has presented a joint development plan to the Government for projects in the Lake Albert Rift Basin, based on two main oil and gas processing centres which are expected to deliver a combined oil production rate of approximately 230,000 bopd. Upon completion of the Group's recently announced farm-down to Total Uganda and CNOOC Uganda and following the expected back-in by the Government of Uganda, the Group's share of expected production will be approximately 23,000 bopd, and the Group expects to fund all upstream and pipeline capital investment expected from the Group prior to first oil through the deferred consideration receivable pursuant to the farm-down. In Kenya, the Group holds a 50 per cent. operated interest across multiple blocks in the South Lokichar Basin and aspires to develop its resources through an oil export pipeline from northern Kenya to the port of Lamu, targeting gross production of 80,000 to 120,000 bopd.

The Group has exploration interests in 12 countries with acreage under licence of approximately 247,000 km^2. In 2015, in light of a reduced capital budget, the Company undertook a strategic review of its exploration and appraisal portfolio, and focused on enhancing its licence and prospect inventory while continuing to actively manage its equity positions and exposure to drilling costs across the portfolio, including through transactions for carried interests. During 2016, the Group focused on replenishing selectively and high grading its exploration portfolio in order to be well positioned for future growth.



The Group's headquarters are in London and it has corporate offices in Dublin and Cape Town, and regional offices in Ghana, Kenya and Uganda. As at 31 December 2016, the Group had 1,152 employees and contractors globally, with over 50 per cent. working in its African operations. The Company's Ordinary Shares are admitted to trading on the main markets of the London Stock Exchange, the Irish Stock Exchange and the Ghana Stock Exchange and the Company is a constituent of the FTSE 250 index. As at close of trading on the Latest Practicable Date, the Company's market capitalisation was approximately £2.2 billion.

The Group's strategy

The Group's vision is to be a leading global independent exploration and production company. The Group aims to do this through having a balanced and diversified portfolio of exploration assets, selective developments and producing assets. The Group has a clear and consistent exploration-led growth strategy to achieve this vision, focused on finding light oil. The Group intends to fund the growth and development of its business through cash from operations, monetisation of assets and access to debt and equity markets. The Group monetises its assets by farming down or divesting at appropriate points in their life cycle or by developing its discoveries through to production. For example, the Group has successfully monetised the oil that it has discovered in Ghana through production, and in Uganda through two farm-downs in 2012 and 2017 (the 2017 farm-down being subject to completion—see *"Information about the Tullow Group—Recent developments"*).

Maintain and develop a low cost, high margin production base providing stable cashflows

The Group intends to leverage its exploration and development success to grow its commercial reserves base and, where appropriate, bring on new production to strengthen its cash generation and further improve its financial flexibility. Over the past decade, the Group has shifted its production focus increasingly from gas to high margin oil. In 2007, the Group made a major discovery in the Jubilee field offshore Ghana and developed it successfully, within a period of approximately 40 months from first discovery, with first oil in November 2010. The Jubilee FPSO has production capacity of up to 120,000 bopd. In 2015 gross production from the Jubilee field averaged 102,500 bopd. In 2016 gross production from the Jubilee field averaged 73,700 bopd (net 35.48 per cent. equity interest: 26,200 bopd). Owing to problems with the turret system aboard the Jubilee FPSO, the Group has also received reimbursements under its business interruption insurance policy which equate to 4,600 bopd of net equivalent production for 2016. The Group expects 2017 production from the Jubilee field to average 68,500 bopd (net: 24,300 bopd), assuming 12 weeks of shut down associated with the next stage of remediation works. The business interruption insurance policy is expected to reimburse the Group for the equivalent of 12,000 bopd of annualised net production for this shut down period, increasing the Group's effective net production to around 36,300 bopd in 2017. See *"Information about the Tullow Group—Main producing assets—Ghana—Jubilee field—Turret Remediation Project"*.

During 2009 and 2010, the Group discovered the TEN fields, which became the Group's second major operated project offshore Ghana. The TEN fields delivered first oil on schedule and on budget in August 2016. The TEN FPSO has production capacity of up to 80,000 bopd. Gross annualised production in 2016 averaged 14,600 bopd (net 47.18 per cent. equity interest: 6,900 bopd). The Group expects production from the TEN fields to be 50,000 bopd (net: 23,600 bopd) in 2017, although work continues to evaluate ways to increase production.

In Uganda, together with Total SA and CNOOC, the Group has presented a joint development plan to the Government for projects in the Lake Albert Rift Basin, based on two main oil and gas processing centres which are expected to deliver a combined oil production rate of approximately 230,000 bopd. Upon completion of the Group's recently announced farm-down to Total Uganda and CNOOC Uganda and following the expected back-in by the Government of Uganda, the Group's share of expected production will be approximately 23,000 bopd. The Government of Uganda, the Group and its commercial partners continue to aspire to achieve the final investment decision by the end of 2017, with first oil expected to occur three years after the final investment decision.

In Kenya, the Group holds a 50 per cent. operated interest across multiple blocks in the South Lokichar Basin and aspires to develop its resources through an oil export pipeline from northern Kenya to the port of Lamu, targeting gross production of 80,000 to 120,000 bopd. The Group continues to appraise the resource base and has made good progress on the development project. Preparation for the upstream development FEED is well under way and is expected to commence in the second half of 2017. The Group and its commercial partners, Africa Oil and Maersk Oil, signed a memorandum of understanding with the Government of Kenya in July 2016 which confirms the intent of the parties to jointly progress the development of a Kenya crude oil pipeline.

The Directors believe that, upon completion of the Rights Issue, the Group will have greater financial and operational flexibility and the Group intends to invest in near-field exploration and appraisal around the Jubilee and TEN fields to find further resources and extend plateau production at both fields.

Execute exploration and appraisal activity to replace and grow oil reserves and resources

The Group plans to build on its exploration and appraisal successes in Ghana, Uganda and Kenya by continuing to explore for low cost, high margin oil in conventional geological core plays where it has proven expertise.

Tullow adapted its exploration strategy as a reaction to higher industry costs, lower oil prices and a review of its 2012-14 offshore exploration campaigns. Under its revised strategy, the Group decided to cease drilling high cost complex wells and applies greater strategic focus on those exploration opportunities that offer the best balance between technical risk and cost while ensuring that the potential commerciality on discovery of the targeted prospects is high. The Group seeks to farm-down licences to an appropriate equity interest before drilling (whilst maintaining operatorship where possible), and is also focused on drilling close to its core areas of discovery, and on commercial and financial screening of all new potential licences. The Group's strategy remains exploration-led and lower exploration costs mean greater activities can currently be conducted for lower expenditure. As a result of the refocused strategy, the Group has high graded its licence portfolio and has exited Guinea, French Guiana, Greenland, Madagascar and Ethiopia and is in the process of exiting Norway.

The Group engages in carefully planned exploration and appraisal activities to test and then, if successful, drill-out a licence to quantify the associated commercial contingent resources. For example, the Group discovered two large light oil discoveries, the Jubilee and TEN fields, offshore Ghana, drilling 30 successful exploration and appraisal wells, with a 79 per cent. success ratio. Following its exploration success in Africa, the Group is following geological plays in South America.

In Uganda, the Group had its first basin opening discovery in the Lake Albert Rift Basin in 2006. The Group then appraised the area and to date has drilled over 100 wells underpinning gross contingent resources of approximately 1.7 billion barrels of oil.

Following the exploration success in Uganda's Lake Albert Rift Basin, the Group extended its exploration acreage into the prospective East African Rift Basin of Kenya, located approximately 500 km to the east of Lake Albert. The Group operates five onshore blocks in Kenya, with a 40 per cent. to 100 per cent. equity interest in each block, covering approximately 48,300km^2. Exploration and appraisal of the South Lokichar Basin in Kenya continued in 2016 and the initial phase was completed in the first half of 2017. The success of this programme and analysis of the discoveries led management to upgrade the South Lokichar Basin resource estimate to 750 mmbo. The Directors believe that significant upside remains across the South Lokichar Basin with the potential to increase the resource estimate to over 1 billion barrels of recoverable oil.

Tullow enters licences at a variety of equity shares through competitive licence rounds, direct negotiation with host governments and farm-downs from commercial partners. The Group will often enter an exploration licence at a high equity position before drilling. Following extensive technical studies, the Group then decides whether to retain its interest in the licence and, if so, what level of equity in the joint venture is appropriate for the drilling phase. Partnering with other companies allows the Group to share its costs and risks. Once discoveries have been delineated, appraised and tested for hydrocarbons, the Group will then decide whether to divest further or develop the asset through to production.

The Group is actively pursuing new acreage, with all new opportunities thoroughly evaluated from both a technical and non-technical aspect. In 2016, the Group's exploration team focused its reduced budget on re-invigorating its prospect inventory in both current and potential licences. Around 60 potential opportunities were evaluated in 2016, with approximately 15 per cent. of those evaluated deemed attractive enough to pursue. In 2017, the Group will be drilling wells in the South Lokichar Basin in northern Kenya and in Suriname and undertaking extensive 3D, 4D and FTG seismic surveys in up to seven different countries.

Monetise value during the life cycle of assets through portfolio management

Portfolio management is an integral part of the Group's exploration, development and production strategy, through which it seeks to realise value at an appropriate point in the life cycle of an asset.

Once a prospect has been identified, the Group may choose, prior to drilling, to farm-down a proportion of its equity interest in order to reduce the cost of any drilling activity to the Group. For example, in the Araku prospect offshore Suriname, net drilling costs have been reduced to $14 million for the initial exploration well following the farm-down of the Group's interest to 30 per cent.

Once a discovery is made, the Group may choose to sell or farm-down its interests, as it did in Uganda. Partial sales or farm-downs enable the Group to monetise value early in a field's life cycle and de-risk its

interests by reducing its exposure to an asset and the associated development and other costs or to provide funds to reinvest in its business.

The Group also has the ability to develop selected core assets to realise cash flow from production, as it did with the Jubilee and TEN fields.

On 9 January 2017, the Company announced that it had agreed a substantial farm-down of its assets in the Lake Albert Development in Uganda to Total Uganda. Under the sale and purchase agreement, the Group has agreed to transfer 21.57 per cent. of its 33.33 per cent. Uganda interests (the "**Sale Assets**") to Total Uganda for a total consideration of $900 million. Upon completion of the farm-down, the Group will have an 11.76 per cent. interest in the upstream and pipeline projects. This is expected to reduce to a 10 per cent. interest in the upstream project when the Government of Uganda formally exercises its right to back-in. Although it has not yet been determined what interests the Governments of Uganda and Tanzania will take in the pipeline project, the Group expects its interests in the upstream and pipeline projects to be aligned. The consideration is split into $200 million in cash, consisting of $100 million payable on completion of the transaction, $50 million payable at FID and $50 million payable at first oil. The remaining $700 million is in deferred consideration and represents reimbursement by Total Uganda in cash of a proportion of the Group's past exploration and development costs. The deferred consideration is payable to the Group as the upstream and pipeline projects progress and these payments will be used by the Group to fund its share of the development costs. The Group expects that the deferred consideration will exceed the Group's estimated share of pre-first oil upstream and pipeline capital expenditure of approximately $600 million. Any deferred consideration that has not been paid by first oil will be payable to the Group after first oil and used by the Group to fund post-first oil capital expenditure. Completion of the transaction is subject to certain conditions, including the approval of the Government of Uganda, after which the Group will cease to be an operator in Uganda. Pursuant to the terms of the joint operating agreements in relation to the Lake Albert Development, CNOOC Uganda Ltd ("**CNOOC Uganda**") (the Group's other commercial partner in the Lake Albert Development) has a right of pre-emption to acquire 50 per cent. of the Sale Assets that are the subject of the proposed farm-down on identical terms and conditions as those agreed between the Company and Total Uganda (including as to the amount, structure and timing of the consideration payable to the Group). On 16 March 2017 CNOOC Uganda exercised its right of pre-emption in respect of the Sale Assets and the Group is working with CNOOC Uganda and Total Uganda to conclude definitive sale documentation in relation to the farm-down. The Group anticipates that this will, in favourable markets, assist it to manage its exposure to development costs while retaining a material interest in the expected low cost, high margin oil production.

The Group also regularly evaluates its production portfolio to identify non-core assets for disposal to enable it to focus its resources and capital on higher margin production. For example, during 2013 to 2016 the Group sold non-core assets in Bangladesh, Norway, the UK and the Netherlands for cash inflows of $206.5 million.

Additionally, the Group intends to continue to pursue selective acquisition opportunities that fit its exploration led core competencies and value creation objectives. The Group's ability to execute transformational acquisitions is demonstrated by a successful track record, including the acquisitions of Energy Africa in 2004, Hardman Resources in 2007 and Heritage Oil's interests in Uganda in 2010.

Maintain a disciplined approach to financial management

The Group aims to have a conservative financial profile and strong balance sheet with ample liquidity. The Group's funding sources include operating cash flow, debt, equity and proceeds of portfolio management activities. Typically, the Group funds exploration activities from production cash flows and equity, and development activities from a combination of production cash flows, debt and proceeds of portfolio management activities such as farm-downs or sales.

The Group's policy is to restrict gearing to a level of less than 2.5x net debt/Adjusted EBITDAX, although the fall in oil prices in 2014 and 2015 has made achieving this policy challenging. In addition, when oil prices began to fall, the Group was committed to the development capital expenditure in respect of the TEN project in Ghana. As a result, the Group has had an elevated gearing position since 2015. However, following the start of production at the TEN fields, the Group is now generating positive free cash flow which has allowed it to begin the process of reducing its debt.

The Group had a net debt position of approximately $4.8 billion as at 31 December 2016, comprising drawn debt of $3.0 billion under the RBL Facilities, $380 million under the Corporate Facility, $84 million under the Norwegian Facility, $1.3 billion under the 2020 Senior Notes and the 2022 Senior Notes,

$300 million under the Convertible Bonds less cash and cash equivalents of $282 million. The Group had free cash of $121 million and total facility headroom of $875 million as at 31 December 2016.

The Group is focused on diversifying its capital structure, financing sources and debt maturities, and maintaining sufficient liquidity. The Group continuously monitors opportunities in the debt capital markets and, from time to time, may engage in debt capital markets transactions. In April 2016, the Group agreed a one year maturity extension of its Corporate Facility from April 2017 to April 2018, with the current commitments of $1,000 million reducing to $800 million from April 2017 and $600 million from January 2018. In February 2017, the Group agreed a further one year maturity extension of its Corporate Facility from April 2018 to April 2019, with commitments reducing to $500 million from April 2018 and to $400 million from October 2018. In October 2016, the Group completed its most recent RBL Facilities re-determination process and, following the scheduled amortisation of commitments at the beginning of October 2016, the Group secured available credit under the RBL Facilities of $3.3 billion. The Group also secured $345 million of new commitments from its existing lenders by exercising an accordion facility embedded in the RBL Facilities which will take effect from 3 April 2017. The Directors believe that the new senior commitments will largely offset the anticipated impact of the scheduled amortisation under the RBL Facilities in April 2017 and should help ensure the Group has appropriate headroom throughout 2017. The syndicate for the RBL Facilities includes 27 international commercial banks and the International Finance Corporation (the "**IFC**").

The Group further diversified its debt capital in 2013 with its inaugural high yield bond issue, diversifying by tenor, structure (fixed rate and limited incurrence covenants) and sources (public capital markets). The Group issued $650 million of 2020 Senior Notes in 2013, $650 million of 2022 Senior Notes in 2014 and $300 million of Convertible Bonds in July 2016.

The Group has a strong track record of raising capital from both debt and equity capital markets and the commercial bank market. The Directors believe that the Group's ability to repeatedly access financial markets, particularly during difficult macroeconomic periods and market environments, reflects the strong relationships it has built over a number of years with both equity and debt investors and commercial banks, as well as its prudent and disciplined financial management, and a strong and diversified asset base.

In addition, the Group manages its exposure to fluctuations in oil and gas prices, currency exchange rates and interest rates. The Group has an active commodity hedge programme through which it hedges its sales volumes on a graduated three year rolling basis. The commodity hedge programme made a material contribution to the liquidity position of the Group in 2015 and 2016, with hedge receipts of $365 million and $363 million received by the Group in 2015 and 2016 respectively. Liquidity risk is monitored closely by the Group through cash flow forecasts and sensitivity analyses. The Group manages its credit risk by assessing the creditworthiness of potential counterparties before entering into transactions with them, and by continuing to evaluate their creditworthiness after transactions have been initiated.

The Group maintains insurance that the Directors believe is consistent with customary industry practices in the jurisdictions in which the Group does business, and also procures business interruption insurance to protect against loss of production from the Group's material assets.

The Group's strengths

The Directors believe that the following key strengths differentiate the Group from its competitors.

Large asset base diversified across exploration, development and production

The Group has a diverse portfolio of exploration, development and production interests in attractive geographies and known geologies with a current focus on Africa and South America. By focusing the Group's activities in these core areas, it can capitalise on the regional expertise it has developed over several decades in interpreting specific geological and operational trends, and establish economies of scale with respect to drilling, production, operating and administrative costs. In total, the Group holds exploration, development and production interests in 102 licences across 18 countries. The Directors believe the quality, scale and diversification of the Group's portfolio provides a solid foundation for sustainable growth and risk mitigation. The Group's activities include:

Production: In 2016 the Jubilee field achieved gross annualised production of 73,700 bopd (net: 26,200 bopd). The Group delivered first oil from the TEN fields in August 2016, with gross annualised production for 2016 of 14,600 bopd (net: 6,900 bopd). The Group's other non-operated producing assets achieved combined net annualised production of 34,000 boepd. In 2017, West Africa working interest oil production, including production-equivalent insurance payments, is expected to average between

78,000 and 85,000 bopd. Europe working interest gas production is expected to average between 6,000 and 7,000 boepd.

Development: The Group has a number of near term development opportunities, including the full field development of the Jubilee field offshore Ghana, the Lake Albert Development in Uganda and oil production from the South Lokichar Basin in Kenya.

Exploration and appraisal: The Group has exploration interests in 12 countries, with acreage under licence of approximately 247,000 km^2. These interests include acreage in frontier areas, including Suriname and Guyana in South America, offshore Mauritania and Namibia, and onshore in northern Kenya and Zambia.

Strong cash generation through low cost production and portfolio management

The Group's West African light oil production portfolio generates strong cash flow and, in 2016, represented approximately 89 per cent. of the Group's average daily production and 100 per cent. of its oil production. In Ghana, working closely with its commercial partners, the Group successfully developed the Jubilee field from first discovery in 2007 to production within a period of approximately 40 months, with first oil in November 2010. In August 2016, the Group delivered first oil from the TEN fields on time and on budget, Ghana's second major oil producing development. Further, the Group seeks to invest in its other non-operated producing assets in West Africa to maintain production levels and extend field life, carrying out infill drilling campaigns and identifying operating efficiencies.

Due to the light oil focused nature of the Group's production and control of operating costs, the Group has historically achieved attractive cash margins through strong sales and low production costs. For the year ended 31 December 2016, the Group's operating cash flow before working capital per boe averaged approximately $29.40. Over the same period, the average realised price per bbl post-hedging from the Group's oil sales entitlement was $61.40 and the average realised price per therm on gas production post-hedging was 33.9 pence per therm. During the financial years 2014 to 2016, the Group generated operating cash flow before working capital of $3.3 billion, evidencing the strength of its cash generation abilities.

Underlying cash operating costs decreased from $15.1/boe in 2015 to $14.3/boe in 2016. The Group's underlying cash operating costs in relation to its operations at the Jubilee and TEN fields were approximately $9/bbl in 2016 (2015: $10.5/bbl; 2014: $11.6/bbl) and the Group is targeting to reduce such underlying cash operating costs to approximately $8/bbl in 2018 and onwards; however, the anticipated costs for 2017 are approximately $9.6/bbl due to non-routine maintenance which will now be completed during the Turret Remediation Project related shut down.

The Group has a strong track record of generating cash through portfolio management activities by selectively developing, farming down or divesting its assets at appropriate times in the life cycle of an asset. In 2012, the Group monetised 604 mmboe through completion of a partial farm-down of three blocks in the Lake Albert Rift Basin to Total SA and CNOOC for a headline consideration of $2.9 billion. During 2013 to 2016, the Group sold its interests in non-core assets in Bangladesh, Norway, the UK and Netherlands for cash inflows of $206.5 million.

On 9 January 2017, the Group announced that it had agreed a substantial farm-down of its assets in Uganda to Total Uganda for a total consideration of $900 million. See *"Information about the Tullow Group—Recent Developments"*.

Proven track record of exploration and appraisal success

The Group's exploration campaigns, which focus on finding light oil in commercial quantities in conventional geological formations, have driven its growth. The Group focuses its exploration activity in regions and geological plays in which it has significant experience and operating expertise. Since 2006, the Group's efforts have resulted in major basin opening discoveries in Uganda (2006), Ghana (2007), Kenya (2012) and Norway (2013).

During the ten years ended 31 December 2016 the Group has invested approximately $6.7 billion in exploration and appraisal activity. These efforts have resulted in the addition of 1,545 mmboe of discovered resource and the opening up of new oil regions and assets for the Group to divest or develop. The Directors believe that the Group's exploration and appraisal expertise in frontier areas provides it with a key competitive advantage.

Proven track record of delivering complex oilfield developments

The Group has established a strong track record as a capable developer of assets, having brought both the Jubilee and TEN fields on to production. The Group's development team, together with its partners, successfully brought the Jubilee field on stream in 2010, within a period of approximately 40 months from first discovery.

In 2016 the Group further demonstrated its development expertise through the delivery of the TEN project where first oil was achieved on time and on budget.

Large scale projects such as Jubilee and TEN are normally executed by major international oil companies, so these projects demonstrate to the Group's host governments that Tullow is a capable operator that can deliver projects of material size and scale.

Capabilities as a high quality operator provides significant influence over assets

The Group generally enters into exploration and appraisal licences as the operator of the relevant project. The Directors believe that operatorship allows the Group to leverage its significant exploration expertise and proven track record in setting up tailored operations and controlling exploration strategies in Africa. Tullow's position as operator of the majority of its African exploration and appraisal assets also reflects Tullow's reputation as a pioneer within oil and gas exploration in Africa. Tullow has recently chosen to farm-down its position in a number of exploration licences before drilling wells in order to reduce costs and spread exploration risk, but this has not affected Tullow's capacity to act as operator.

Tullow enters licences at a variety of equity shares through competitive licence rounds, direct negotiation with host governments and farm-downs from commercial partners. The Group will often enter an exploration licence at a high equity position before drilling. Following extensive technical studies, the Group then decides whether to retain its interest in the licence and, if so, what level of equity in the joint venture is appropriate for the drilling phase. Partnering with other companies allows the Group to share its costs and risks. Once discoveries have been delineated, appraised and tested for hydrocarbons, the Group will then decide whether to divest further or develop the asset through to production.

Tullow's success with this approach is demonstrated, in particular, in Ghana where the Group chose to remain the operator throughout the development and production phases of both the Jubilee and TEN developments. The Directors believe that the Group's position as operator of those developments has assisted the Group to build a significant presence in Ghana, to develop strong relationships across Ghanaian civil society and enabled the Group to obtain technical and financial control over two of its most vital projects.

Proactive and flexible capital management and prudent financial risk management

The Company recognised in early 2014 that the oil and gas industry was changing and demonstrated swiftly its ability to proactively manage its capital and risks. Tullow was one of the first in the oil and gas industry to adjust its operational approach to the lower oil price environment and undertook a series of critical actions to re-set and streamline its business, including:

- *Implementing its Major Simplification Project*: The Major Simplification Project led to a restructured business with a significantly lower head count, and is on target to generate savings of approximately $600 million by mid-2018, ahead of the Company's initial target of $500 million, with savings of approximately $300 million having been achieved between 1 July 2015 and 31 December 2016.
- *Reducing capital expenditure on exploration*: Against the backdrop of the lower oil price environment, the Company refocused its exploration strategy to focus on lower cost prospects which remain commercial at lower oil prices.
- *Re-allocation of capital expenditure to low cost, high margin producing assets in West Africa*: Having reduced its exploration expenditure, Tullow elected to focus its capital expenditure on low cost, high margin producing assets in West Africa to preserve its short and medium term cash flow.
- *Selling a series of non-core assets and withdrawing from lower margin gas to power development projects in Mauritania and Namibia*: The Group determined that the sale of non-core assets was appropriate to ensure that capital was recycled into the core activities of the Group that generated, or had the potential to generate, the most attractive rates of return. As a result, between 2013 and 2016, the Group sold all of its interests in Norway (with the majority of such sales having been completed by 31 December 2016), and also disposed of several non-core assets in the UK and the Netherlands, and withdrew from gas to power development projects in Namibia and Mauritania.

In line with the Group's long term financial strategy, Tullow adopts what it believes to be a prudent approach to financial risk management, which includes the execution of a commodity hedging strategy and the procurement of comprehensive insurances:

- Tullow has a systematic approach to commodity hedging, executing a three year rolling hedge programme and layering in hedging contracts to substantially hedge the Group's exposure to fluctuations in oil prices. In 2015 and 2016, the Group had hedge receipts (net of premium) of $363 million and $365 million respectively, and as at 31 December 2016 the Group's derivative instruments had a net positive fair value of $91 million.
- Tullow procures insurances which the Directors believe are consistent with customary industry practices and also procures business interruption insurance to protect against loss of production from the Group's material assets. This approach has been vital in protecting the Group's interests at the Jubilee field, offshore Ghana.

Strong, longstanding relationships with host countries in Africa

The Group has been active in Africa since acquiring its first interests in Senegal in 1986. In 2004, the Group acquired Energy Africa, marking the start of a multibillion dollar investment in acquiring, appraising and developing oil and gas fields in Africa. The Directors believe that the Group's successful track record in its host countries in Africa, as a transparent, socially responsible operator with a goal of creating shared prosperity, means that it enjoys good working relationships and a strong reputation with local communities, governments and regulators. The Directors believe the Group's reputation provides a competitive advantage when entering new countries in Africa and in bidding for newly available interests in licences.

The Group strives to communicate openly and operate transparently, and to demonstrate accountability and strong ethics, which it fosters through its Code of Ethical Conduct and compliance training. Consistent with its commitment to revenue transparency and accountability, the Group began publishing details of its financial payments to national governments in 2012. Beginning with its Annual Report 2013, the Group published its payments in line with the EU Accounting Directive, and also made a number of voluntary disclosures over and above the Directive, and by doing so, the Directors believe the Group has taken a leading position on this important issue.

In the year ended 31 December 2016, the Group's payments to governments, including payments in kind and taxes, totaled $438 million, and its estimated payments to all major stakeholders, including employees, shareholders, suppliers and communities, as well as governments, brought its estimated socio-economic contribution to $1.0 billion for the year, compared with $1.4 billion and $1.1 billion for the years ended 31 December 2014 and 2015, respectively. As part of the Group's social impact management, it primarily invests in projects aimed at improving education, local content and capacity building.

Of the Group's estimated $1.0 billion socio-economic contribution in the year ended 31 December 2016, $337.0 million was spent with local suppliers, $227.4 million was spent on global payroll and $3.3 million was discretionary spend on social projects, respectively. The Group's supply chain creates opportunities for local companies and labour forces to participate in the oil and gas sector, both directly and indirectly, and helps to align its social investment strategy with the economic development and local capacity needs of the host country.

Robust approach to safe and efficient operations

The Group actively manages the safety of all personnel working in its operations, including through the application of health and safety standards, the implementation of security measures at its facilities and audits of health and safety risks. The Group manages its EHS performance by measuring leading and lagging indicators in an EHS scorecard which is set annually by the Board. One of the performance measures the Group tracks is lost time injury frequency ("**LTIF**"), a recognised industry metric. The Group monitors its injury rates and benchmarks them against industry averages published by the International Oil and Gas Producers Association ("**IOGPA**"). The Group has reduced its LTIF for three years running. With no reportable injuries, the Group's LTIF was nil in 2016 (0.3 in 2015) calculated per million man hours worked, putting the Group in the upper quartile of LTIF performance according to IOGPA data. In 2016, there were no lost time incidents during approximately 9.2 million man hours worked.

In addition, the Group is focused on protecting the environment for current and future generations. The Group takes its responsibility to manage its impact on the environment seriously and strives to uphold international EHS standards, including the IFC's performance standards, which are viewed as the

benchmark for sustainable environmental and social management of major development projects. The IFC, as a lender under the Group's RBL Facilities, plays an active role in monitoring the Group's EHS activities in Ghana.

Management team with decades of industry experience

The Group's senior management team has significant oil and gas experience, both collectively and individually, and a strong track record of delivering growth based on identifying organic and acquisition opportunities. Aidan Heavey, the Company's Chief Executive Officer, founded Tullow in 1985. The executive directors on the Company's board of directors have extensive oil and gas knowledge and together have more than 100 years of industry experience. Angus McCoss, the Company's exploration director, is a geologist with a PhD in structural geology, with more than 25 years of industry experience. Chief Operating Officer, Paul McDade, is an engineer with more than 25 years of experience. He has worked for the Group for sixteen years and has been the Chief Operating Officer for the last 12 years. The Company's Chief Financial Officer, Ian Springett, is a chartered accountant who, before joining the Group in 2008, gained international oil and gas experience working at BP for 23 years. Mr. Springett is currently on extended medical leave and Les Wood has been appointed Interim Chief Financial Officer. Before joining the Group in 2014, Les Wood gained international oil and gas experience working at BP for 28 years.

The non-executive directors on the Board bring a broad range of oil and gas industry specific, business, financial, commercial and other relevant experience, which the Directors believe is vital to managing an expanding international company. The Directors believe that the Group's leadership team with its experience and proven track record provides a strong platform to deliver long term growth.

Recent developments

During November and December 2016, the Group entered into sale agreements with three separate parties in respect of the sale of the Group's remaining interests in nine licences relating to fields in the Norwegian continental shelf. One of these sales was completed in January 2017 and the two remaining sales are expected to complete during the first half of 2017, at which stage Tullow will cease to hold any licences in respect of the Norwegian continental shelf.

On 5 January 2017, the Company announced that its Chief Financial Officer, Ian Springett, was taking an extended leave of absence in order to undergo treatment for a medical condition and that the Company had appointed Les Wood as Interim Chief Financial Officer. If required and when appropriate, the Company will commence a search for a replacement Chief Financial Officer.

On 9 January 2017, the Company announced that it had agreed a substantial farm-down of its assets in the Lake Albert Development in Uganda to Total Uganda. Under the sale and purchase agreement, the Group has agreed to transfer 21.57 per cent. of its 33.33 per cent. Uganda interests (the "**Sale Assets**") to Total Uganda for a total consideration of $900 million. Upon completion of the farm-down, the Group will have an 11.76 per cent. interest in the upstream and pipeline projects. This is expected to reduce to a 10 per cent. interest in the upstream project when the Government of Uganda formally exercises its right to back-in. Although it has not yet been determined what interests the Governments of Uganda and Tanzania will take in the pipeline project, the Group expects its interests in the upstream and pipeline projects to be aligned. The consideration is split into $200 million in cash, consisting of $100 million payable on completion of the transaction, $50 million payable at FID and $50 million payable at first oil. The remaining $700 million is in deferred consideration and represents reimbursement by Total Uganda in cash of a proportion of the Group's past exploration and development costs. The deferred consideration is payable to the Group as the upstream and pipeline projects progress and these payments will be used by the Group to fund its share of the development costs. The Group expects that the deferred consideration will exceed the Group's estimated share of pre-first oil upstream and pipeline capital expenditure of approximately $600 million. Any deferred consideration that has not been paid by first oil will be payable to the Group after first oil and used by the Group to fund post-first oil capital expenditure. Completion of the transaction is subject to certain conditions, including the approval of the Government of Uganda, after which the Group will cease to be an operator in Uganda. The disposal is expected to complete in 2017 and the commercial partners aspire to achieve FID by the end of 2017, with first oil expected to occur 3 years after FID. The Directors believe this agreement will allow the Lake Albert Development to move ahead and increases the likelihood of FID around the end of 2017. Pursuant to the terms of the joint operating agreements in relation to the Lake Albert Development, CNOOC Uganda Ltd ("**CNOOC Uganda**") (the Group's other commercial partner in the Lake Albert Development) has a right of pre-emption to acquire 50 per cent. of the Sale Assets that are the subject of the proposed farm-down on identical terms and conditions as those agreed between the Company and

Total Uganda (including as to the amount, structure and timing of the consideration payable to the Group). On 16 March 2017 CNOOC Uganda exercised its right of pre-emption in respect of the Sale Assets and the Group is working with CNOOC Uganda and Total Uganda to conclude definitive sale documentation in relation to the farm-down.

On 11 January 2017, the Company announced a number of changes to the Board. The changes are expected to take effect immediately following the annual general meeting of the Company which will take place on 26 April 2017. Mr. Simon Thompson (currently the Non-Executive Chairman) and Ms. Ann Grant (currently the senior independent non-executive director) will both step down from the Board. Subject to each of the following individuals being re-elected to the Board at the Company's annual general meeting (a) Mr. Jeremy Wilson (currently a non-executive director) will become the senior independent non-executive director; (b) Mr. Paul McDade (currently the Chief Operating Officer) will replace Mr. Aidan Heavey as Chief Executive Officer; and (c) Mr. Aidan Heavey will become the Company's Non-Executive Chairman for a transitional period of up to but not exceeding two years.

On 17 January 2017, the Company announced that the Erut-1 well in Block 13T, northern Kenya, had discovered a gross oil interval of 55 metres with 25 metres of net oil pay at a depth of 700 metres. The overall oil column for the field is estimated to be 100 to 125 metres.

On 7 February 2017, the Group agreed a one year maturity extension of its Corporate Facility from April 2018 to April 2019. Commitments under the facility reduce from $1,000 million to $800 million from April 2017, $600 million from January 2018, $500 million from April 2018 and $400 million from October 2018.

History of the Group

Aidan Heavey, the Company's Chief Executive Officer, founded Tullow Oil in 1985. The initial public offering of Tullow Oil plc (an Irish registered company) occurred on the Third Market of the Irish Stock Exchange in 1988 and in 1989 it listed on the Unlisted Securities Market in London and Dublin. This was followed by admission to the Official Lists in Dublin and London in 1994. Following an intra-group re-organisation in 2000, the Company, being the successor company of Tullow Oil plc and carrying on all business of Tullow Oil plc, was listed on the main markets of the London Stock Exchange and the Irish Stock Exchange. The Company is a constituent company of the FTSE 250 index. In 2011, the Company established a secondary share listing on the Ghana Stock Exchange.

Since its inception in 1985, the Group has grown both organically and through acquisitions. The Group's initial operations consisted of oil and gas production and sales in Senegal in the 1980s and, during the 1990s, it expanded by acquiring licence interests through both company and asset acquisitions in the United Kingdom, Bangladesh, Côte d'Ivoire and Pakistan.

The Group's first major transition began in 2000, with the £201 million acquisition of producing gas fields and related infrastructure in the United Kingdom. In 2004, the Group acquired Energy Africa which had an extensive portfolio of oil assets across Africa and in 2005 purchased the U.K. Schooner and Ketch gas producing assets. These acquisitions transformed the Group from a predominately gas exploration and production company into a more balanced oil and gas exploration and production company with assets in both Africa and the United Kingdom.

In 2007, the Group recorded its largest oil discovery to date in the Jubilee field offshore Ghana and completed its $1.1 billion acquisition of Hardman Resources, an Australian-based upstream operator with a significant African and South American footprint.

Since 2006, the Group's focused exploration and appraisal campaigns have resulted in basin opening discoveries in Uganda (2006), Ghana (2007), Kenya (2012) and Norway (2013). During this period, the Group's development team, together with its partners, successfully brought the Jubilee field on stream, adding significant new commercial reserves and establishing the Group's deepwater development and operatorship capabilities. Those capabilities were further demonstrated in August 2016, as the Group's TEN fields, also offshore Ghana, started production on time and on budget.

One of the Group's main areas of focus and exploration and appraisal success is the East African Rift Basin. Since acquiring its interests in Uganda through the acquisition of Energy Africa in 2004, the Group has discovered an estimated 2.45 billion barrels of resources in the East Africa Rift Basin and has steadily increased its exposure through a series of acquisitions (including through its purchase of Hardman Resources in 2007 and its purchase of assets from Heritage Oil and Gas in 2010) and farm-ins. Consistent with its portfolio management strategy, the Group elected to monetise its Ugandan assets during the appraisal phase. In February 2012, the Group completed a farm-down of two thirds of its interests to Total SA and CNOOC for a headline consideration of $2.9 billion. On 9 January 2017, the Group announced that it had agreed a further farm-down of assets in the Lake Albert Development in

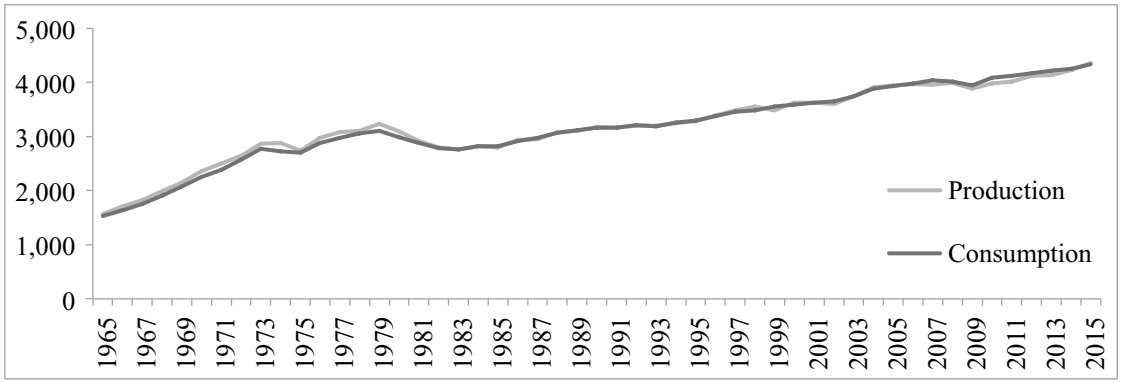
Uganda to Total Uganda, transferring 21.57 per cent. of the Group's 33.33 per cent. Uganda interests to Total Uganda for a total consideration of $900 million. See "*Information about the Tullow Group—The Group's strategy—Monetise value during the life cycle of assets through portfolio management*". In Kenya, the Group has had further success in the South Lokichar Basin (in 2014, 2015 and 2017) and in the Kerio Valley Basin (in 2016) after drilling successful exploration and appraisal wells that have increased the commercial potential of both basins.

Oil and gas industry and market data overview

Historical oil supply and demand balance

Since the late 1990s and into the 2000s, oil demand has grown dramatically, spurred by the fast growth of developing economies. This increased demand was not matched by a similar ramp up in production capacity and the oil supply demand balance tightened, leading to a sharp increase in the price of oil. Although the global financial crisis of 2007/8 was followed by a dramatic drop in oil prices, they had rebounded back to near their 2008 peak by 2011. However, slower than expected economic growth led to lower energy demand growth in the 2015/16 period, which, together with an over-supply of oil (mainly due to increased US shale production), has led to a steep decline in oil prices since June 2014. 2016 saw some recovery and stabilisation of the oil price owing to supply cuts and disruptions and stronger than expected demand. While the long term outlook remains uncertain, the cuts in production agreed by OPEC and non-OPEC countries in December 2016 (by 1.2mbpd and 0.6mbpd, respectively) have been constructive for oil prices in the near term. Following this decision and combined with the decline in US onshore production, benchmark crude prices rose by c. $6/bbl over the course of December 2016, as market participants expected a progressive tightening of the global supply and demand balance. Initial compliance of 90 per cent. with OPEC output reduction agreements has led OPEC crude production cuts of 1 mb/d (globally nearly 1.5 mb/d in January). (Source: International Energy Agency Oil Market Report, February 2017).

Global oil production and consumption (mt)



(Source: BP Statistical Review of World Energy, June 2016)

Global economic growth has slowed over the 2015/16 period, negatively impacting oil prices

Global demand for energy is to a degree linked to movements in gross domestic product ("**GDP**") and, accordingly, fluctuates with economic cycles. Economic growth in both advanced and emerging economies has fallen short of market expectations since 2013. The factors underlying this slowdown are increasingly complex and include demographic trends (slowing population growth, and ageing populations in both advanced and emerging economies), productivity declines (labour productivity growth for the 2008/14 period was below pre-crisis trends for the vast majority of advanced economies), China's transition to a more consumption and service based economy, and adjustment to lower commodity prices, adversely impacting the economies of commodity exporters (Source: IMF—World Economic Outlook Update, October 2016).

Oil has seen its share of energy demand increase due to the fall in prices, with demand driven by net importers and most pronounced in consumer fuels

Much of the global economic growth weakness was concentrated in energy-intensive industrial sectors such as power generation, which grew less rapidly than total energy demand (a term which includes all fuel sources such as oil, nuclear, gas, coal and renewables) for only the second time in 30 years. Global energy demand grew by just 1 per cent. in 2015, similar to the 1.1 per cent. seen in 2014 but

approximately half the average rate for the 2005/15 period (1.9 per cent.). This slowdown in global energy demand growth has not been spread equally among energy sources and, in particular, oil has seen growth of 1.9 per cent. in 2015. As a result, oil's share of energy supply has increased for the first time since 1999, whilst in contrast, coal recorded its largest decline on record in 2015 (down 1.8 per cent.) with large falls in the US and China.

Global oil demand increased 1.9 mbpd in 2015, nearly double its 10 year average rate of increase. This was driven by net importer demand which recorded strong increases (US: 0.3 mbpd, EU: 0.2 mbpd, China: 0.8 mbpd and India: 0.3 mbpd), whilst demand from net exporters in 2015 was weaker than the 2005/15 period average. The most pronounced demand driver was consumer-focused fuel demand (including for gasoline and jet fuel), buoyed by low prices increasing consumer purchasing power. Industrial activity-driven diesel consumption was contrastingly more subdued in 2015 (Source: BP Statistical Review of World Energy, June 2016).

The 2014/15 period saw supply increases by OPEC countries, creating pressure on oil prices

Historically, OPEC intervened to seek to balance oil supply and demand by taking coordinated action on production. However, following increased shale/unconventional production in North America, in 2014 crude markets reached a position of over-supply, to which OPEC member states decided not to react with a reduction in their own production level to balance global oil markets. On the contrary, OPEC members increased production in 2015 by 1.2 mbpd, representing a significant step up when compared to 2013 and 2014. Non-OPEC supply increased as well, however the year on year change between 2014 and 2015 of 1.3 mbpd was considerably lower compared to the 2.5 mbpd increase between 2013 and 2014. The slowdown in non-OPEC production growth was a function of the lower oil price environment which rendered the costs involved with some shale/unconventional production, particularly in North America, too high to carry on with the same production rate as 2014. (Source: International Energy Agency Oil Market Report, January 2016). The persistent supply and demand imbalance along with growing inventory levels led Brent crude oil prices to fall sharply towards the end of 2014 and into 2015, before recovering somewhat as US shale oil production slowed and demand strengthened. This recovery was counteracted by announcements of production increases by key OPEC members (such as Iraq and Saudi Arabia), which saw prices fall to a low of $27/bbl in January 2016. Across 2016, Brent averaged $45/bbl, the lowest nominal annual average since 2004, and almost half of its 2014 level (Source: BP Statistical Review of World Energy, June 2016).

Recent low oil prices have suppressed investment in upstream oil and gas. As a capital-intensive industry with long lead times, this could affect the evolution of global oil and gas supply in the coming years

With the exception of shale oil, most of the oil industry is highly capital-intensive with long lead times between investment decisions and commercial oil production (commonly three to five years). Healthy, stable long term prices support new investments, but the cyclical nature of the business with recent price weakness has led to reduced spending. 2015 saw global upstream investment drop by approximately $130 billion to approximately $400 billion, and it is estimated that 2016 will see a further drop of approximately $80 billion, potentially affecting the outlook for global oil and gas supply (Source: OPEC World Oil Outlook 2016).

The long term energy outlook remains uncertain and future energy mix and fossil fuel (including oil and gas) demand will hinge on two key factors: global economic growth and climate change

The key issues in considering the long term energy outlook remain the impacts of global economic growth and climate change (for example, the use of renewable energy sources and policies aimed at lowering carbon emissions). The slowing of energy demand as discussed above has been in large part due to the development of demand from emerging markets, in particular, China—as their growth pattern has adjusted, the energy intensity has declined. The share of renewable energy sources on the supply side will also impact oil demand in the long term. Historically new fuels have been slow to penetrate the global market—with oil taking more than 40 years to go from a 1 per cent. to 10 per cent. share of energy—and the growth rates achieved by renewables have been comparable to other fuels suggesting that they could also be subject to the same slow market penetration. In terms of carbon emissions, the agreements at the 2015 United Nations Climate Change Conference in Paris ("**COP 21**") suggest that carbon intensity of GDP (being the average amount of carbon emissions per unit of GDP) will have to fall at an average rate of 5.5 per cent. per annum over the next 20 years—double the rate at which they declined in 2015 (Source: BP Statistical Review of World Energy, June 2016). The speed of development and adoption of new cost competitive technologies is a further factor in the ability to meet climate change targets, along with political will. At the same time, as oil is expected to remain an

important component of the energy mix for decades to come, geopolitical events and under-investment by many industry players since the oil price drop of mid-2014 have the potential to generate supply disruptions, with reverberations on the global supply/demand balance (Source: International Energy Agency Medium-term oil Market Report 2016 summary).

Overview of the Group's assets

Tullow has interests in 102 licences across 18 countries, covering exploration, development and production activities, which are managed through three business delivery teams: West Africa, East Africa and New Ventures.

The Group's key producing assets (the Jubilee and TEN fields) are located offshore Ghana and are operated by the Group. The Group also has non-operated producing assets in Congo (Brazzaville), Côte d'Ivoire, Equatorial Guinea, Mauritania, Gabon, the United Kingdom and the Netherlands. In addition, the Group has material development assets in Uganda and Kenya. Tullow's exploration portfolio is focused primarily on Africa and South America.

The Group's average daily production (oil and gas) on a working interest basis for the 12 month period ended 31 December 2016 was 67,100 boepd (71,700 boepd including 4,600 bopd of production-equivalent barrels in respect of insurance payments received in relation to the Group's operations at the Jubilee field). The Group's net 2P reserves and net 2C resources were 303.7 mmboe and 890.2 mmboe, respectively, as at 31 December 2016, prior to the announced farm-down of a substantial portion of the Group's interests in Uganda. The Group's pro forma post Uganda farm-down net 2P reserves and net 2C resources would have been 303.7 mmboe and 569.4 mmboe, respectively, as at 31 December 2016. During the 12 month period ended 31 December 2016, the Group's revenue was $1.3 billion and its pre-tax operating cash flow before working capital was $0.8 billion.

Summary of the Group's historical reserves, resources and operating data

The Group retains ERCE as its independent reserves engineer for audit purposes and in connection with its RBL Facilities and Corporate Facility. The commercial reserves and contingent resources classifications used are as defined by the March 2007 PRMS.

The Group reports its commercial reserves and contingent resources. Commercial reserves are defined as those quantities of oil and gas which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under defined economic conditions, operating methods and government regulations ("**proved reserves**"), plus those additional reserves which analysis of geoscience and engineering data indicate are less likely to be recovered than proved reserves but more certain to be recovered than possible reserves ("**probable reserves**").

In this Prospectus, references to "contingent resources" are to 2C resources. Pursuant to the classifications and definitions provided by the PRMS, 2C resources are those quantities of estimated contingent resources (being those quantities estimated, as at a given date, to be potentially recoverable from known accumulations by application of development projects but which are not then considered to be commercially recoverable due to one or more contingencies) that in the "best estimate" scenario have a probability of at least 50 per cent. of equalling or exceeding the amounts actually recovered.

The following tables present a summary of the Group's oil and gas commercial reserves and contingent resources. The commercial reserves estimates presented in the tables are derived entirely from the ERCE Reports. The contingent resources estimates presented in the tables are derived principally from the ERCE Reports, except for certain discoveries in Mauritania which were relinquished in 2015 and which were not covered by the ERCE Reports and in respect of which the Group has included management estimates as at 31 December 2014. ERCE has carried out a due diligence review of management estimates of contingent resources for the discoveries in Mauritania and has advised that the total contingent resources presented in this Prospectus are fair and reasonable estimates. Reserves estimates for each field are reviewed by ERCE based on significant new data or a material change, with a review of each field undertaken at least every two years. Those assets which are not to be included in the RBL Facilities or Corporate Facility borrowing bases, have zero booked value and/or negative net asset value, are not reasonably expected to increase in net reserves for any reason, and where the total 2P reserves designated as minimal value shall not exceed 5 per cent. of the Group's 2P net working

interest reserves, are not audited by ERCE. As a result, the Group's assets located in Norway, the Netherlands and the United Kingdom were not audited by ERCE in 2016.

	As at 31 December 2016											
	West & North Africa			East Africa			Europe & Asia			Total		
Resource	Oil (mmbbl)	Gas (bcf)	Total (mmboe)	Oil (mmbbl)	Gas (bcf)	Total (mmboe)	Oil (mmbbl)	Gas (bcf)	Total (mmboe)	Oil (mmbbl)	Gas (bcf)	Total (mmboe)
Commercial Reserves . . .	271.9	164.7	299.4	Nil	Nil	Nil	0.1	25.4	4.3	272.0	190.0	303.7
Contingent Resources . .	128.2	603.6	228.8	632.4	42.7	639.6	0.1	130.3	21.9	760.8	776.6	890.2
Total	400.1	768.2	528.2	632.4	42.7	639.6	0.2	155.7	26.2	1,032.8	966.6	1,193.9

Source: ERCE Report

The following table sets forth certain information with respect to the Group's commercial reserves and contingent resources as at 31 December 2014, 31 December 2015 and 31 December 2016.

	As at 31 December		
	2014	2015	2016
Commercial Reserves (2P):			
Oil (mmbbl)	307.5	287.5	272.0
Gas (bcf)	226.6	206.1	190.0
Total (mmboe)	345.3	321.9	303.7
Percent oil	89%	89%	90%
Production rate (kboe/d)	75.3	73.4	67.1
Reserve life (years)	12.6	12.0	12.4
Contingent Resources (2C):			
Oil (mmbbl)	740.0	846.3	760.8
Gas (bcf)	1,010.2	771.0	776.6
Total (mmboe)	908.4	974.8	890.2
Percent oil	81%	87%	85%
Total Commercial Reserves and Contingent Resources:			
Oil (mmbbl)	1,047.5	1,133.9	1,032.8
Gas (bcf)	1,236.8	977.2	966.6
Total (mmboe)	1,253.6	1,296.7	1,193.9
Percent oil	84%	87%	87%

Source: ERCE Reports and management estimates. 2014 contingent gas resources includes management estimates for certain discoveries in Mauritania; Production rates are based on full year results as reported by the Group.

Internal controls over reserves estimates

The Group's policy regarding internal controls over the recording of reserves is structured to objectively and accurately estimate its oil and gas reserve quantities and values in compliance with the March 2007 SPE/WPC/AAPG/SPEE Petroleum Resources Management System ("**PRMS**").

The PRMS definitions and guidelines are designed to provide a common reference for the international petroleum industry, including national reporting and regulatory disclosure agencies, and to support petroleum project and portfolio management requirements. They are intended to improve clarity in global communications regarding petroleum resources.

The Group's petroleum engineering department under the leadership of the chief petroleum engineer maintains oversight and compliance responsibility for the internal reserve estimate process and provides appropriate data to its independent auditors, ERCE, for the annual estimation of its year-end reserves. As at 31 December 2016, the Group's petroleum engineering department consisted of a subsurface leadership team of 9 engineering and geoscience professionals, and each of which is a full member of a relevant professional body.

Commercial reserves are estimated using standard recognised evaluation techniques. The estimates for each asset are reviewed by ERCE on a rolling basis at a minimum of every two years or more frequently upon the occurrence of a material change in reserves. ERCE completes a quarterly short form report summarising currently held audited reserves for each asset. When an audit is completed on a single asset, a long form report containing in-depth technical data is also produced. Future development costs are estimated taking into account the level of development required to produce the commercial reserves. ERCE provides the Group with technical profiles and the Group then carries out economic modeling to determine economic cut-offs of profiles. These economic cut-offs are provided to ERCE, which then reports commercial reserve figures.

Qualifications of third-party engineers

The technical personnel responsible for preparing the reserve estimates at ERCE meet the requirements regarding qualifications, independence, objectivity and confidentiality set forth in the Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information promulgated by the PRMS. ERCE is an independent firm of petroleum engineers, geologists, geophysicists and petrophysicists. ERCE does not own an interest in the Group's oil and gas assets and is not employed on a contingent fee basis.

Production and development

The Group's portfolio consists of producing assets in eight countries including the Jubilee and TEN fields offshore Ghana which it operates. The Group's West African light oil production portfolio generates the majority of its cash flow and, in 2016, it represented 100 per cent. of its oil production. Between 2013 and 2016, the Group sold some of its interests in the United Kingdom, the Netherlands and Norway as part of an ongoing divestment plan, which the Directors believe will free up capital for selective developments and high-impact exploration activities and allow the Group to concentrate on its core, low-cost production in West Africa.

The Group's production delivers ongoing cash flow which is used to improve its financial flexibility to invest in long term exploration campaigns, selective development projects and frontier, long term growth opportunities in Africa and South America. The growth of the Group's business in Ghana has required it to increase significantly its internal technical, project execution and operating expertise, allowing it to enhance its capability to operate significant oil fields and deliver major development projects. Following the sharp reduction in oil prices in mid-2014, the Group increased its focus on cost control, and capital expenditure was targeted towards key projects, such as the TEN fields offshore Ghana, which the Directors believe will generate strong future cash flow, even at low oil prices.

Since 2010, the Group has been producing oil from the Jubilee field located in the Deepwater Tano and West Cape Three Points blocks, offshore Ghana. Full year 2016 gross production from the Jubilee field averaged 73,700 bopd (net 35.48 per cent. equity interest: 26,200 bopd). Owing to problems with the turret system aboard the Jubilee FPSO, the Group has received reimbursements under its business interruption insurance cover which equate to 4,600 bopd of net equivalent production for 2016. See *"Information about the Tullow Group—Main producing assets—Ghana—Jubilee—Turret Remediation Project"*

On 17 August 2016, the TEN fields produced first oil. Gross annualised production in 2016 averaged 14,600 bopd (net 47.18 per cent. equity interest: 6,900 bopd). The TEN fields are expected to ramp up to FPSO capacity within the constraints imposed by the ongoing maritime boundary dispute between Ghana and Côte d'Ivoire on the timing of the drilling of the remaining 13 wells in the development plan. See *"Information about the Tullow Group Main producing assets—Ghana—Tweneboa, Enyenra and Ntomme fields (TEN fields)—Future plans and outlook"*.

The following table provides a summary of the Group's production portfolio.

Country	Asset	Tullow Working Interest	Operator(O)/ Non-operator (NO)	Fiscal Regime	Production for the year ended 31 December 2016 (boepd)	Expiration/ Status
West & North Africa						
Congo (Brazzaville)	M'Boundi	11%	NO	PSC[1]	1,500	2017
Côte d'Ivoire	Espoir	21.33%	NO	PSC	4,000	2036
Equatorial Guinea	Ceiba	14.25%	NO	PSC	2,300	2029
	Okume Complex	14.25%	NO	PSC	4,700	2034
Gabon	Tchatamba fields	25%	NO	PSC	4,700	2023+
	Limande	40%	NO	Tax[2]	2,000	2031
	Etame Complex[3]	7.50%	NO	PSC	1,300	2021+
	Others[4]	Various	NO	Various[5]	6,300	2031+
Ghana	Jubilee[6]	35.48%	O	PA[7]	26,200	2034+
	Deepwater Tano (TEN fields)	47.18%	O	PA	6,900	2036
Mauritania	Chinguetti	22.26%	NO	PSC	1,000	2017[9]
Sub Total					60,900	
Europe						
The Netherlands[8]	Various	4.1-30.00%	NO	Tax	2,900	2017+
United Kingdom	Various	6.91%-76.90%	NO	Tax	3,300	2018
Sub Total					6,200	
Total					67,100	

(1) Under a production sharing contract, the host government takes a share of production determined by the relevant cost recovery mechanism in the contract.

(2) Under a corporate tax regime or a concessionary system, the licence holders pay income taxes from profits to the host government.

(3) Includes the Etame, Avouma and Ebouri fields.

(4) Includes production from the Echira, Turnix, Niungo, Oba, M'oba and Igongo fields, and the Ezanga Complex, which contains the Onal, Maroc North, Omko, Gwedidi, Mbigou, Maroc, Niembi and Mabounda fields.

(5) PSCs and Tax.

(6) Excludes 4,600 bopd of net equivalent production received pursuant to the Group's business interruption insurance cover.

(7) Under a petroleum agreement. For a description of petroleum agreements in Ghana, see "*Certain regulatory regimes—Ghana—Tax regime*".

(8) Included in Non-Core Assets.

(9) Decommissioning of the Chinguetti field is due to commence on May 2017.

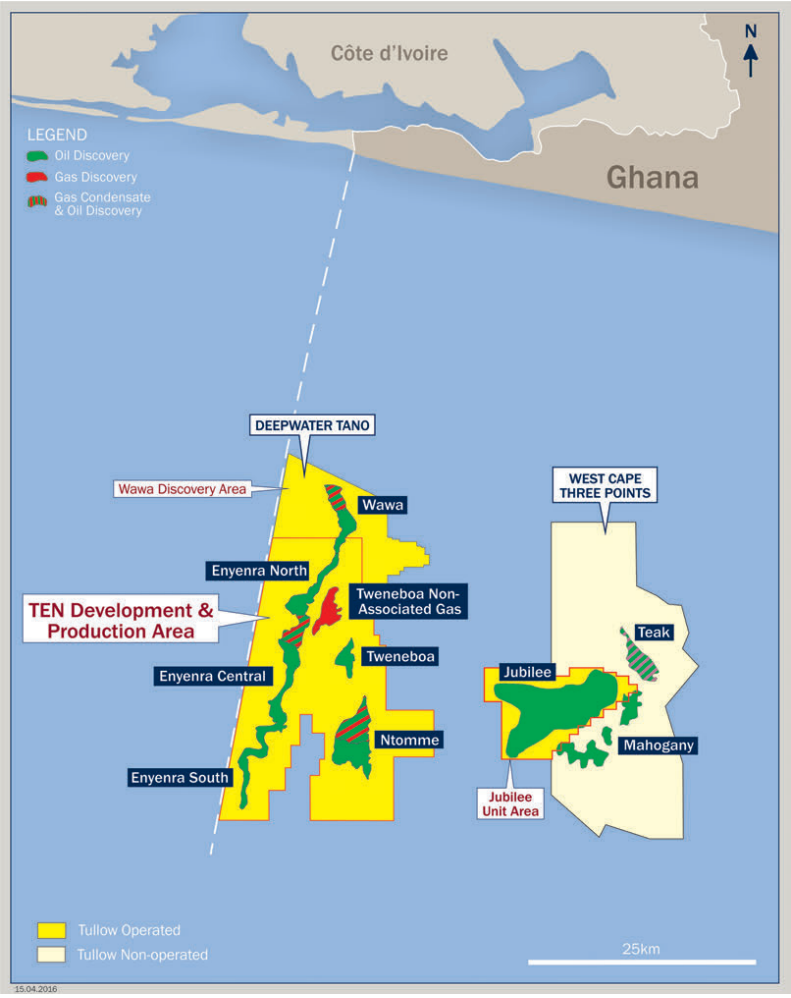
The following table sets forth certain information with respect to the Group's production volumes and realised pricing (which reflects the impact of derivatives) for the years ended 31 December 2014, 31 December 2015 and 31 December 2016.

	Year ended 31 December		
	2014	2015	2016
Production/Sales:			
Working interest production (boepd)	75,200	73,400	67,100
Sales volume (boepd)	67,400	67,600	59,900
Average realised oil price ($/bbl)[1]	97.5	67.0	61.4
Average realised gas price (pence/therm)[1]	51.7	41.8	33.9
Underlying cash operating costs ($/boe)	18.6	15.1	14.3

(1) After hedging.

Main producing assets

Ghana



The Group has interests in two offshore licence blocks which include the Jubilee field and the Tweneboa, Enyenra and Ntomme cluster of fields, which comprise the TEN fields.

Jubilee field

Overview

The Group has interests in two licences offshore Ghana where it discovered the Jubilee field in 2007. The field straddles the boundary between two blocks: Deepwater Tano and West Cape Three Points, and the Group operates the field under a unitisation agreement. The table below sets out key details relating to the field:

Location:	Offshore Ghana
Production Facility:	FPSO Kwame Nkrumah MV21 (owned by the Group and its commercial partners)
Tullow Working Interest:	35.48%
Operator:	Tullow Ghana Limited
Field Partners:	Anadarko, Kosmos Energy, GNPC and PetroSA
Average production for the year ended 31 December 2016:	Gross: approx. 73,700 bopd / Tullow net: 26,200 bopd (30,700 bopd including 4,600 bopd production-equivalent barrels in respect of insurance payments received)
Crude Oil Grade:	API gravity 36.8 degrees

The Group discovered the Jubilee field in 2007 and, following a development period of approximately 40 months, achieved first oil in November 2010. The Minister of Energy in Ghana formally approved the Jubilee field Phase 1 Development Plan and unitisation agreement on behalf of the Government of Ghana in July 2009.

Jubilee is a deepwater oil and gas field, located approximately 60km from the Ghanaian coastline in water depths ranging from 900 metres to 1,700 metres. Jubilee field wells tie back to a FPSO facility via subsea infrastructure. Production is gathered through subsea manifolds and conveyed by subsea flowlines to the FPSO, which has a storage capacity of 1.6 million bbls and is capable of processing more than 120,000 bopd, 230,000 bwpd and 160 mmscfd of gas. The Group markets its equity share of Jubilee crude oil, making free on board ("**FOB**") sales from a storage tanker to third-party buyers.

The Group purchased the FPSO from Jubilee Ghana MV21 B.V., Inc in December 2011, on behalf of the Jubilee partners, while MODEC Management Services Pte Ltd continues to provide operations and maintenance services.

In the period from first oil to 31 December 2016, approximately 190 mmbbl of oil have been produced and exported. For the year ended 31 December 2016, gross production from the Jubilee field averaged 73,700 bopd (net 35.48 per cent. equity interest: 26,200 bopd (30,700 bopd including 4,600 bopd production-equivalent barrels in respect of insurance payments received)), which accounted for approximately 39 per cent. of the Group's total oil and gas production. Owing to problems with the turret system aboard the Jubilee FPSO, the Group has received reimbursements under its business interruption insurance cover which equate to 4,600 bopd of net equivalent production for 2016. The Group expects 2017 production from the Jubilee field to average 68,500 bopd (net: 24,300 bopd), assuming 12 weeks of shut down associated with the next stage of remediation works. The business interruption insurance policy is expected to reimburse the Group for an equivalent of 12,000 bopd of annualised net production for this shut down period, increasing the Group's effective net production to around 36,300 bopd in 2017. See *"Information about the Tullow Group—Main producing assets—Jubilee field—Turret Remediation Project"*.

The Group's net commercial reserves and contingent resources associated with the Jubilee field as at 31 December 2016 are shown in the following table.

	Jubilee Reserves & Resources		
	Oil (mmbbl)	Gas (bcf)	Total (mmboe)
Commercial Reserves (2P)	129.4	—	129.4
Contingent Resources (2C)	28.9	151.5	54.2
Total	158.3	151.5	183.6

Source: ERCE Report

The gross 2P oil reserves at the Jubilee field are approximately 360 mmbbl, gross 2C oil resources (including MTA) are approximately 140 mmbbl and the resulting oil (including MTA) potential upside (being derived from (3C-2C resources) + (3P-2P resources)) is anticipated to be approximately 360 mmbbl gross.

Field technical background and development

The Group discovered the Jubilee field while drilling the Mahogany-1 and Hyedua-1 exploration wells in 2007. The two wells were drilled five kilometres apart and intersected a large continuous accumulation of light sweet crude oil in excellent quality stacked reservoir sandstones. Appraisal drilling commenced in 2008 to define the potential of the greater field area. Ten successful exploratory appraisal wells were drilled and each of these discoveries intersected considerable hydrocarbon columns.

Phase 1 development

The Phase 1 development, which was approved in July 2009, included drilling seventeen wells comprised of nine oil producing wells, six water injector wells and two gas injector wells. The Phase 1 development was implemented using proven subsea production and control systems that tied back to the FPSO, which was permanently moored via a bow-mounted turret and single point mooring system. Oil was offloaded to trading tankers. The Group enhanced production through 100 per cent. voidage replacement with down-dip water injectors and up-dip gas injectors, with the injected gas blown down and recoverable as the field is further developed.

Phase 1A development

In January 2012, the Government of Ghana gave written approval for the Phase 1A development, which was designed to extend plateau production and recover additional reserves. The Phase 1A development consisted of eight new wells, all of which have now been drilled. The Phase 1A development successfully increased well production capacity to in excess of 130,000 bopd and, the Directors believe, enhanced the recoverable reserves potential from the Jubilee field.

A capacity test of the FPSO facilities indicated an oil system handling capacity in excess of 120,000 bopd, although recently, higher levels of gas production and limitations on the gas handling facilities mean that the FPSO has operated at an effective capacity of around 115,000 bopd.

In 2015, the Group drilled two additional Phase 1A wells, which added additional well capacity to the field.

Turret Remediation Project

In February 2016, the Group identified an issue with the turret bearing of the Kwame Nkrumah MV21 FPSO at the Group's Jubilee field. As a result, the Group instigated an investigation and on 20 March 2016, production in the Jubilee field was shut down. On 3 May 2016, reduced production commenced following the implementation of a temporary solution.

Following the identification of the turret bearing issue, a revised case to operate was put in place in respect of the Jubilee field which included the use of heading control tugs to minimise movement and further deterioration of the bearing and revised offtake procedures utilising both a shuttle and storage tanker. During 2016, the Group commenced the implementation of an interim solution which involved locking the bearing and the implementation of an interim spread-mooring solution which would allow the heading control tugs to be released with the FPSO held in position. Although the use of heading control tugs allowed production to continue, it did so at a reduced rate as the proximity of the tugs to the FPSO means that the Group's preferred offtake process to an export tanker via a crude export hose directly from the FPSO was not possible. As a result, the Group relies on more frequent, smaller offtake parcels to a dynamically positioned shuttle tanker which transports the oil to a storage tanker which then offloads to an export tanker. Accordingly, production has been reduced to ensure that the offtake solution can be implemented effectively and safely and will remain at a reduced level until a permanent solution is implemented.

Through the Turret Remediation Project, the Group and its commercial partners have determined that the most likely long term solution to the turret bearing issue is to convert the FPSO to a permanently spread-moored vessel, with offtake through a new deepwater offloading buoy. The first phase of implementing the most likely long term solution, involving the installation of a stern anchoring system, was completed in February 2017 and the tugs which maintained the FPSO on heading control were removed as a result. The consent of the Government of Ghana and the Group's commercial partners is required to implement the full long term solution.

The next phase of the Turret Remediation Project will involve modifications to the turret systems for long term spread-moored operations. In addition, the assessment of the optimum long term heading is continuing, in order to determine if a rotation of the FPSO is required. Detailed planning for these works continues with the Group's commercial partners and the Government of Ghana, with final decisions and approvals expected to be sought in the first half of 2017. Work is expected to be carried out in the second half of 2017, with an anticipated facility shut down of up to 12 weeks, although the Group and its commercial partners continue to work to optimise and reduce the shut down period.

The final phase of the Turret Remediation Project will most likely involve the installation of a deepwater offloading buoy which is currently planned to be installed in late 2018 or early 2019. The installation of a deepwater offloading buoy will remove the need for the dynamically positioned shuttle tanker and storage tanker and the associated operating costs. This phase of work also requires approval of both the Government of Ghana and the Group's commercial partners. The Group expects the Turret Remediation Project to be completed during early 2019.

The capital costs associated with the remediation works, the lost revenue from the shut down periods and the increased operating costs which have been, and will continue to be, suffered, as a result of the turret bearing issue and the consequent reduced production capacity are subject to claims pursuant to two policies of insurance under which the Group is entitled to recover: a hull and machinery policy (the "**H&M Policy**") and a business interruption insurance policy (the "**BI Policy**"). A root cause analysis (the "**RCA**") of the turret bearing issue is being carried out by an independent assessor which is investigating a number of potential areas of cause and key exclusions under the Group's insurance policies, including

turret and bearing design, fabrication and assembly, maintenance routines and operational storage and offtake procedures. Although the final RCA report has not yet been issued, the interim RCA has not identified a definitive root cause. However, the interim RCA report and its conclusions were used by both the H&M Policy and BI Policy providers in connection with the affirmation of cover, which was received in September 2016.

Pursuant to the terms of the H&M Policy, the Group and its commercial partners are entitled to receive payments relating to steps taken to mitigate further loss (for example, costs in relation to the tugs used for heading control are recoverable as they reduce further damage to the turret) and labour (costs incurred to mitigate against the escalation of claim) and capital costs to reinstate the FPSO to its operating condition prior to the incident. The total claim made under the H&M Policy (on behalf of the Group and its commercial partners) is expected to amount to approximately $600 million (recovery under the H&M Policy is limited to, in aggregate, $1,800 million). Pursuant to the terms of the BI Policy, the Group is entitled to receive both lost production income determined by an agreed price of $60/bbl and relevant lost production, and to be indemnified for costs relating to increased cost of working incurred in respect of supporting production. The total claim made under the BI Policy is expected to amount to approximately $500 million (recovery under the BI Policy is limited to, in aggregate, $900 million). To the extent recoverable, the insurers are obliged to make payments in respect of claims under the BI Policy for a period of 36 months from May 2016. Accordingly, the Group will cease to receive any payments in May 2019, irrespective of whether a long term solution and the return to normal operations has been achieved.

Whilst the lead insurers have affirmed the extent of the cover under each policy, the policies are ones of indemnity such that the Group is required to incur any costs or suffer any loss prior to submitting a claim under the relevant policy. Such claims are then reviewed and, to the extent determined appropriate, an amount paid to the Group by the insurers. As at 31 December 2016, the Group had received reimbursement of approximately $6.7 million (net) under the H&M Policy (in respect of claims intimated under the H&M Policy of $16.7 million (net)) and approximately $76.6 million under the BI Policy (in respect of claims intimated under the BI Policy of $85 million). With effect from December 2016, the Group and its insurers have agreed that a payment of $15 million will be made on a monthly basis (during the period from November 2016 to March 2017) under the BI Policy, with adjustments to this figure agreed between the Group and its insurers on a quarterly basis, and it is anticipated that similar arrangements will be entered into for subsequent periods.

Offtake and marketing

The Group sells its share of Jubilee crude oil production, typically making FOB sales from a storage tanker to third-party buyers. Sales entitlement volumes of each commercial partner build up onboard the FPSO and other dedicated offtake tankers and a dedicated hydrocarbon allocation system records each partner's stock position and allocates and schedules liftings to the most entitled party. At current production levels, there are typically between three and four standard cargos, with approximately 950,000 barrels per cargo, of crude oil exported per month. The Group increasingly accommodates part loadings of very large crude carriers ("**VLCCs**"), especially when oil is destined for the Asian market. Jubilee crude oil is light and sweet with no unusual characteristics. Crude oils of this type attract a wide range of refiners and typically command competitive prices in the market.

The Group previously had a contract with Vitol for the marketing of its Jubilee crude, but in early 2015 the contract expired and since then the Group has been marketing its Jubilee cargoes itself. The Group manages counterparty credit risks through a variety of instruments provided by banks. The Group's sales are generally based on a spot sales differential (premium or discount) to an average of Dated Brent crude oil quotes, pricing five days after the bill of lading date or occasionally over the month of delivery.

In November 2014, the Ghana National Gas Company ("**GNGC**") completed a pipeline and onshore gas processing facility that allows the export of surplus gas produced from the Jubilee field. Since then, gas exports have averaged around 90 mmscfd, excluding periods of shut down associated with the Jubilee bearing issue in 2016.

Since the Jubilee turret seizure in March 2016, FPSO offtake has been lifted approximately every two days by a dynamically-positioned shuttle tanker with approximately 250,000 bbls capacity. The shuttle tanker then discharges to a nearby VLCC storage tanker with over two million barrels capacity. Once sufficient crude oil is accumulated in the storage tanker, it delivers crude oil to buyers' export tankers by ship-to-ship transfer. As Jubilee operator, the Group has entered into time charters arrangements for (a) the use of two shuttle tankers (which could, at the Group's option, be extended to June 2017 in

relation to one tanker and September 2017 in relation to the other); and (b) the VLCC storage tanker (which could, at the Group's option, be extended to December 2017).

Future plans and outlook

In December 2015, the Group submitted the Greater Jubilee Full Field Development Plan to the Government of Ghana (the "**FFD Plan**"). The FFD Plan, to extend field production and increase commercial reserves, was redesigned given the current oil price environment to reduce the overall capital requirement and allow flexibility on the timing of capital investment. Tullow has sought to address comments made by the Government of Ghana on the plan submitted in December 2015, and approval of the FFD Plan by the Government of Ghana is now expected in mid-2017.

Tweneboa, Enyenra and Ntomme fields (TEN fields)

Overview

The TEN fields, the Group's second major development offshore Ghana, combine production from the Tweneboa, Enyenra and Ntomme fields. These fields are spread across an area of more than 800 km^2 and are located approximately 20km to the west of the Group's Jubilee development in the Deepwater Tano licence block.

In August 2016, the Group achieved first oil at its TEN fields, three years after the Government of Ghana approved the Plan of Development.

Location:	Offshore Ghana
Production Facility:	FPSO Prof. John Evans Atta Mills (leased by the Group on behalf of its commercial partners from T.E.N. Ghana MV25 B.V., a subsidiary of MODEC Inc.)
Tullow Working Interest:	47.18%
Operator:	Tullow Ghana Limited
Field Partners:	Anadarko, Kosmos Energy, PetroSA and GNPC
Average production for the year ended 31 December 2016:	Gross: approx. 14,600 bopd / Tullow net: 6,900 bopd
Crude Oil Grade:	API gravity 32.9 degrees

The TEN fields were designed to develop three deepwater oil and gas fields offshore Ghana in water depths ranging from 600 metres to 2,000 metres. The initial discovery, Tweneboa, was made in March 2009, followed by the Enyenra field in July 2010 and the Ntomme in January 2011.

The Group submitted a plan of development to the Government of Ghana in April 2013 and received approval for this plan of development in May 2013. The approval paved the way for the Group and its commercial partners to proceed with the development of these discoveries. The estimated capital expenditure costs for the base development plan, which includes up to 24 development wells, excluding FPSO lease costs, is approximately $4.9 billion over the period from 2013 to 2023. The Group achieved first oil on schedule, on 17 August 2016, and it now has 11 wells online. As at 31 December 2016, total gross capital expenditure to first oil was within budget at approximately $4.0 billion. Remaining capital expenditure is largely associated with the drilling and completion of the remaining 13 wells included in the development plan through to 31 December 2023.

Production is gathered through subsea manifolds and conveyed by subsea flowlines to the FPSO, which has a storage capacity of 1.7 million bbls and is capable of processing 80,000 bopd, 132,000 bwpd and 170 mmscfd of gas. The FPSO is designed to remain operational in the field for up to 20 years. The Group markets its equity share of TEN crude oil, making FOB sales from the FPSO to third-party buyers.

Following first oil, the oil production, gas compression/injection and water injection systems were commissioned and are operational. In the period from first oil to 31 December 2016 over 5.3 mmbbl of oil have been produced for export. In early January 2017, the capacity of the FPSO was successfully tested at an average rate in excess of the design capacity of 80,000 bopd during a 24 hour flow test. Gross annualised production in 2016 averaged 14,600 bopd (net: 6,900 bopd).

Production testing and initial results from the 11 wells indicate reserves estimates for both Ntomme and Enyenra to be in line with previously guided expectations. However, due to certain issues with managing

different pressures across the three main Enyenra reservoir zones and because no new wells can be drilled at present as a result of the ITLOS provisional orders measure, the Group is managing the existing wells in a prudent and sustainable manner to optimise long term field recovery. As a result, the Group expects production from TEN to be around 50,000 bopd (net: 23,600 bopd) in 2017, although work continues to evaluate ways to increase production and ramp-up towards FPSO capacity within the constraints imposed by the ongoing ITLOS Dispute on the timing of the drilling of the remaining 13 wells in the development plan. Proceedings at ITLOS with regard to the maritime border dispute between Ghana and Côte d'Ivoire continue, with oral hearings having taken place in February 2017, and a final ruling expected in September 2017, but could be later. Drilling is expected to resume in 2018 after this ruling. See *"Information about the Tullow Group—Main producing assets—Tweneboa, Enyenra and Ntomme fields (TEN fields)—Future plans and outlook"*.

The Group's net commercial reserves and contingent resources associated with the TEN fields as at 31 December 2016 are shown in the following table.

	TEN Reserves & Resources		
	Oil (mmbbl)	Gas (bcf)	Total (mmboe)
Commercial Reserves (2P)	109.0	155.6	134.9
Contingent Resources (2C)	52.8	407.6	120.7
Total	161.8	563.2	255.6

Source: ERCE Report

The gross 2P oil reserves at the TEN fields are approximately 235 mmbbl, gross 2C oil resources are approximately 110 mmbbl and the resulting oil potential upside (being derived from (3C-2C resources) + (3P-2P resources)) is anticipated to be approximately 210 mmbbl gross.

Field technical background and development

In March 2009, the Tweneboa-1 exploration well in the Deepwater Tano licence, 25 km from the Jubilee field, discovered a highly pressured light hydrocarbon accumulation. The second successful well, Tweneboa-2, was drilled in January 2010. The first discovery at the Enyenra field was made in July 2010. In early 2011, working in 1,600 metres of water, six kilometres southeast of Tweneboa-2, the Ntomme field was discovered, which holds deposits of gas-condensate. An appraisal programme was initiated in 2011 with Owo-1RA and continued in 2012 and 2013 with Enyenra-4A, Ntomme-2A and Enyenra-6A. A 3D seismic programme over the TEN fields was completed in the second quarter of 2014. Contracts for the FPSO and subsea tenders were awarded in August 2013. The first new development well was successfully drilled at the end of 2013. Subsea installation vessels commenced operations in 2015. As at 31 December 2016, the Group has drilled 11 of the first oil wells. The Group anticipates drilling up to 24 wells in total over the course of the full field development, which are expected to be a mixture of water injection, gas injection and production wells.

Offtake and marketing

Currently, the Group generally markets the blend of crude oil derived from the TEN fields to which it is directly entitled on an FOB basis, on a similar basis as for its Jubilee crude oil cargoes. A hydrocarbon allocation system, similar to that on the Jubilee cargoes, is in place. During 2016, the Group lifted two cargoes of the TEN fields blend crude oil. To reduce a range of risks, the Group scheduled the first lifting of the TEN fields blend crude oil cargo for approximately 650,000 barrels and subsequent to this it has scheduled cargoes for approximately 950,000 bbls, which can include part loadings to VLCCs. The TEN fields' blend crude oil is moderately light and sweet. The Group received twelve bids for the first cargo of crude oil, from buyers for refining in Asia, Europe and North America. The Group's sales to date have been destined for Europe and the USA.

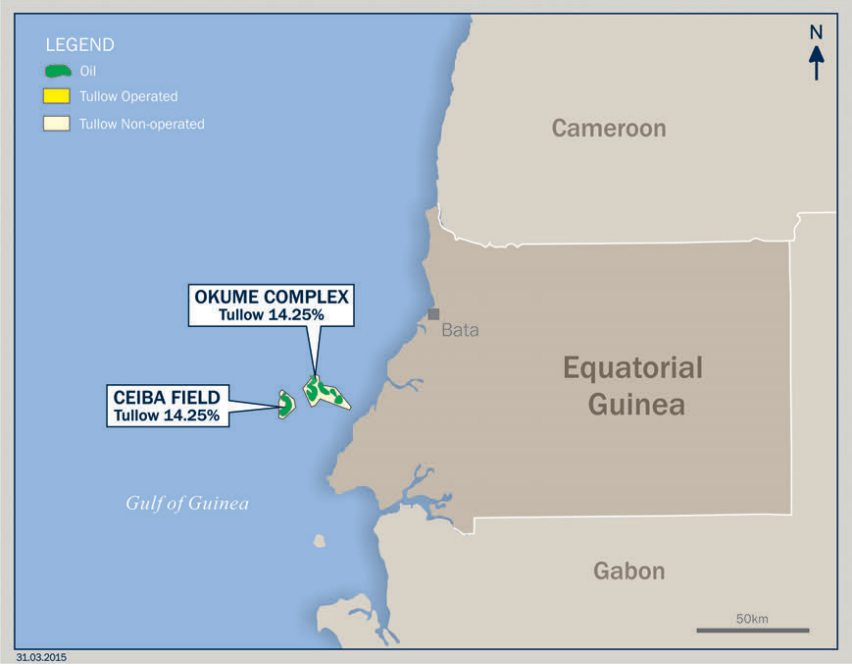
Future plans and outlook

The Group's development and production plans for the TEN fields have proceeded despite an ongoing maritime boundary dispute between Ghana and Côte d'Ivoire. All of the TEN fields are located within a triangular area between Ghana and Côte d'Ivoire's respective interpretations of the correct maritime boundary (the "**Disputed Area**"). In September 2014, the Government of Ghana submitted the dispute to arbitration at the Special Chamber of the International Tribunal for the Law of the Sea ("**ITLOS**") in Hamburg, Germany. In February 2015, the Government of Côte d'Ivoire requested that ITLOS order certain provisional measures, including the suspension of all ongoing exploration and development operations in the Disputed Area pending a final decision from ITLOS. In April 2015, ITLOS issued a

provisional measures order which included, amongst other measures, the requirement that no new drilling take place in the Disputed Area until a final determination on the boundary dispute (the "**ITLOS PMO**"). However, the Government of Ghana's interpretation of the ITLOS PMO did not prevent all other ongoing exploration and development operations in the Disputed Area from continuing. In accordance with the ITLOS PMO, the Government of Ghana ordered the Group not to undertake any new drilling in the Disputed Area and the Group has complied with this instruction. ITLOS' final decision is expected in September 2017, but could be later. As a result, the Group expects (and has budgeted for) no new drilling in the Disputed Area before January 2018.

Gas production at the TEN fields is currently being either reinjected or flared. The gas export line between the TEN and Jubilee developments was connected in February 2017, with gas export expected to commence later in 2017.

Equatorial Guinea



In Equatorial Guinea, the Group has licence interests in two producing fields, and its working interest production in these fields was 7,000 bopd in the year ended 31 December 2016. The Group has development and production interests in two Hess Corporation operated licences offshore Equatorial Guinea, encompassing the Ceiba field and Okume Complex. The Ceiba field has been producing oil since 2000 and the Group gained its first interest in the Okume Complex in 2004 through the acquisition of Energy Africa.

Ceiba field and Okume Complex (Block G)

Overview

Location:	Offshore Equatorial Guinea
Production Facility:	Sendje Ceiba FPSO
Tullow Working Interest:	14.25%
Operator:	Hess Corp.
Field Partners:	Hess Corp. and GEPetrol
Average production for the year ended 31 December 2016:	Gross: 49,100 bopd / Tullow Net: 7,000 bopd
Crude Oil Grade:	Ceiba Blend (API gravity 31.5 degrees)

Ceiba field

The Ceiba field lies approximately 35 km offshore Equatorial Guinea in Block G in the Rio Muni Basin. The field was developed in phases, with the first phase including five wells tied back to the FPSO via dual flowlines connected to subsea manifolds. First oil was achieved in November 2000.

The second phase of the development was designed to increase production and water injection capabilities, and it included replacing the existing FPSO, as well as a drilling campaign of 7 wells. In order to maintain pressure and maximise field recovery, the project increased onboard liquids-processing capacity from 60,000 bopd to 160,000 bopd, as well as expanded onboard water-injection facilities to 135,000 bpd of water.

Okume Complex

Discovered in June 2001, the Okume Complex is located approximately 29 km offshore Equatorial Guinea in Block G of the Rio Muni Basin, approximately 25 km northeast of the Ceiba field. The Okume Complex is composed of five fields, Okume, Oveng, Ebano, Elon and Akom North.

The Government of Equatorial Guinea approved the plan of development for the Okume Complex in July 2004. The integrated development involved two tension leg platforms ("**TLPs**"), three satellite platforms, 29 production wells, 16 water injection wells and two gas injection wells. Production flows from the TLPs and platforms to a central processing platform on the shallow-water Elon field and then through a 24 km subsea pipeline to the Sendje Ceiba FPSO. The Sendje Ceiba FPSO is also operated by Hess Corporation. Commencing use in December 2001, the FPSO was used to develop the nearby Ceiba field and has a storage capacity of 2.0 mmbbl of crude oil.

Production commenced at the Okume Complex in December 2006. Other fields have been discovered on these two blocks in the Rio Muni Basin since the start of the field development process, namely Akom and Abang. In the future, these fields may be tied in to produce from the existing infrastructure in the Rio Muni Basin and form part of the Okume Complex.

The Group's average working interest production in the Ceiba field and Okume Complex was 7,000 bopd in the year ended 31 December 2016 and is forecasted to be 4,900 bopd in 2017. The Group's commercial reserves and contingent resources associated with the Ceiba field and Okume Complex as at year ended 31 December 2016 are shown in the following table.

	Ceiba field and Okume Complex Reserves & Resources		
	Oil (mmbbl)	Gas (bcf)	Total (mmboe)
Commercial Reserves (2P)	9.4	—	9.4
Contingent Resources (2C)	7.9	—	7.9
Total	17.3	—	17.3

Source: ERCE Report

Offtake and marketing

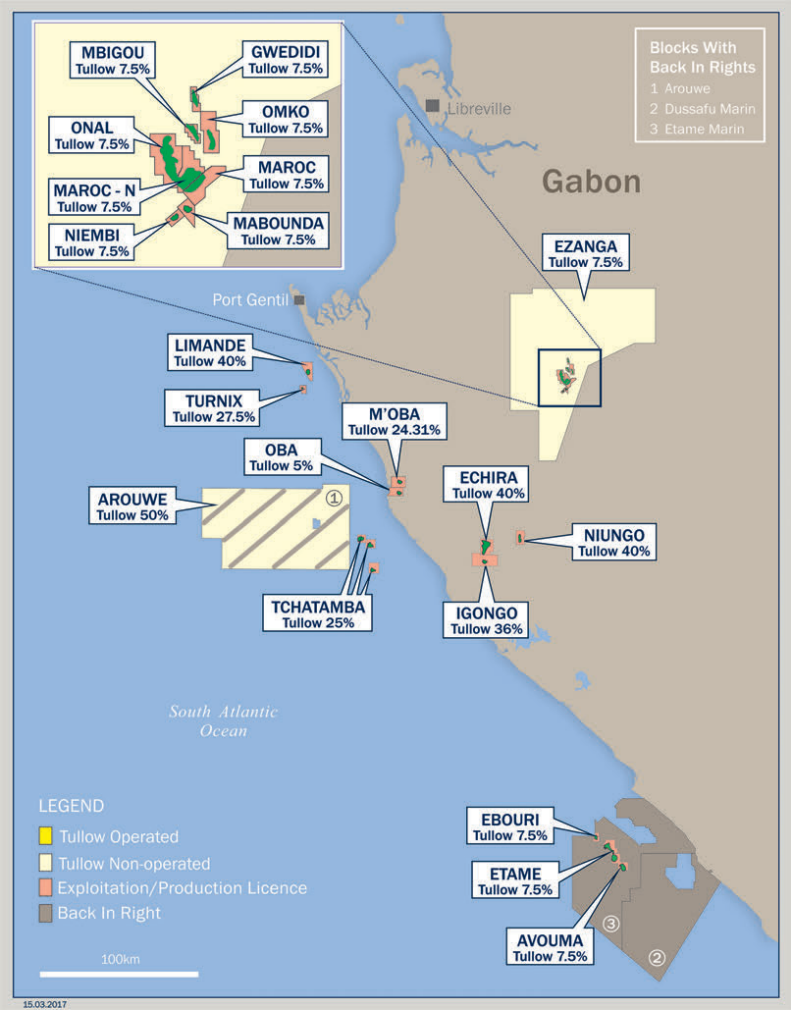
The Group's shares of the Ceiba field and Okume Complex oil sales entitlements are marketed by Hess Corporation together with its own volumes. Generally the offtake arrangements involve the use of the Sendje Ceiba FPSO where crude oil is sold FOB. At current production levels there are typically between two and three cargos (one million barrels per cargo) each month. All of the crude oil is sold to third-parties on a spot FOB basis. Together with Hess Corporation, the Group has also entered into a term agreement with a major Chinese state buyer, enabling it to buy two cargoes per year at the market price as established by spot sales. Pricing is based on a spot sales differential (premium or discount) to an average of Dated Brent crude oil quotes, pricing five days after the bill of lading date.

Future plans and outlook

A major Okume Complex infill drilling programme was completed in 2015. The Ceiba and Okume fields' production for the year ended 31 December 2016 was 7,000 bopd which was broadly in line with the Group's expectations of 7,100 bopd.

In November 2014, the Group acquired a new 4D seismic monitor survey for which it received processed results in the first quarter of 2016. The Group is using these results in the evaluation and selection of current prospects for a Phase 3 drilling campaign, comprising up to nine wells, over Okume/Oveng and Ceiba areas, with execution anticipated in 2018 and 2020 for Okume and Ceiba, respectively.

Gabon



In Gabon, the Group has licence interests in ten production areas, and its working interest production in these fields was 14,300 bopd in the year ended 31 December 2016. The main producing fields in Gabon are the Tchatamba Fields and the Limande field.

During 2015, following a dispute with the Government of Gabon, the Group regained its 7.5 per cent. stake in the Onal Complex producing fields in the Ezanga block (formerly the Omoueyi exploration block). This included two small oil discoveries made within the Ezanga block in 2015.

The Group's commercial reserves and contingent resources in Gabon as at 31 December 2016 are shown in the following table.

	Gabon Fields Reserves & Resources		
	Oil (mmbbl)	Gas (bcf)	Total (mmboe)
Commercial Reserves (2P)	18.0	—	18.0
Contingent Resources (2C)	11.4	—	11.4
Total	29.4	—	29.4

Source: ERCE Report

Tchatamba Fields

Overview

Location:	Offshore Republic of Gabon
Production Facility:	Fernan Vaz FSO (Oguendjo Field)
Tullow Working Interest:	25.00%
Operator:	Perenco
Field Partners:	Perenco and Oranje Nassau
Average production for the year ended 31 December 2016:	Gross: 18,800 bopd / Tullow Net: 4,700 bopd
Crude Oil Grade:	Oguendjo Blend (API gravity 31.7 degrees)

The Kowe Block, located approximately 20 to 30 km offshore Gabon with a water depth of 50 metres, contains three fields, Tchatamba South, Tchatamba Marin and Tchatamba West (together the "**Tchatamba Fields**"). Discovered between 1995 and 1997, production from the fields started in 1998. A permanent pipeline was constructed directly to the onshore Cap Lopez terminal and completed in 2003. The pipeline is no longer used to transport production to the Cap Lopez terminal as production is now exported to the Fernan Vaz FSO. The Group's average working interest production from these fields was 4,700 bopd for the year ended 31 December 2016 and is forecasted to be 4,700 bopd for 2017.

Field technical background and development

The primary producing interval in all fields is the Albian age Madiela formation, an extensive, good reservoir quality sequence of sandstone, carbonate and shale. Additionally, the Tchatamba West and South fields produce from the Azile, Cap Lopez and the Anguille formations. At present there are ten producing wells in Tchatamba South, seven wells in Tchatamba Marin and one well in Tchatamba West. The field is subject to strong water drive, as evidenced by the lack of water injection in the field.

Offtake and marketing

Production from the Tchatamba Fields is transported by a Perenco-operated pipeline. Since early 2015, this has been tied in to the Fernan Vaz FSO, blended with oil from the Limande, Turnix and other fields. Oil from this FSO is marketed as "Oguendjo Blend" crude, a light but medium sulphur grade, and sold in cargoes from around 650,000 to 950,000 bbls. The constituent crude oils contributing to the Oguendjo Blend crude are subject to quality banking adjustments to reflect their respective quality relative to that of the resulting blend. This is calculated by a mutually agreed third party using a refinery netback calculation. It is paid pro rata to inventory per field and recovered as an operating cost.

An offloading buoy was installed to the Fernan Vaz FSO in 2015, which allows for part loadings of VLCCs. This has broadened and strengthened the Group's market access for crude oil to more distant markets such as those in Asia. The Group markets its own cargoes of Oguendjo Blend crude oil on a spot basis, generally selling at a fixed differential to the Dated Brent crude prices on dates related to the date of the bill of lading.

Future plans and outlook

The Group completed a successful infill drilling programme in 2015 and it continues to work with its operator to progress plans for further infill drilling and reperforations of existing wells. Given the Group's current focus on debottlenecking the Tchatamba Marin processing facilities, a second processing platform (MOPU-B) is currently under construction, which is expected to be online in May 2017, which will allow for increased water handling, H2S treatment and power supply.

Limande

Overview

Location:	Offshore Republic of Gabon
Production Facility:	Fernan Vaz FSO (Oguendjo Field)
Tullow Working Interest:	40.00%
Operator:	Perenco
Field Partners:	None
Average production for the year ended 31 December 2016:	Gross: 5,000 bopd / Tullow Net: 2,000 bopd
Crude Oil Grade:	Oguendjo Blend (API granity 31.9 degrees)

The Group holds a 40 per cent. interest in the Limande field, which was discovered in 1991 and is located approximately 11 km offshore Gabon. Eni S.p.A. developed the field, while Perenco is the current operator. Development drilling commenced in 1998, and the field was brought on stream in the same year. The Group's average working interest production from the Limande field was 2,000 bopd for the year ended 31 December 2016 and is forecasted to be 1,700 bopd in 2017.

Field technical background and development

The reservoir is located in the Anguille formation. STOIIP has been estimated to be 181 mmstb and production to date has totalled 20.8 mmbbl with a recovery factor of 16 per cent.

Offtake and marketing

The Group has marketed its share of Limande field oil volumes itself since 2013. Limande field crude oil is exported to the FSO, Fernan Vaz (located at the Oguendjo Field) for loading to third-party tankers. As is the case of the Tchatamba Fields, Limande production is commingled with other crudes on the Fernan Vaz and sold as the Oguendjo Blend.

Future plans and outlook

The drilling programs on the Perenco operated fields finished in late 2015. Field performance reviews are taking place to inform plans to restart drilling in 2018 to 2019, particularly in the south of the field.

Côte d'Ivoire

Espoir Field

In Côte d'Ivoire, the Group has a development and production interest in one producing field, the offshore Espoir field. The Group first established interests in Côte d'Ivoire during 1997, and in 2002, it began producing from the Espoir field which is located in licence CI-26 Special Area "E."

Overview

Location:	Offshore Côte d'Ivoire
Production Facility:	FPSO Espoir Ivoirien
Tullow Working Interest:	21.33%
Operator:	CNR
Field Partners:	CNR and Petroci Holding
Average production for the year ended 31 December 2016:	Gross: 18,750 boepd / Tullow Net: 4,000 boepd
Crude Oil Grade:	API gravity 31.0 degrees

The Espoir field lies 19 km offshore south of Jacqueville in water depths ranging from 100 metres to 600 metres.

Under the operatorship of CNR, the field has been re-developed in phases, with the first phase commencing production at the end of 2002. The field has experienced declining production levels, and in the year ended 31 December 2016, the East and West Espoir fields averaged 18,750 boepd, of which 4,000 boepd represented the Group's share. In 2017, the Espoir fields are forecasted to produce 17,350 boepd (net: 3,700 boepd).

The Group's commercial reserves and contingent resources associated with the Espoir field as at 31 December 2016 are shown in the following table.

	Espoir Reserves & Resources		
	Oil (mmbbl)	Gas (bcf)	Total (mmboe)
Commercial Reserves (2P)	5.8	9.0	7.3
Contingent Resources (2C)	4.2	0.8	4.3
Total	10.0	9.8	11.6

Source: ERCE Report

Field technical background and development

The re-development of the Espoir field was centered on a wellhead tower covering the eastern part of the reservoir and an FPSO. The second phase of re-development involved an additional wellhead tower and drilling in the western lobe of the reservoir. The wellhead tower at West Espoir was installed in November 2005 and first production began in mid-2006 with development drilling completed in 2008.

Oil produced from the east and west reservoirs is processed, stored and offloaded from a dedicated FPSO, the Espoir Ivoirien, which is located between the two wellhead towers. Oil is exported by shuttle tanker and gas is taken to shore via a 19 km subsea pipeline.

The FPSO is owned and operated by BW Offshore under contract to the field operator.

Offtake and marketing

The Group markets its share of oil entitlement from the Espoir field. Liftings are normally in cargoes of approximately 650,000 barrels. The delivery arrangements involve the use of the Espoir Ivoirien FPSO, loading to third-party tankers on a regular basis. The Group's sales are generally on a spot FOB basis at a fixed differential to the Dated Brent crude prices on dates related to the date of the bill of lading.

Future plans and outlook

Planning for the Phase 4 infill programme is ongoing, with execution scheduled to start in 2018. Further, the Group has currently identified five additional wells and continues to work toward identifying more.

Main development assets

Uganda and Kenya (East Africa Development)

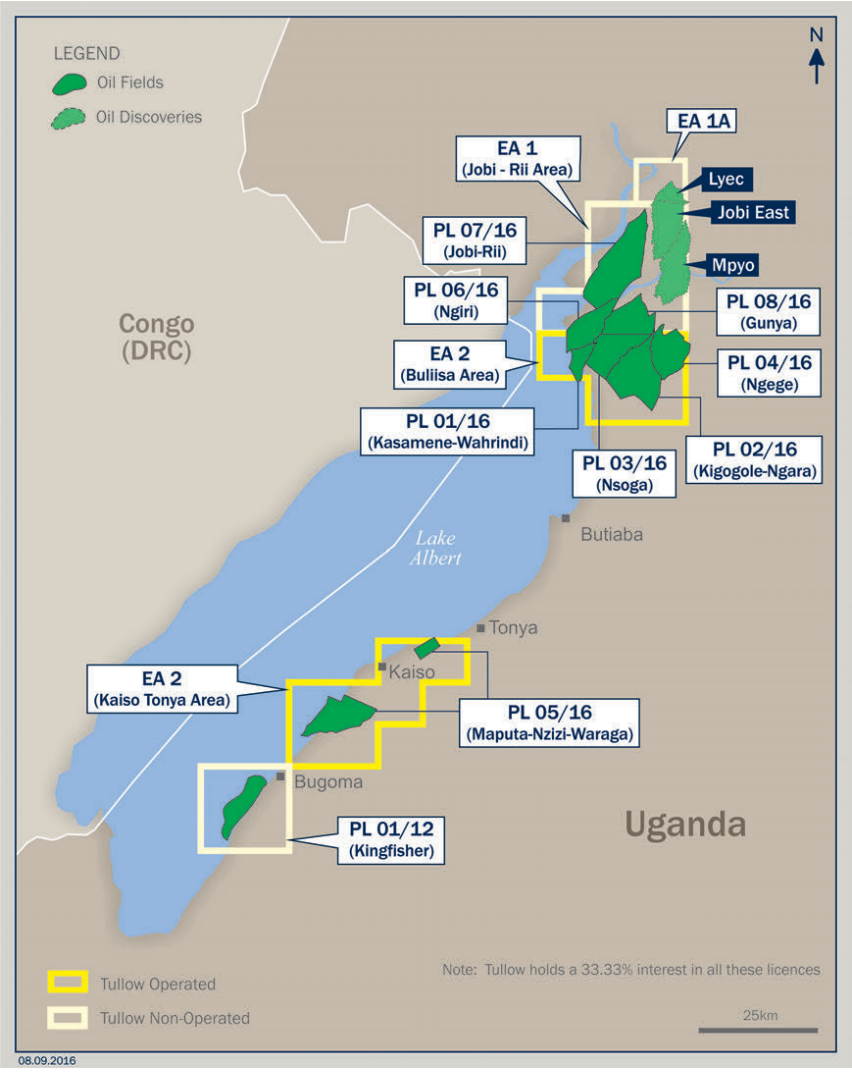
The Group has interests in 16 oil discoveries in four blocks in the Lake Albert Basin in Uganda and nine oil discoveries in two blocks in the South Lokichar Basin in Kenya. In Uganda, the exploration and appraisal phase has ended save in respect of the Lyec field for which a full field development plan and production licence application has not yet been submitted. In August 2016, the Group achieved a major milestone when the Government of Uganda issued petroleum production licences for eight development areas covering 12 discoveries. FEED for the pipeline project commenced in January 2017 and FEED for the upstream project commenced in February 2017. The Group together with its commercial partners and the Government of Uganda continue to aspire to achieve FID by the end of 2017, with first oil expected to occur three years after FID. In Kenya, appraisal in the South Lokichar Basin is ongoing, and the Group's initial assessment indicates a resource estimated at 750 mmbo. The Group has commenced further exploration and appraisal in this basin to de-risk the overall upside and the Directors believe that significant upside remains across the South Lokichar Basin, with the potential to increase the resource estimate to over one billion barrels of recoverable oil.

In 2015, the Group submitted a draft field development plan to the Government of Kenya and had also been working with the Governments of Kenya and Uganda to progress plans for a crude oil export pipeline. Regarding the route to market, in April 2016, the two Governments announced they had decided to independently develop separate crude oil export pipelines for their resources, rather than export oil through a joint regional pipeline. Following this decision, the Group continues to work with both Governments on moving these projects towards development.

In April 2016, the Government of Uganda confirmed its decision to route an oil export pipeline through Tanzania to the port of Tanga, providing clarity on the development of Uganda's oil resources. The Government of Uganda has also made significant progress on the constitution of both the Petroleum Authority the entity mandated to regulate the oil industry and the Uganda National Oil Company which will be the Government representative in the Uganda joint venture.

The first phase of the Uganda upstream ESIA has also been completed; the second phase is in progress. FEED for the pipeline commenced in January 2017 and for the upstream commenced in February 2017.

Uganda



The Group has interests in nine production and two exploration licences in Uganda: (i) three production licences covering the former EA1 area (covering Ngiri, Jobi Rii and Gunya fields), Exploration Area 1 (covering the Jobi East and Mpyo discoveries) and Exploration Area 1A (covering the Lyec field); (ii) five production licences in the former EA2 area (covering Mputa-Nzizi-Waraga, Kigogole-Ngara, Nsoga, Ngege and Kasamene-Wahrindi fields) and (iii) one production licence covering the Kingfisher Discovery Area (which formed part of the former Exploration Area 3A).

The oil fields are located along the Lake Albert Rift Basin in Uganda. Through the Group's acquisitions of Energy Africa and Hardman Resources it acquired a 50 per cent. interest in Exploration Areas 1 and 3A and a 100 per cent. interest in Exploration Area 2. The Group acquired the remaining 50 per cent. in Exploration Areas 1 and 3A through the purchase of Heritage Oil's interests in July 2010. In March 2011, the Group signed sale and purchase agreements to farm-down its interests in Exploration Areas 1, 2 and 3A to CNOOC and Total SA for a consideration of $2.9 billion, with each partner taking a one-third interest in each licence. In February 2012, the Group signed two production sharing agreements with the Government of Uganda (one for the Kanywataba prospect area (which formed part of the former Exploration Area 3A) which expired in August 2012 and one for Exploration Area 1A) which allowed it and its commercial partners to complete the farm-down. In February 2012, the Government of Uganda

also granted the Group a production licence in respect of the Kingfisher Discovery Area. Subsequently, on 9 January 2017, the Company announced that it had agreed a further farm-down of assets in the Lake Albert Development in Uganda to Total Uganda. Under the sale and purchase agreement, the Group has agreed to transfer 21.57 per cent. of its 33.33 per cent. Uganda interests (the "**Sale Assets**") to Total Uganda for a total consideration of $900 million. Upon completion of the farm-down, the Group will have an 11.76 per cent. interest in the upstream and pipeline projects. This is expected to reduce to a 10 per cent. interest in the upstream project when the Government of Uganda formally exercises its right to back-in. Although it has not yet been determined what interests the Governments of Uganda and Tanzania will take in the pipeline project, the Group expects its interests in the upstream and pipeline projects to be aligned. The consideration is split into $200 million in cash, consisting of $100 million payable on completion of the transaction, $50 million payable at FID and $50 million payable at first oil. The remaining $700 million is in deferred consideration and represents reimbursement by Total Uganda in cash of a proportion of the Group's past exploration and development costs. The deferred consideration is payable to the Group as the upstream and pipeline projects progress and these payments will be used by the Group to fund its share of the development costs. The Group expects that the deferred consideration will exceed the Group's estimated total share of pre-first oil upstream and pipeline capital expenditure of approximately $600 million. Such capital expenditure is expected to range between approximately $75 million and $215 million per year. Any deferred consideration that has not been paid by first oil will be payable to the Group after first oil and used by the Group to fund post-first oil capital expenditure. Completion of the transaction is subject to certain conditions, including the approval of the Government of Uganda, after which the Group will cease to be an operator in Uganda. The disposal is expected to complete in 2017 and the commercial partners aspire to achieve FID by the end of 2017, with first oil expected to occur 3 years after FID. The Directors believe this agreement will allow the Lake Albert Development to move ahead and increases the likelihood of FID around the end of 2017. Pursuant to the terms of the joint operating agreements in relation to the Lake Albert Development, CNOOC Uganda Ltd ("**CNOOC Uganda**") (the Group's other commercial partner in the Lake Albert Development) has a right of pre-emption to acquire 50 per cent. of the Sale Assets that are the subject of the proposed farm-down on identical terms and conditions as those agreed between the Company and Total Uganda (including as to the amount, structure and timing of the consideration payable to the Group). On 16 March 2017 CNOOC Uganda exercised its right of pre-emption in respect of the Sale Assets and the Group is working with CNOOC Uganda and Total Uganda to conclude definitive sale documentation in relation to the farm-down.

The Group's commercial reserves and contingent resources associated with Uganda as at 31 December 2016 are shown in the following table.

	Uganda Reserves & Resources		
	Oil (mmbbl)	Gas (bcf)	Total (mmboe)
Commercial Reserves (2P)	—	—	—
Contingent Resources (2C)	488.6	42.7	495.7
Total	488.6	42.7	495.7

ERCE Report, Evaluation as at December 2016

Following completion of the initial farm-down in 2012, the Group divided field operatorship responsibilities with its new commercial partners. The Group operates licences formerly covered by Exploration Area 2, while Total operates licences formerly covered by Exploration Area 1, the remainder of Exploration Area 1 and Exploration Area 1A, and CNOOC operates the Kingfisher Discovery Area in the former Exploration Area 3A. From 2011 to 2013, an accelerated exploration and appraisal drilling programme was conducted across the basin including more than 20 appraisal wells, extensive well-testing and 3D seismic acquisition.

In line with the production licence applications that were submitted by the Group and its commercial partners, the Group, Total and CNOOC also presented a joint development proposal to the Government of Uganda, which was based on two main oil and gas processing centers delivering a combined oil production rate in excess of 230,000 bopd from over 400 wells.

Since 2014, significant progress has been made with the Government of Uganda and the Group's commercial partners regarding the development options for the Lake Albert Basin. In February 2014, the Group and its commercial partners signed a memorandum of understanding with the Government of Uganda that set out a basin-wide commercialisation plan. The memorandum of understanding envisaged an integrated development of the upstream, an export pipeline and a refinery sized initially at 30,000 bopd with the potential to expand to 60,000 bopd to meet available market demand in East Africa. Further, the commercial partnership's application for eight production licences for the fields

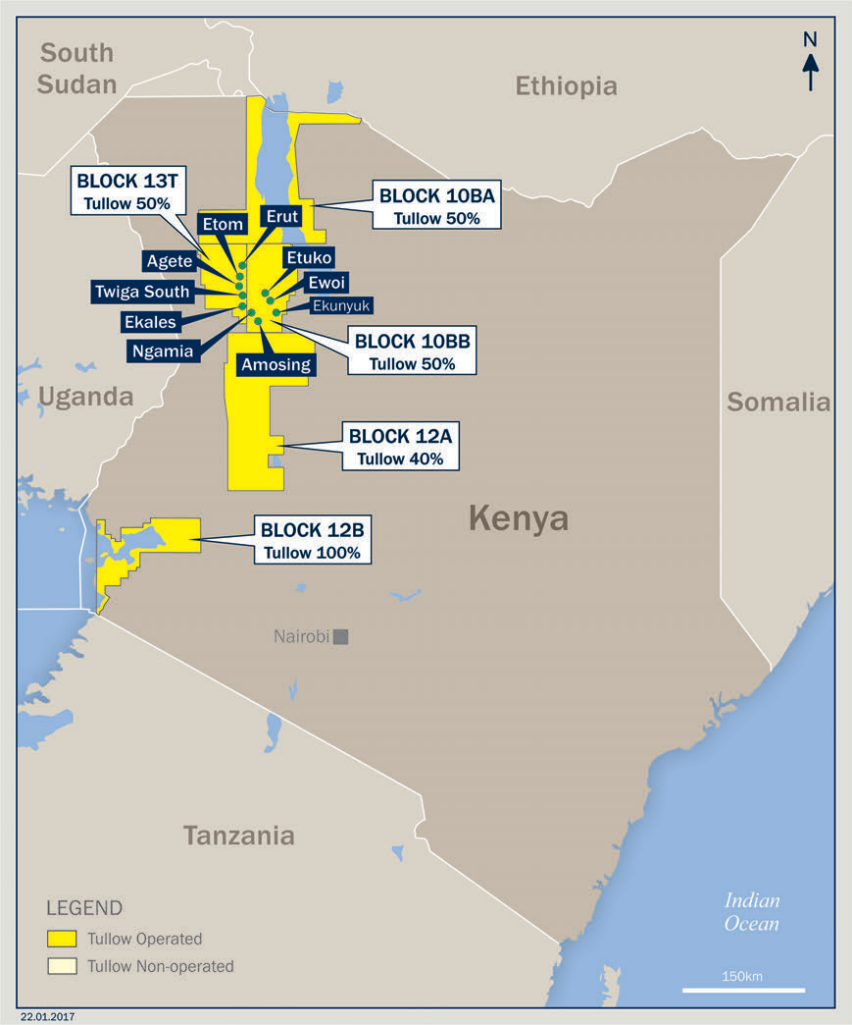
covered by the former EA1 and EA2 areas was approved in August 2016. Production licence applications have been made for EA1 fields Jobi East and Mpyo and the Group awaits approval by the Government of Uganda.

During 2014, pre-project development work continued and included optimisation of well designs, the determination of the number of wells to be drilled and the design of the surface infrastructure. All exploration and appraisal drilling in the fields formerly within the EA1 and EA2 areas is complete. Following completion of the pre-FEED studies and the development optimisation work, the Group and its commercial partners have commenced FEED on the Northern Buliisa development. CNOOC drilled a pre-development well in the Kingfisher Discovery Area in January 2015 and has carried out extensive pre-project development work, optimisation and, along with Total and the Group, is currently preparing to initiate FEED for the Kingfisher Development.

Significant progress was made on fiscal matters in 2015. In June 2015, the Government of Uganda passed an amendment to the VAT Act to allow VAT exemptions on oil developments. After several years of legal proceedings, on 22 June 2015, the Group agreed to pay $250 million to the Government of Uganda and the URA as a full and final settlement of the Group's CGT liability. This sum comprises $142 million that the Group paid to the URA in 2012 and a further amount of $108 million to be paid in three equal installments of $36 million in 2015, 2016 and 2017. Only the 2017 payment remains outstanding.

Upon completion of the farm-down, the Group will have an 11.76 per cent. interest in the upstream and pipeline projects. This is expected to reduce to a 10 per cent. interest in the upstream project when the Government of Uganda exercises its right to back-in. However, it has not yet been determined what interests the Governments of Uganda and Tanzania will take in the pipeline project.

Kenya (South Lokichar Basin)



Exploration drilling in the Kenya Rift Basins began in the South Lokichar Basin in January 2012 with the drilling of the Ngamia-1 wildcat well in Block 10BB, and with the drilling of the Twiga South-1 well in

Block 13T taking place in August 2012. Flow tests at both wells indicated a cumulative constrained rate of approximately 3,000 bopd gross sweet waxy oil in the order of 27 to 42 degree API with no indication of pressure depletion. These tests demonstrated the potential to achieve an unconstrained rate of over 5,000 bopd gross per well and raised its expectations regarding the potentially recoverable volumes. Following completion of the Etuko-1 well in Block 10BB and the Ekales-1 and Agete-1 wells in Block 13T, the Group commenced preliminary appraisal and development studies. The Amosing-1 and Ewoi-1 oil discoveries, the Group's seventh and eighth successful wild-cat exploration wells in the South Lokichar Basin, further supported the decision to commence appraisal and development studies. The Group now has a total of ten discoveries in the South Lokichar Basin, including the Ekunyuk and Etom discoveries.

Due to the scale of the resources discovered in the South Lokichar Basin, the Group and its commercial partners initiated discussions with the Government of Kenya and other relevant stakeholders to consider development options.

To facilitate these development activities while engaging in its ongoing exploration and appraisal activities, in February 2013 the Government of Kenya agreed to the Group's proposal to carry out an exploration and evaluation programme over a defined "Area of Interest" falling within Blocks 10BB and 13T. This agreement encompasses the basin discoveries and further prospects in Blocks 10BB and 13T. This agreement allows integrated development of the resources within the two blocks, while permitting continued focus on exploration to increase the resource base and concurrently appraising discoveries.

In 2014, the Group began an accelerated exploration and appraisal programme in the South Lokichar Basin in Blocks 10BB and 13T. Key results included large net oil pays at the Ngamia-5, Ngamia-6 and Amosing-3 appraisal wells, as well as flow tests at Twiga-South-2A and exploration success at Etom-1 that extended northwards the known oil accumulation in the basin. In parallel, the Group continued development studies and conceptual engineering work.

In 2015, a 952 km^2 3D seismic survey was completed over the discoveries in the South Lokichar Basin and activities focused primarily on appraisal of the South Lokichar Basin to test the extent of previous discoveries and gain important reservoir data for the field development plans. The 3D seismic survey, which was used to locate the Etom-2 well which encountered the best oil reservoir quality to date, indicates significant remaining exploration prospectivity in the greater Etom area.

Exploration and appraisal of the South Lokichar Basin continued in 2016 and the initial phase was completed in the first half of the year. The success of this programme and analysis of the discoveries led management to upgrade the South Lokichar Basin resource estimate to 750 mmbo. After identifying a number of new prospects and appraisal opportunities, drilling re-commenced in the South Lokichar Basin in mid-December 2016 with a four-well exploration and appraisal programme. The first well, Erut-1, an exploration well located at the northern limit of the basin, approximately 11 km north of the Etom field, was announced as an oil discovery on 17 January 2017. Drilling of the Amosing-6 well has also recently taken place and encountered producible gas and oil shows. This programme could be extended by up to four additional wells depending upon the results from the initial four wells. As at the Latest Practicable Date, the Group had drilled 19 exploration prospects, and 21 appraisal wells for delineation and testing. The Directors believe that significant upside remains across the South Lokichar Basin with the potential to increase the resource estimate to over 1 billion barrels of recoverable oil.

In parallel with the exploration and appraisal programme, the Group carried out optimisation on the South Lokichar development, including pre-front end engineering and design ("**pre-FEED**"). Preparation for the upstream development FEED is well under way and is expected to commence in the second half of 2017. Other activity during the year included water injection trials which were successfully completed on the Amosing oil discovery in the South Lokichar Basin. Data from the trials shows the viability of water injection for development planning and a similar programme of water injection tests on the Ngamia-5 well successfully completed in March 2017. Following successful water injection into the first zone, a second zone is being tested after which the water injection trials will be complete. The Environmental and Social Impact Assessments (ESIA) scoping report and terms of reference were approved and ESIA baseline surveys are ongoing.

In addition to progressing the full field development, the Group and its commercial partners are implementing an Early Oil Pilot Scheme (EOPS) to use road transportation to transfer two thousand barrels of oil per day from the South Lokichar Basin to Mombasa, Kenya. It is anticipated that the EOPS will also provide technical and non-technical information that will assist in the Group's full field development planning including utilisation of existing upstream wells and oil storage tanks for initial production.

The Group's commercial reserves and contingent resources associated with Kenya as at 31 December 2016 are shown in the following table.

	Kenya Reserves & Resources		
	Oil (mmbbl)	Gas (bcf)	Total (mmboe)
Commercial Reserves (2P)	—	—	—
Contingent Resources (2C)	143.8	—	143.8
Total	143.8	—	143.8

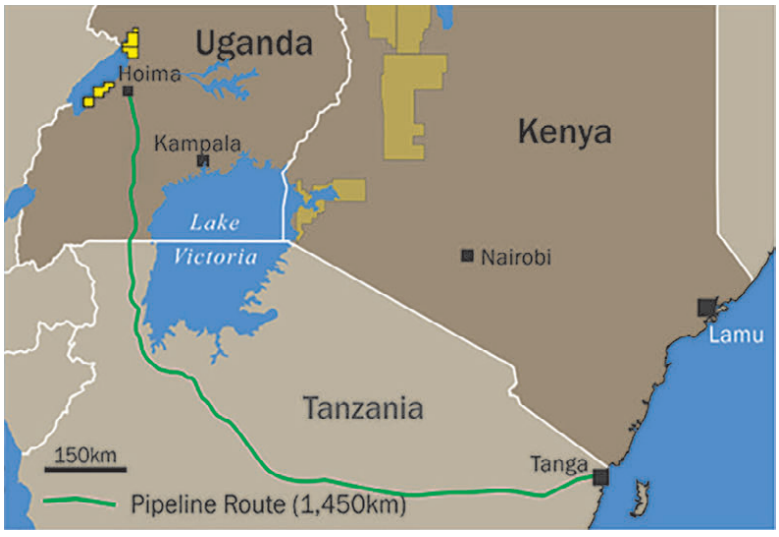
ERCE Report, Evaluation as at December 2016

East Africa Export Pipelines

When the scale of the discoveries in Uganda became apparent, the Group concluded that a refinery based on domestic demand could not support the development of the resources and that a crude oil export line would be needed to commercialise Uganda's resources. The Uganda partnership therefore conducted conceptual studies and a pre-FEED study for a crude oil export pipeline. In February 2014, the Group and its commercial partners signed a memorandum of understanding with the Government of Uganda that set out a basin-wide commercialisation plan. Under this plan, the parties agreed that the upstream development would be linked to a crude oil export pipeline and a refinery sized initially at 30,000 bopd with the potential to expand to 60,000 bopd to meet available market demand.

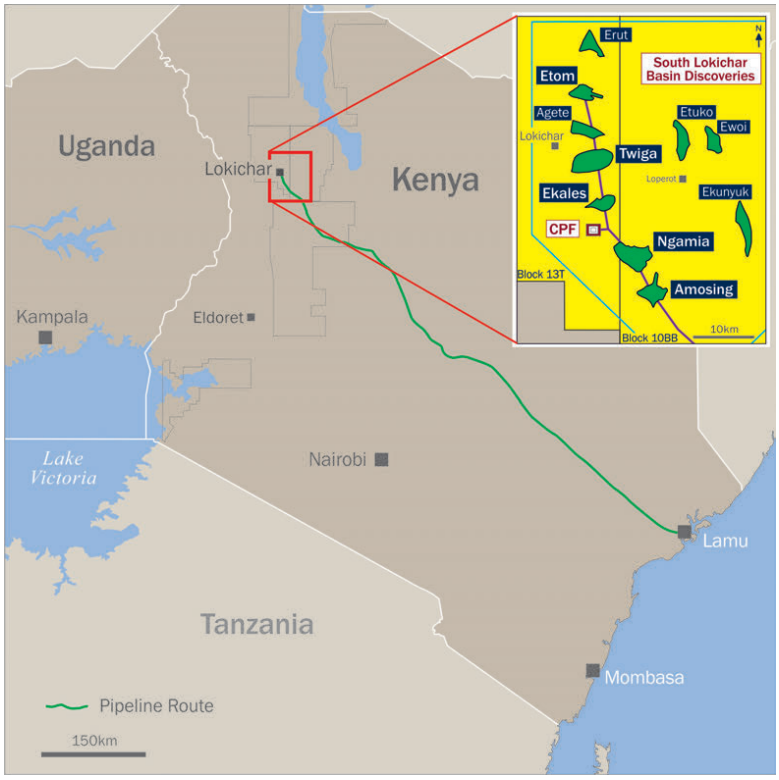
With the discoveries of oil in Kenya, the potential for pipeline synergies with Uganda were studied and with the similarities in the oil types and the opportunity for a considerable section of shared capacity, a number of options were identified that offered benefits to both developments. The Group and its partners in both countries therefore sought to facilitate a common approach to development by the Governments of Kenya and Uganda. In 2014 a memorandum of understanding was signed between the Governments of Kenya, Uganda and Rwanda and a steering committee was formed to progress a regional crude oil export pipeline from Uganda through Kenya. In April 2016, however, the two Governments decided to independently develop separate crude oil export pipelines for their resources, rather than export oil through a joint regional pipeline.

The Government of Uganda has now agreed to a pipeline route through Tanzania from the Ugandan town of Hoima to the Tanzanian port of Tanga. The Governments of Uganda and Tanzania are progressing discussions regarding an intergovernmental agreement for the pipeline. The pipeline plan is progressing and the Governments of Uganda and Tanzania have stated they are committed to facilitating the progressing of the pipeline project. In parallel, the Group, Total and CNOOC have commenced discussions on legal and commercial structures with the Governments of Uganda and Tanzania. Total has sponsored the pre-project pipeline work including field studies. Pipeline FEED commenced in January 2017. Upon completion of the Group's recently announced farm-down to Total Uganda and CNOOC Uganda, the Group expects that its share of pre-first oil upstream and pipeline capital expenditure associated with the development project will be funded by the deferred consideration receivable pursuant to the farm-down.



Good progress was made during 2016 on a standalone development in Kenya with an export pipeline to Lamu; life-of-field development costs (comprising operating expenditure, capital expenditure and potential pipeline tariffs) are expected to be in the region of $25 to $30 per barrel.

The Group and its commercial partners, Africa Oil and Maersk Oil, signed an MoU in July 2016 with the Government of Kenya which confirms the intent of the parties to jointly progress the development of a Kenya crude oil pipeline. The Group, its commercial partners and the Government of Kenya are in discussions about the commencement of important studies to commence such as pipeline FEED and ESIA, as well as studies on pipeline financing and ownership.



Exploration and appraisal

During the ten years ended 31 December 2016, the Group invested approximately $6.7 billion in exploration and appraisal activity. These efforts have resulted in 1,545 mmboe of net contingent resource additions and the opening up of new oil regions and assets for the Group to divest or develop. The Directors believe the Group's exploration and appraisal expertise in frontier areas, which can be remote and challenging, provides it with a key competitive advantage.

In 2015, the Group undertook a strategic review of its exploration and appraisal portfolio in light of reduced oil prices and a period of reduced industry exploration activity while continuing to prepare for future potential growth. In order to prepare for increased drilling activity in future years, the Group focused on enhancing its licence and prospect inventory while continuing to manage actively its equity positions and exposure to drilling costs across its portfolio including through transactions to reduce its equity position. During 2016, the Group focused on replenishing selectively and high grading its exploration portfolio so as to be positioned for future potential growth. Across the Group's exploration portfolio, it entered into a number of farm-downs for the year ended 31 December 2016 as it prepared to increase its exploration activity during 2017 and 2018, subject to prevailing market conditions at such time. See *"Information about the Tullow Group—Recent developments".*

The following table sets out the number of exploration and appraisal wells drilled since 2014.

	2014	2015	2016
Number of exploration and appraisal wells drilled	34	20	6
Success ratio[(1)]	59%	55%	50%

(1) Success ratio is defined as wells where hydrocarbons have been encountered and recovered to surface.

The Group's exploration strategy is to explore for high-margin light oil in commercial quantities in conventional geological core plays. Since 2006, the Group's efforts have resulted in basin opening discoveries: Uganda (in 2006), Ghana (in 2007), Kenya (in 2012) and Norway (in 2013). Following the Group's exploration success in Africa, it is now following these geological plays in South America. The Group's current three major plays are giant stratigraphic traps (e.g., Ghana, Mauritania and Guyana), oil-prone rift basins (e.g., Uganda, Kenya, and more recently, Zambia) and prolific salt basins (e.g.,

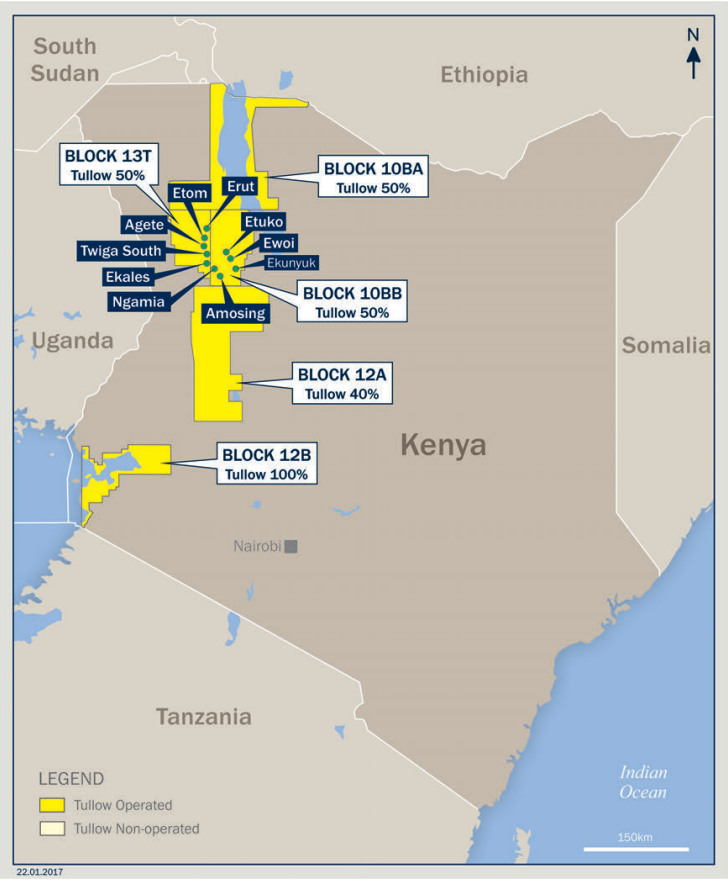
Mauritania and Gabon), and the Group has also been building capability to explore a fourth play, carbonates (e.g., Mauritania). As part of the reduction of its exploration budget throughout 2015 and 2016, the Group shifted its focus into shallower water and simpler, less complex wells whilst maintaining its core plays. As a result of the reduction in exploration expenditure and focusing of a lower budget, the Group has high graded its licence portfolio and has exited Guinea, French Guiana, Greenland, Madagascar and Ethiopia and is in the process of exiting Norway.

Tullow enters licences at a variety of equity shares through competitive licence rounds, direct negotiation with host governments and farm-downs from commercial partners. For example, the Group has a 50 per cent. interest in three of its five Kenyan licences and a 100 per cent. interest in its Zambian and Jamaican licences, and is the operator in each of these blocks. The Group will often enter an exploration licence at a high equity position before drilling. As a result, following extensive technical studies, the Group then decides whether to retain its interest in the licence and what model of, and level of equity in, a joint venture is appropriate for the drilling phase. Partnering with other companies allows the Group to share its costs and risks. Once discoveries have been delineated, appraised and tested for hydrocarbons, the Group will then decide whether to divest further or develop the asset through to production.

The Directors believe that focusing on oil rather than gas delivers a higher value reward, although the chance of success in oil exploration is lower due to oil being harder to identify in seismic data. In addition to working with strategic partners, the Group attempts to mitigate risks through the use of innovative exploration technologies such as Full Tensor Gradiometry and by analysing advanced geoscience models prior to commencing drilling. More generally, the Group tries to limit risk by running selected campaigns across multiple basins and countries and at different stages of exploration.

Core exploration and appraisal campaigns

Kenya

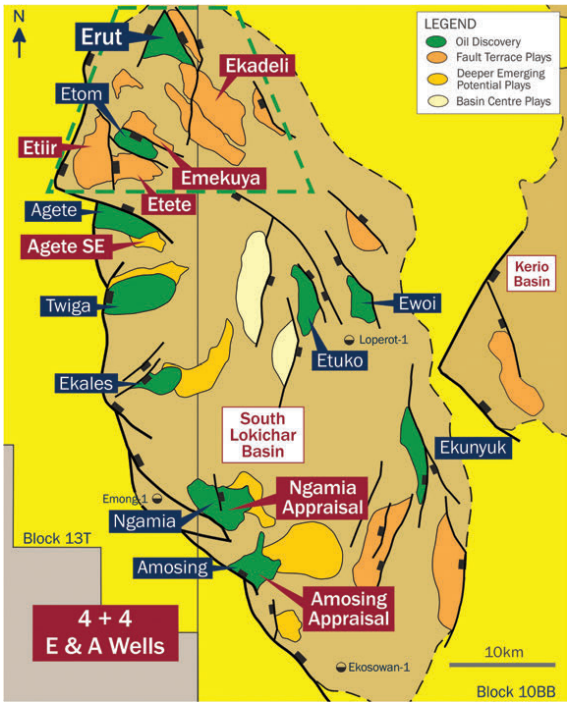


Following the Group's exploration success in Uganda's Lake Albert Rift Basin, it extended its exploration acreage into the prospective East African Rift Basins of Kenya and Ethiopia, which are located 500 km to the east of Lake Albert. In Kenya, the Group operates five onshore blocks, with a 40 per cent. to 100 per cent. interest covering approximately 48,300 km^2. Such blocks include Blocks 10BB and 13T, in which the Group holds a 50 per cent. interest. The onshore acreage covers eight rift basins which have similar characteristics to the Lake Albert Rift Basin in Uganda. Numerous leads and prospects were

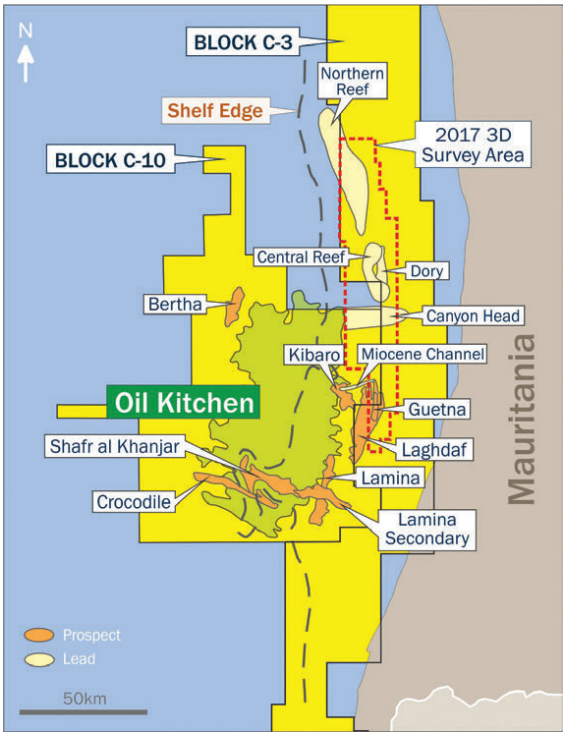
identified following the acquisition of FTG surveys across most of the Kenya-Ethiopia licence area, 7,286 km of 2D seismic surveys and 952 km of 3D seismic data.

In March 2016, the Group announced that the Cheptuket-1 well in Block 12A in the Kerio Valley Basin had encountered strong oil shows. The Cheptuket-1 well is the first well to test the Kerio Valley Basin and the strong oil shows indicate the presence of an active petroleum system with significant oil generation.

After identifying a number of new prospects and appraisal opportunities, drilling re-commenced in the South Lokichar Basin in mid-December 2016 with a four-well exploration and appraisal programme. The first was Erut-1, an exploration well located at the northern limit of the basin, approximately 11 km north of the Etom field. The well discovered a gross oil interval of 55 metres with 25 metres of net oil pay at a depth of 700 metres. The overall oil column for the field is estimated to be 100 to 125 metres. Pending lab results, the oil recovered from Erut-1 appears to be a typical South Lokichar waxy light crude. This well proves that oil has migrated to the northern limit of the South Lokichar Basin and has de-risked multiple prospects in this area. The Amosing-6 appraisal well has since been drilled. It was drilled inboard, near the basin boundary fault, to provide geological data to map the transition of reservoir quality from good quality outboard fluvial sands, to low quality inboard alluvial sands. The well encountered producible gas within reservoir quality sands and oil shows in low quality alluvial sands. It will now move to drill the Ngamia-10 well, an appraisal well to the south of the Ngamia discovery well. The fourth well planned in this programme is expected to drill the Etete prospect, a structure approximately 2 km south of the Etom field. This programme could be extended by up to four additional wells depending upon the results from the initial four wells.



Mauritania



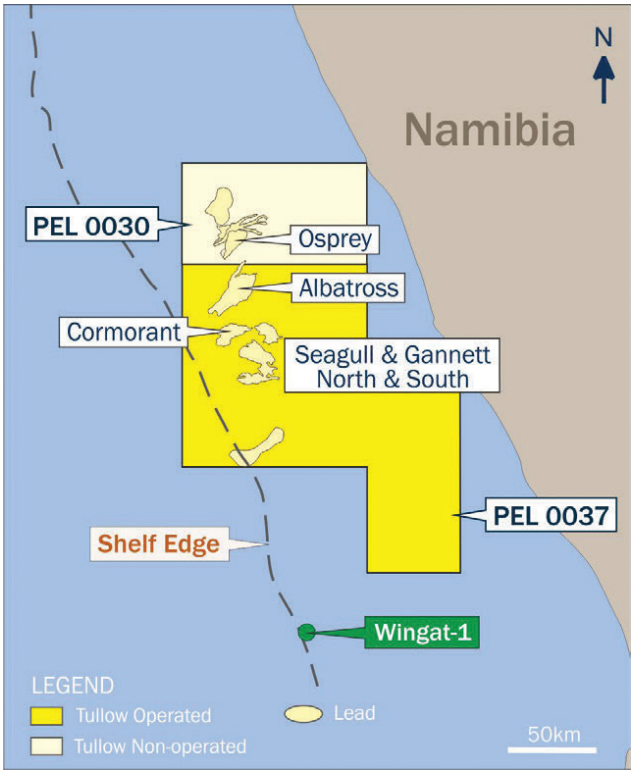
In Mauritania, the Group has exploration and production activities across a number of offshore licences. The Group has a significant exploration acreage position extending along approximately 750 km of coastline and a small producing interest in the Chinguetti oil field.

The Group has identified a number of offshore exploration opportunities in Mauritania building on the knowledge gained from its Ghana campaign, and has increased its existing acreage position. In June 2012, the Group acquired an exploration licence for Block C-18, which lies directly west of Block C-7, for which the Group had an existing licence. The Group further increased its exploration acreage by acquiring a 90 per cent. interest a licence for the shallow water Block C-3 in April 2013. In 2014, the Group exited from licences in the C-6 and C-7 blocks.

The Group commenced a two well exploration programme in 2013 and 2014 which resulted in a first oil discovery in Cretaceous aged reservoirs at Fregate-1. The discovery was uncommercial but provided important information on the petroleum system. The Group has been reviewing and integrating this well data to determine future drilling targets that are likely to include opportunities in the shallower shelf play.

Seismic acquisition activity has continued over the past few years and is an important part of the long term exploration strategy to quantify the exploration potential and to build up a future prospect inventory. In June 2015, the Group agreed to farm-down a 13.5 per cent. interest in Block C-10 to Sterling Energy, taking its interest in the licence to 76.5 per cent. The Group plans to acquire a 3D survey across the shelf in Blocks C-3 and C-10 in 2017 to determine the exploration potential of both licences and areas for future exploration activity, and aims to farm-down its interest across all licences.

Namibia

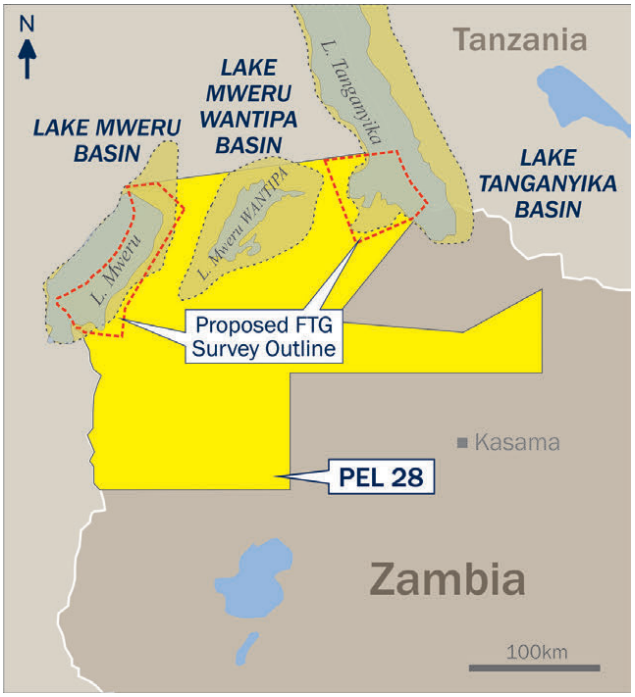


The Group has exploration interests in Namibia across two offshore licences and entered these as part of acreage positioning to target an extension of a material oil play in moderate water depth.

In September 2013, the Group farmed-in to a licence for PEL-0037. The licence covers an extensive area in the Walvis Basin offshore northern Namibia. In October 2014, the Group completed a farm-in to an offshore exploration licence for PEL-0030, which covers Block 2012A and is operated by Eco Oil and Gas (Namibia) (PTY) Ltd. The Group's interest is 25 per cent. during the seismic phase, but it can increase to 40 per cent. with operatorship if a lead is selected for drilling. In November 2014, the Group acquired a 3D seismic survey in PEL-0030 and processing of the seismic survey acquired earlier in the year across PEL-0037 was finalised.

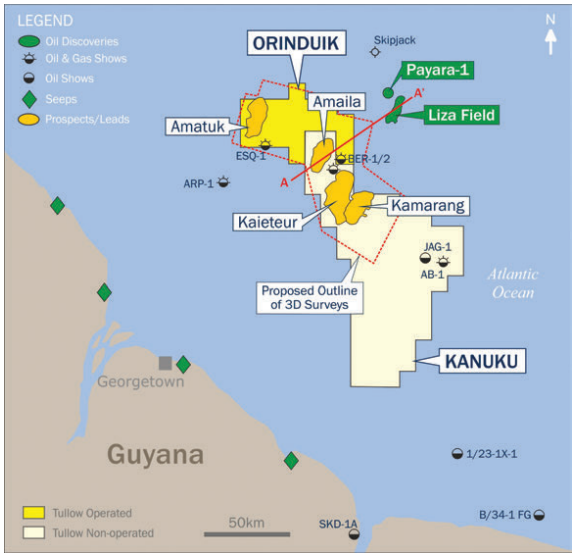
Interpretation of the 3D survey across the PEL-0030 and PEL-0037 licences has yielded significant prospectivity in shallow water in close proximity to the Wingat well in the adjacent licence. The Group has therefore shifted its attention to shelf-edge plays and continues to assess a number of leads. Specifically, the Group is focused on cretaceous turbidites located in shallow water in offshore blocks PEL-0030 and PEL-0037. The Group has identified a number of leads in PEL-0037 which it is considering for future drilling. Current leads identified include Cormorant, Albatross, Seagull North and South and Osprey, with further leads unnamed. The un-risked gross mean resources for these leads exceed 1.0 bboe. The Group remains interested in neighbouring acreage offshore Namibia and continues to assess options as part of its ongoing portfolio replenishment.

Zambia



In June 2016, the Group extended its East African rift play acreage through the award of Petroleum Exploration Licence 28 in Block 31, onshore Zambia. The 53,000 km^2 block builds on the Group's existing low-cost, core East African Tertiary rift basins, giving the Group access to three further unexplored basins. The acreage is onshore and covers the Mweru, Mweru Wantipa and Lake Tanganyika rifts. No data has been acquired to date. The Group is preparing to acquire a high resolution gravity survey in 2017 and to carry out geological field studies. As data is acquired the Group intends to farm-down its equity in this licence. The Group aims to leverage its expertise and success in rift basins in this area in addition to identifying and capturing further underexplored rifts in the region.

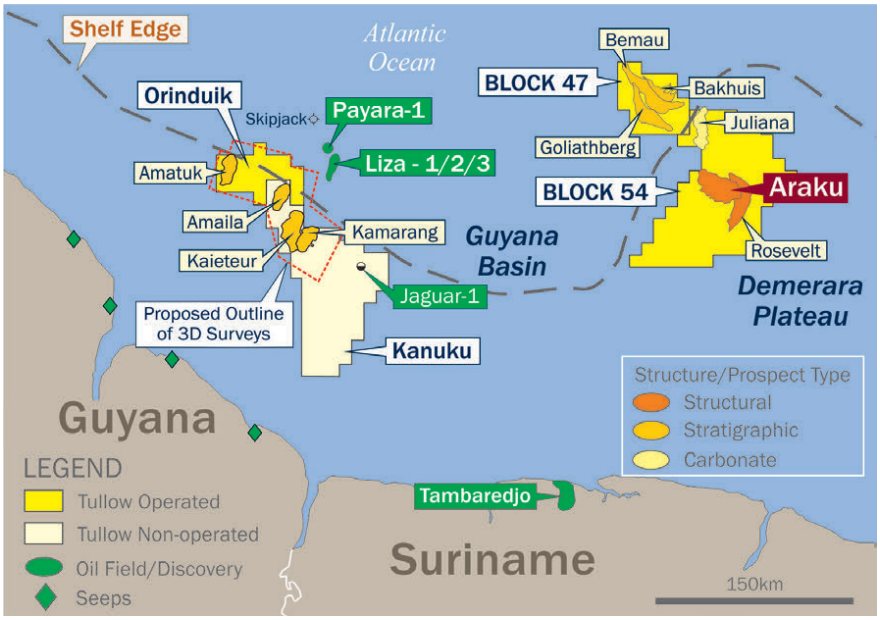
Guyana



The Group has held licences in Guyana since 2008. At present the Group holds a 30 per cent. interest in the Kanuku block, operated by Repsol and 60 per cent. interest in the Orinduik block which the Group operates. The Orinduik block was awarded in January 2016. Both blocks are highly prospective, with several leads identified, and are located directly up-dip of the Starbroek licence where ExxonMobil and its commercial partners Hess Corp. and CNOOC Nexen have confirmed a world class discovery with a recoverable resource in the range of 800 mmboe to 1.4 Bboe. The Group intends to acquire new 3D seismic survey covering the Kanuku and Orinduik licences in 2017. These surveys are expected to cover up to 5,000 km^2 and will enable evaluation of attractive leads mapped on the existing 2D seismic data. The Kaieteur lead (estimated well cost of approximately $15 million net) is of particular interest.

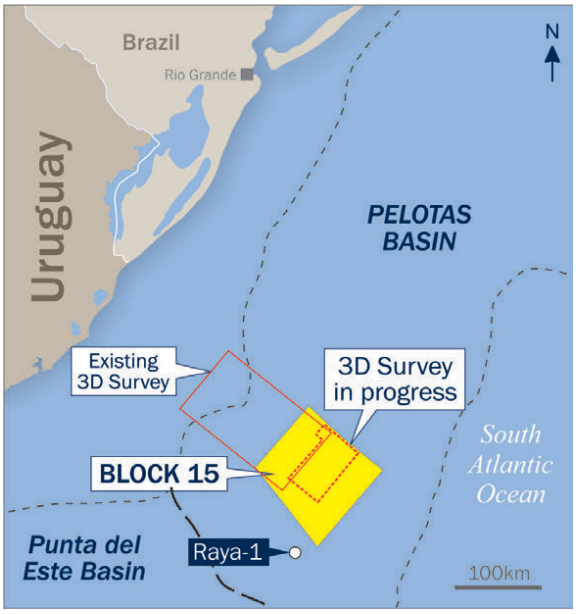
The Kaieteur lead is located in a Jubilee-like setting up-dip of the Liza oil discovery. The Group remains interested in neighbouring acreage both onshore and offshore Guyana and is continuing to assess options as part of its ongoing portfolio replenishment.

Suriname



The Group has held licences in Suriname since 2007 and operates both the Block 47 licence (100 per cent.) and Block 54 licence (30 per cent.). Both blocks are covered by high quality 3D seismic datasets and cover plays from deepwater turbidites to structural traps. In September 2016, the Group carried out a drop core survey to identify the presence of shallow hydrocarbon leakage. In December 2016, the Group and its commercial partners, Statoil and Noble notified the Government of Suriname that in the second half of 2017 they would test the high impact Araku prospect (a discretionary well with estimated net cost of approximately $14 million (30 per cent. equity)). The Araku prospect is a large structural trap which has resource potential estimated at over 500 mmbo. It has been significantly de-risked by a 3D seismic survey recorded in 2015 which identified geophysical characteristics that are consistent with oil or gas effects in the target reservoirs. There are a number of low cost prospects in the block itself and the adjacent acreage. Block 54 follows the Group's strategy of reducing initial equity (50 per cent.) after initial exploration activities prior to significant spend such as drilling an exploration well. The Group is currently in the process of farming down Block 47, with a target equity of 30 per cent.

Uruguay



The Group submitted a successful bid for the offshore Block 15 in the Urugayan second bid round in 2012. In May 2016, the Group completed a farm-down of its interest to Statoil in Block 15, reducing its equity from 70 per cent. to 35 per cent. whilst retaining operatorship of the block. The Group will be carried fully (with caps) on the 2500 km^2 3D seismic survey to be acquired in the first quarter of 2017 and partially carried (with caps) on a wildcat well in the next exploration period.

The licence covers an extensive area (8,030 km^2) in the Pelotas Basin offshore Uruguay. The licence was awarded in the second offshore licencing round. During 2012 to 2014, the Group acquired and processed a 2,000 km^2 3D survey. Interpretation of this survey has yielded significant prospectivity. A 2,500 km^2 3D seismic programme commenced in January 2017 to capture data over high-quality leads identified in Block 15 in the Pelotas Basin.

Jamaica

In October 2014, the Group acquired an interest in offshore Jamaica after signing a new production sharing agreement for a large prospective acreage position that includes ten full blocks and one part block in shallow water to the south of the island.

The offshore area to the south of the island has been identified as having good frontier exploration potential and encompasses three geological provinces: the Pedro Bank carbonate platform and the Walton and “Southern” sub basins, which offer tertiary aged clastic and carbonate reservoir targets in both structural and stratigraphic settings. Multiple leads have been identified on existing seismic data which lie in 20-2,000 meter water depths.

The Group has carried out low cost studies, reprocessing work and in 2015 it acquired a bathymetry and geochemical sampling survey. Drop core, thermal and environmental baseline studies have also been completed in the area. In the first quarter of 2016, the Group acquired a 2D seismic survey and plans to acquire a further 680 km 2D seismic survey in 2017 before considering the acquisition of a 3D seismic survey. In 2016, the Group received a one year extension to enable it to acquire the new data then process and integrate it before making a decision on whether it should progress into the next period. The Group has 100 per cent. equity in this licence and is actively seeking to farm it down.

Disposals

During 2013 to 2016, the Group sold non-core assets for cash inflows of $206.5 million.

In December 2013, the Group sold its 30 per cent. working interest and operatorship in the onshore Bangora gas producing field in Bangladesh to KrisEnergy Asia Holdings BV, a subsidiary of KrisEnergy Asia Limited, effective 1 January 2013.

In 2014, the Group sold its interests in the Brage Field in Norway to Wintershall, effective 1 January 2014.

In October 2014, the Group farmed-down a 53.1 per cent. interest in the Schooner unitised field and a 60.0 per cent. interest in the Ketch field, both in the United Kingdom, to Faroe Petroleum (U.K.) Limited.

On 30 April 2015, the Group completed the sale of its operated and non-operated interests in the L12/15 area in the Netherlands, along with non-operated interests in Blocks Q4 and Q5, to AU Energy, a subsidiary of Mercuria Energy Group Ltd.

On 5 June 2015, the Group farmed-down a 30 per cent. operating interest in the exploration licences for the E10, E11 (including its Vincent discovery), E14, E15c and E18b areas in the Netherlands to GDF Suez E&P Nederland.

In addition, in December 2014, the Group transferred its stake and operatorship in the offshore Kudu gas development project in Namibia to NAMCOR, the Namibian national oil company. The Group also decided not to allocate further funding to the Banda gas development project in Mauritania in 2015, and it has returned the licence to the Government of Mauritania.

On 16 May 2016, the Group agreed to sell a 20 per cent. interest and transfer operatorship of the Bannu West licence in Pakistan to Mari Petroleum. The Government of Pakistan's approval of this transfer is nearing completion. On 19 July 2016, the Group received Government approval of the transfer of operatorship of Block 28 in Pakistan to OGDCL. Upon completion of the Bannu West sale and transfer, the Group's position in Pakistan will be entirely non-operated.

In September 2016, the Group began the process of exiting its Norway business via disposal of a series of discrete asset packages.

The Group agreed the sale of a first package to Statoil on 2 September 2016 consisting of: (i) a 20 per cent. non-operated interest in PL537 (Wisting); (ii) a 40 per cent. non-operated interest in PL695; (iii) a 20 per cent. non-operated interest in PL843; and (iv) a 20 per cent. non-operated interest in PL855. The Norwegian Ministry of Petroleum and Energy approved the transaction on 15 December 2016 and it completed on 30 December 2016.

On 30 September 2016, the Group agreed the sale of the second package to Aker BP consisting of: (i) a 15 per cent. non-operated interest in PL405 (Oda), (ii) a 20 per cent. non-operated interest in PL811, (iii) a 20 per cent. non-operated interest in PL507, (iv) a 40 per cent. operated interest in PL784, (v) a 25 per cent. non-operated interest in PL650, (vi) a 30 per cent. non-operated interest in PL838, (vii) a 37.5 per cent. non-operated interest in PL610; and (viii) a 15 per cent. non-operated interest in PL659. The Norwegian Ministry of Petroleum and Energy approved the transaction on 2 December 2016 and it completed on 9 December 2016.

The Group signed an SPA with Statoil on 9 November 2016 for a 40 per cent. operated interest in PL827S. The Norwegian Ministry of Petroleum and Energy approved transfer of operatorship and the transaction on 3 March 2017 and the Group expects to achieve completion in March 2017.

The Group signed an SPA with ConocoPhillips on 15 November 2016 for a 40 per cent. operated interest in PL775 and a 30 per cent. non-operated interest in PL626. The Norwegian Ministry of Petroleum and Energy approved the transaction on 18 January 2017 and it completed on 31 January 2017.

The Group signed an SPA with Pandion Energy AS (formerly Nord Petroleum), a newly incorporated company consisting of ex-TONAS management with private equity backing, on 13 December 2016, which was subsequently amended on 16 February, 2017 for the remaining TONAS active licences, namely: (i) a 20 per cent. non-operated interest in PL636 (Cara), (ii) a 30 per cent. non-operated interest in PL746S, (iii) a 40 per cent. operated interest in PL776, (iv) a 50 per cent. non-operated interest in PL786, (v) a 50 per cent. non-operated interest in PL791 and (vi) a 30 per cent. non-operated interest in PL826. The Group expects to achieve completion of this disposal in April 2017.

Competition

The oil and natural gas industry is highly competitive, and the Group competes with a substantial number of other companies, many of which have greater resources than it does. Many of these companies explore for, produce and market oil and natural gas, perform refining operations and market the resulting products on a worldwide basis. The Group's competitors include national oil companies, major international oil and gas companies and independent oil and gas companies. The major national and international oil companies active in Africa and the South America include, among others, Addax Sinopec, Anadarko, BP, Chevron, CNOOC, Eni, ExxonMobil, PTTEP, Sasol, Shell, Statoil and Total. The oil and gas business is highly competitive in the search for and acquisition of reserves, in the procurement of rigs and other production equipment, in the production and marketing of oil and gas and in the recruitment and employment of qualified personnel. The Group expects that the sustained decrease in oil prices may lead to reductions in activity and in the cost of some services and equipment. However, the need for operators to adjust costs to the lower oil price environment means that competition for resources at economical prices will likely remain a factor.

The primary areas in which the Group encounters substantial competition are in locating and acquiring desirable acreage for its drilling and development operations, locating and acquiring attractive producing oil and gas assets and obtaining equipment for drilling operations. While actual prices for some assets may fall, this will most likely be commensurate with the need for companies in the sector to reduce costs in a lower oil price environment and competition to secure assets at economical prices will likely remain. In addition, the Group competes with oil and gas companies in the bidding for exploration and production licences, PSCs, farm-ins and other contractual interests in licences that are made available by governments or are for sale by third-parties. Competition for such assets is likely to come from companies already present in the region in which the exploration and production licences are located as well as new entrants. Licence bid rounds globally have also become increasingly competitive, particularly in South America. Competition also exists between producers of oil and natural gas and other industries producing alternative energy and fuel, such as solar and wind.

Furthermore, competitive conditions may be affected substantially by various forms of energy legislation and/or regulation considered from time to time by the governments of the jurisdictions in which the Group operates. It is not possible to predict the nature of any such legislation or regulation that may ultimately be adopted or its effects upon the Group's future operations. Such legislation and regulations may, however, substantially increase the costs of exploring for, developing, producing or marketing natural gas and oil and may prevent or delay the commencement or continuation of a given operation. The effect of these risks cannot be accurately predicted.

Marketing and offtake

In 2016, the Group made overall sales of oil and gas to more than 20 buyers, comprising principally major oil companies (such as Shell), refiners (such as Exxon Mobil and Petrogal/Galp), trading affiliates of national oil companies (such as Unipec), joint venture operators (such as ENI) and energy utilities (such as EdF). In the years ended 31 December 2014, 2015 and 2016 the Group had sales of greater than 10 per cent. to individual customers, however, no purchaser accounted for more than 25 per cent. of the Group's total revenues in those years. The Group responds to evolving market drivers looking to the strongest buyers as they change with time. Buyers are vetted via a formal counterparty approval process which analyses performance, compliance and credit risk. In 2016, the Group made direct sales totaling over 75 per cent. of oil sales volumes in the spot market.

Sales of crude oil from the Jubilee field contributed approximately 43 per cent. of the Group's total oil and gas revenues in 2016, down from 54 per cent. in 2015 and 57 per cent. in 2014. The Group's Jubilee cargos in 2016 were sold to six different buyers. For these 2016 cargos, credit instruments from at least four banks rated Baa1/A- or better by Moody's and Standard & Poor's were posted and none of these cargos individually represented more than 13 per cent. of the Group's annual Jubilee revenue. The last three Jubilee cargos for 2016 were sold to buyers other than the Group's largest 2016 buyer, which the Directors believe demonstrates that the market remains competitive. Additionally, new buyers have been introduced to the portfolio for TEN crude (four sales in 2016). The Directors do not consider there to be any individual buyer concentration risk for buyers of Jubilee and TEN cargos across its other producing assets, due to both marketing dynamics and the Group's marketing track record. In 2016, when ten of the Group's Jubilee field cargos were lifted, the cargos were delivered to China, Italy and Portugal, while its two TEN blend cargoes were delivered with the intended destinations of Italy and the USA.

Commodity hedging

The Group uses derivative financial instruments to limit its exposure to fluctuations in oil and gas prices. The Group has an active commodity hedge programme under which it hedges its sales volumes on a graduated three-year rolling basis. The Group's target hedge level is 60 per cent., built up by hedging in the forward first, second and third years, using a mix of plain vanilla derivative products to protect against downside risks while retaining some upside exposure. As at 31 December 2016, the Group's budgeted net entitlement volumes were hedged at 60 per cent. for 2017, 30 per cent. for 2018 and 10 per cent. for 2019, with downside protection at $60/bbl, $52/bbl and $46/bbl in 2017, 2018 and 2019, respectively.

Field and commercial partners

The majority of the Group's assets are owned, explored and developed through commercial partnerships with international and national oil and gas companies. When the Group evaluates whether to enter into a partnership or joint venture, it seeks prospective commercial partners who will complement its existing strengths. In particular, the Group seeks commercial partners with technical expertise in refining or engineering that it does not possess or who own useful infrastructure such as

pipelines. Additionally, the Group aims to work with commercial partners who have strong, existing relationships with the government in the jurisdiction in which the development is planned. The Group conducts thorough business and financial diligence on all of its prospective commercial partners and strives to ensure they will be able to finance their portion of the development.

During the life-cycle of the commercial partnership or joint venture, the Group often has a very active role in the technical, financial and administrative management of operations including in situations in which it does not take on an official operator role. The Group typically maintains involvement with many aspects of operations and reviews required government submissions. The Group works closely with its commercial partners to ensure that it remains in compliance with the ongoing obligations under the licences or agreements pursuant to which it operates.

Seasonality

Seasonal weather conditions and lease stipulations can limit the Group's drilling and producing activities and other oil and natural gas operations in certain areas. These seasonal anomalies can increase competition for equipment, supplies and personnel during the spring and summer months, which could lead to shortages and increase costs or delay the Group's operations.

Sustainability

The Integrated Management System, assurance and risk management

The Group undertook a major overhaul of its risk, assurance, and performance management processes in 2015 as part of the Major Simplification Project ("**MSP**"). This programme clarified accountabilities for decision-making and identified roles for business delivery, risk management and independent assurance. In late 2015, the Group launched an Integrated Management System ("**IMS**") to set out all mandatory policies and standards and the controls necessary to ensure that its activities and associated risks are effectively managed. In 2016, the Group implemented the IMS programme and it was fully operational by year end.

Company culture and ethical behavior

As part of the Group's commitment to managing the way it works ethically and legally, it continually looks for ways to engage both internal and external stakeholders on its compliance standards as well as its Code of Ethical Conduct.

Local content and employing local people

In the year ended 31 December 2016, the Group spent $337 million with local suppliers. The Group's supply chain seeks to create opportunities for local companies and labour forces to participate in the oil and gas sector, both directly and indirectly, and helps to align the Group's social investment strategy with the economic development and local capacity needs of the countries in which it does business. In many cases, because these countries are new to the oil and gas sector, local companies are not yet able to operate to industry standards and specifications. To help further the development of the industry, the Group runs supplier development programs with the aim of further developing the local industry and explaining statutory requirements, safety and auditing standards and workshops to help them to understand its tender process.

The Group seeks to train and bring on board employees who are nationals of the countries in which it does business. As at 31 December 2016, the Group had a total global workforce of 1,152 employees and contractors. In total, 85 per cent. of the Group's employees in African countries where it operates are local nationals.

Social performance and social investment

One of the Group's fundamental corporate values is to work with integrity and respect for people and the environments in which it does business. The quality of the Group's relationships with host governments, local communities, civil society organisations and other stakeholders is vital to its long term business success. These groups and individuals may be directly impacted by the activities of the Group, or may influence execution of its growth strategy, and failure to manage its relationships with them can expose the Group to significant business risks. These risks can include project delays and disruption, more onerous regulatory requirements and potentially the loss of the Group's licence to operate. The Group proactively manages its social impacts by:

- endeavoring to develop strong community relationships across all phases of its operations;

- assessing and managing socio-economic impacts directly associated with its operations and identified through ESIAs; and
- delivering socio-economic investment projects to ensure it leaves a legacy of sustainable social and economic benefits in the countries where it operates.

Transparency

The Directors believe that the success of the oil and gas industry should bring long term social and economic benefits to the communities and countries in which it operates. Over the next decade or so many of the African countries in which the Group operates have the potential to become substantial exporters of oil and gas. The Directors believe that, if well-managed, the development of these non-renewable resources can create a unique window of opportunity to help each economy on the path to sustainable economic growth.

Furthermore, the Directors believe that revenues from natural resources can and should have a transformative effect on the future of emerging economies. The Group supports transparency and disclosure as vital first steps in enabling governments, citizens and international opinion formers to participate in debate and the exchange of ideas on how wealth from oil resources should be managed sustainably and equitably.

In the year ended 31 December 2016, the Group's payments to governments, including payments in kind, amounted to $438 million (2015: $391 million). Payments to all major stakeholders including employees, shareholders, suppliers and communities, as well as governments, brought the Group's total socio-economic contribution to $1.0 billion for the year (2015: $1.1 billion).

Environment

The Group continuously seeks to enhance its environmental protection capacity, systems and processes. The Board has a dedicated Environmental, Health and Safety ("**EHS**") committee, which is responsible for instigating appropriate in-depth reviews of strategically important issues. It also reviews a wide range of leading and lagging indicators to gain insight into how relevant policies and standards and how the Group is implementing practices in the field.

Health and safety

The Directors believe keeping the Group's wells and the related infrastructure safe and secure is critical to its business. The Group aims to achieve a safe and healthy work environment by upholding industry good practice and enforcing robust safety procedures at all of its operating sites. The Group has established safety cases for all operated production facilities and has robust emergency preparedness, incident management and business continuity plans in place.

The Group uses a range of performance measures, including the recognised industry metric Lost Time Injury Frequency ("**LTIF**") to measure safety. The Group sets annual targets for LTIF, which the Board agrees to as part of overall Group objectives. The Group has rigorous incident reporting procedures in place to ensure that it investigates all near misses and accidents and it takes action to prevent recurrence. Safety performance is also a component of the Group's key performance indicators and it has a specific reduction target in 2017 for LTIF.

The Group's LTIF decreased to nil in 2016 (0.3 in 2015). In 2016, there were no lost time incidents during approximately 9.2 million man hours worked.

The Group develops and implements a consistent health strategy globally to help minimise health risks arising in the workplace and ensure the health and safety of its people. In the countries in which the Group does business, it works with local medical services to ensure facilities and standards of care meet the Group's requirements.

Asset Protection and Security

From time to time, the Group operates in remote and challenging environments that pose additional security risks. The Group monitors global events and security incidents to ensure that appropriate security controls are in place to safeguard its people and its operations. The Group also seeks to develop community and security strategies that are sensitive to local concerns, creating a secure environment for both its operations and for local communities.

The Group is a signatory to the Voluntary Principles on Security and Human Rights ("**VPSHR**"), a human rights guideline designed specifically for oil, gas and mining companies, and began formal participation

in the initiative in early 2013. Established in 2000, the VPSHR, an initiative by governments, non-governmental organisations and extractive and energy companies, provides guidance on maintaining the safety and security of operations and ensuring respect for human rights and fundamental freedoms.

In Ghana, for example, the Group contracted the Ghanaian navy to maintain the security of the Jubilee field and to safeguard seafaring vessels by enforcing several "no go" zones around the offshore rigs. The Group has provided a "train the trainer" programme to Ghanaian navy representatives, which adhere to the guidelines of the VPSHR, and provide an introduction to offshore oil and gas operations.

In Kenya, the Group has made significant progress in the delivery of VPSHR-related training of private and public security supporting its operations, and it has enhanced its grievance management processes to better manage allegations of human rights abuses by public and private security forces. The Group is currently finalising a formal memorandum of understanding specifying how it and the Government of Kenya will jointly implement the VPSHR.

Insurance

The Directors believe that the extent of the Group's insurance cover is appropriate based on the risks associated with its business, availability of insurance, the cost of cover and oil and gas industry practice. The Group's insurance coverage forms part of its risk mitigation strategy for its operations. The Group insures its oil and gas assets and liabilities either within an operational energy insurance package or specific asset policies. Coverage under the terms of these insurances includes physical damage, operators extra expense (well control, seepage, pollution clean-up and re-drill) and third-party liabilities. The Group places coverage in respect of worldwide oil and gas exploration and production activities. Limits in force are in line with international oil industry insurance standards. Where necessary, the Group insures its insurance policies with resident insurance companies for each relevant venture and reinsures into international insurance markets with lead reinsurers that have a minimum A- or equivalent S&P rating. The Directors believe the Group has adequately provisioned for, or otherwise protected its operations against business interruption risks consistent with customary industry practices and in line with the Group's internal risk management strategy. The Group procures business interruption insurance to protect against loss of production from its main assets. Where applicable, the Group procures construction all risks insurance coverage in respect of development projects. Such coverage is generally for works executed anywhere in the world in performance of contracts wherein the Group is at risk including loss of, or damage to the construction work and the liabilities to third-parties arising therefrom.

The Group's philosophy is to arrange such other insurance from time to time in respect of its other operations as required and in accordance with industry practice and at levels which it feels adequately provide for the Group's needs and the risks that it faces.

The Group manages its claims internally, in association with external consultants and its insurers, to ensure that it manages the process effectively and in a timely manner. The Jubilee turret loss, which the Group declared to various insurers, is likely to have an effect on its insurance premiums. See*—"Information about the Tullow Group—Main producing assets—Ghana—Jubilee—Turret Remediation Project".*

Employees

As at 31 December 2014, 2015 and 2016 the Group had a workforce (comprising employees and long-term contractors) of 2,042, 1,403, and 1,152 individuals respectively. As at 31 December 2016, the Group's workforce was geographically diversified, with approximately 42 per cent. located in the United Kingdom and Ireland and more than 50 per cent. located in Africa, of which approximately 56 per cent. were located in Ghana and 23 per cent. were located in Kenya. As at 31 December 2016, approximately 85 per cent. of the Group's employees in African countries were local nationals.

The following table sets forth details about the Group's workforce as at 31 December 2014, 31 December 2015 and 31 December 2016.

	As at 31 December		
	2014	2015	2016
Executive Directors	5	5	4
Administrative and clerical	213	127	106
Operational	1,211	1,143	944
Corporate	613	128	98
Total	2,042	1,403	1,152

The Directors believe that the Group has satisfactory working relationships with its employees and has not experienced any significant labour disputes or work stoppages. The vast majority of the Group's employees are not covered by collective bargaining agreements or members of labour unions.

Bribery laws

The Group is committed to conducting its business ethically and legally, in compliance with anti-corruption laws. The Group is subject to the UK Bribery Act 2010 and it has implemented an anti-bribery and corruption programme which is built on the six principles of the UK Ministry of Justice's adequate procedures guidance, covering commitment, risk assessments, communication and training, due diligence, and monitoring and review. The Group's Ethical Code outlines its anti-bribery and corruption controls and the Group applies compliance standards, procedures and guidelines commensurate with its risk exposure. The Group operates a "speaking up" process for reporting bribery and corruption issues, including via a confidential mechanism.

The Group's ethics and compliance team executes anti-corruption work in close collaboration with its legal team. The Group's Ethics & Compliance Manager reports to the Group's Chief Financial Officer as well as the Ethics and Compliance Committee (a sub-committee of the Board).

Material agreements relating to the Group's assets

In this section, where a defined term is used in reference to various contracts, it has the meaning for the relevant sub-section in which it is defined.

Ghana

In Ghana the Group has interests in two petroleum agreements, the West Cape Three Points petroleum agreement and the Deepwater Tano petroleum agreement. Since 2009, part of the area covered by each of the two agreements has been unitised.

West Cape Three Points ("WCTP")

Petroleum agreement

The West Cape Three Points Petroleum Agreement ("**WCTP PA**") was entered into on 22 July 2004 between the Republic of Ghana, GNPC, Kosmos Energy Ghana HC ("**Kosmos**") and the EO Group ("**EO**"). The WCTP PA has been amended from time to time to reflect various changes in parties and interests under the WCTP PA.

The term is 30 years from ratification by the Government of Ghana at the end of which the parties may negotiate a further agreement. The WCTP PA calls for the establishment of a joint management committee comprised of four members of whom two are required to be representatives of the GNPC with the other two being representatives of the other non-government parties to the contract. The chairperson is designated by GNPC from its members of the joint management committee. Decisions of the joint management committee require unanimity except in relation to work programs, budgets and day-to-day operational matters associated appraisal, development or production operations (which non-government partners are required to make payments on a 100 per cent. basis) which only require the consent of the representatives of such non-government parties.

The royalty rate for crude oil is 7.5 per cent., or the cash equivalent. If crude oil is located at water depths greater than 200 metres or if the API gravity of the crude oil is less than 20, then the royalty rate is 5 per cent., or the cash equivalent. The royalty rate for natural gas is 5 per cent. The WCTP PA also calls for additional taxes pursuant to an income tax rate of 35 per cent., payments for rental of government property or public lands, certain amounts for surface rentals and other minor taxes, duties, fees and imposts. The parties are required to supply crude oil to meet domestic supply requirements. Such domestic supply obligation is capped at 25 per cent. of an individual party's total entitlement after deduction of royalties.

The Ghanaian Government is entitled to additional oil entitlements from the non-government parties' (excluding GNPC) share of petroleum on the basis of the rate of return achieved by such non-government parties during development and production operations only when they have recovered all of their costs. The rate of return is calculated based on a formula in the WCTP PA. The calculation of the value of crude oil is determined based on a variety of factors, including whether the crude oil was sold in an arm's length transaction, market prices and the quality of the crude oil sold.

GNPC holds a 10 per cent. participating interest (which is carried throughout the exploration and development phases and only becomes a paying interest during the production phase). GNPC also has

the option to acquire an additional paying interest of 2.5 per cent. in a commercial discovery by paying its proportionate share of all future petroleum costs and is the sole and unconditional owner of all equipment and other assets used during petroleum operations.

Joint operating agreement

The West Cape Three Points Joint Operating Agreement ("**WCTP JOA**") was entered into on 22 July 2004 between Kosmos and EO. The WCTP JOA has been amended from time to time to reflect the changes of parties and their interests under the WCTP PA and consequently the WCTP JOA. Kosmos is designated as operator.

The WCTP JOA establishes an operating committee comprised of one representative appointed by each party holding a participating interest. Decisions require an affirmative vote of at least two parties (with affiliates counted as one party) collectively holding at least 60 per cent. of the participating interests.

The WCTP JOA provides for non-consent rights where proposed operations do not relate to minimum work obligations so that if a party voted against a proposal approved by the operating committee it is entitled not to participate in the operation.

Any transfer of rights under the WCTP PA (other than transfers between affiliates) is subject to the prior written consent of each party.

The following table sets forth the current parties together with participating interests ("**PI**") and relevant carry obligations. The GNPC is not a party to the WCTP JOA.

Party	PI (Development Interest)	PI (Development Interest with GNPC carry)	PI (Production Interest with GNPC carry plus additional interest)
Tullow Ghana	28.5957%	29.3289%	25.6628%
Kosmos	33.4479%	34.3056%	30.0174%
Anadarko	33.4479%	34.3056%	30.0174%
Petro SA Ghana	2.0085%	2.0600%	1.80250%
GNPC	2.5000%	0.0000%	12.5000%
Total	100.0000%	100.0000%	100.0000%

Deepwater Tano ("DWT")

Petroleum agreement

The Group entered into the Deepwater Tano Petroleum Agreement ("**DWT PA**") on 10 March 2006 between the Republic of Ghana, GNPC, Kosmos and Sabre. The DWT PA has been amended from time to time to reflect various changes in parties, interests and technical operator.

The term is 30 years from ratification by the Government of Ghana, at the end of which the parties may negotiate a further agreement. The DWT PA calls for the establishment of a joint management committee comprised of eight members of whom four are required to be representatives of the GNPC with the other four being representatives of the other non-government parties to the contract. The chairperson is designated by GNPC from its members of the joint management committee. Decisions of the joint management committee require unanimity, except in relation to budget and day-to-day operational matters associated with appraisal, development or production operations that the non-government parties are required to fund in full, which only require the consent of the representatives of such non-government parties.

The royalty rate for crude oil is 5 per cent., or the cash equivalent. If crude oil has an API gravity of less than 18 degrees, then the royalty rate is 4 per cent. The royalty rate for natural gas is 3 per cent., or the cash equivalent. The DWT PA also calls for an income tax rate of 35 per cent., payments for rental of government property or public lands, certain amounts for surface rentals and other minor taxes, duties, fees and imposts. The parties are required to supply crude oil to meet domestic supply requirements; however, such domestic supply obligation will not exceed an individual party's total entitlement of the gross production of crude oil after deduction of royalties.

The Ghanaian Government is entitled to additional oil entitlements from the non-government parties share (excluding GNPC) of petroleum on the basis of the rate of return achieved by the non-government parties during development and production operations only when they have recovered all of their costs.

The rate of return is calculated based on a formula in the DWT PA. The calculation of the value of crude oil is determined based on a variety of factors, including whether the crude oil was sold in an arm's length transaction, market prices and the quality of the crude oil sold.

GNPC holds a 10 per cent. participating interest (which is carried throughout the exploration and development phases and only becomes a paying interest during the production phase). GNPC also has the option to acquire an additional paying interest of 5 per cent. in a commercial discovery by paying its proportionate share of all future petroleum costs.

Joint operating agreement

The Group entered into the Deepwater Tano Joint Operating Agreement ("**DWT JOA**") on 15 August 2006 with Sabre and Kosmos. The DWT JOA has been amended from time to time to reflect the changes of parties and their interests under the DWT PA and consequently the DWT JOA. The Group is designated as operator.

The DWT JOA establishes an operating committee comprised of one representative appointed by each party holding a participating interest. Decisions require an affirmative vote of two or more parties (with affiliates counted as one party) collectively holding more than 66 per cent. of the participating interest (apart from decisions which do not involve all parties or proposals to amend or terminate the DWT PA, which require a unanimous vote).

The DWT JOA provides for non-consent rights where proposed operations do not relate to minimum work obligations, so that if a party voted against a proposal approved by the operating committee it is entitled not to participate in the operation. The operator must notify the other parties with respect to any commitment or expenditure for the joint account in excess of $100,000 which applies to an exploration, appraisal, development or production work programme and budget (but not including minimum work obligations, workovers of wells and general administrative costs which are listed separately in an approved work programme and budget).

Transfers of all or part of a party's participating interest under the DWT JOA are subject to the rights of first refusal of the remaining parties, with the exception of transfers to affiliates.

The following table sets forth the current parties together with participating interests and relevant carry obligations. The GNPC is not a party to the DWT JOA:

Party	PI (Development Interest)	PI (Development Interest with GNPC carry)	PI (Production Interest with GNPC carry plus additional interest)
Tullow Ghana	52.7250%	55.5000%	47.1750%
Kosmos	19.0000%	20.0000%	17.000%
Anadarko	19.0000%	20.0000%	17.000%
Petro SA Ghana	4.2750%	4.5000%	3.8250%
GNPC	5.0000%	0.0000%	15.0000%
Total	100.0000%	100.0000%	100.0000%

Unitisation and unit operating agreement

On 13 July 2009, the GNPC entered into a Unitisation and Unit Operating Agreement (the "**2009 Jubilee Agreement**") with Tullow Ghana Limited ("**TGL**"), Kosmos, Anadarko, Sabre and EO to develop, operate and exploit, as a single unit, the Jubilee Field which crosses the boundary between the WCTP and DWT contract areas. The 2009 Jubilee Agreement covers the Jubilee Field unit area. Each party's interest in such unit area is based on its participating interest in the WCTP contract area, its participating interest in the DWT contract area and the portion of each of these contract areas that falls within the unit area, as may be re-determined from time to time.

Under this agreement, the Group is designated as unit operator but each party is responsible for all fees, taxes and other payments due to the Government of Ghana under the WCTP PA and DWT PA (as discussed above).

The 2009 Jubilee Agreement provides for the establishment of a unit operating committee which oversees unit operations and is comprised of one representative from each party. Decisions of the unit operating committee require the affirmative vote of two or more parties (who are not affiliates) holding collectively at least 80 per cent. of the unit interests. Certain key matters require the unanimous approval

of the parties, including any decision to expand the unit area and voluntary termination of unit operations.

If a party transfers an interest in either of the WCTP PA or DWT PA and corresponding joint operating agreements, it must also transfer a corresponding interest in the 2009 Jubilee Agreement.

The unit interest of the parties in the Jubilee Field may change following a redetermination. The 2009 Jubilee Agreement provides for periodic windows in which partners may call for redetermination, or allows parties holding at least a 10 per cent. unit interest to request a redetermination in certain circumstances. Following a redetermination, the participations of the WCTP contract area and the DWT contract area in the Jubilee Field may be adjusted to reflect additional or better data, which will lead to a corresponding change in the unit interests of the parties and correction to their shares of costs incurred and entitlement. On 18 October 2011, each party's interest in the Jubilee field was re-determined (the "**Jubilee Re-determination**"). The following table sets out the allocation of both entitlement to production and percentage share of unit costs for each party with respect to the portion of each of the WCTP and DWT contract areas that fall within the unit area and their aggregate unit interest in the Jubilee field as a result of the Jubilee Redetermination. The Jubilee interests are based on the current tract split between the WCTP and DWT contract areas of 54.3666 per cent. (WCTP) and 45.6334 per cent. (DWT). The next window in which partners may call for redetermination is in 2017. The last such window was in December 2013 and no redetermination was called.

Party	DWT PI	WCTP PI	Unit PI in Jubilee
Tullow Ghana	47.1750%	25.66278%	35.47952%
Kosmos	17.0000%	30.01736%	24.07710%
Anadarko	17.0000%	30.01736%	24.07710%
Petro SA Ghana	3.8250%	1.80250%	2.72544%
GNPC	15.0000%	12.5000%	13.64084%
Total	100.0000%	100.0000%	100.0000%

The following table sets forth each party's responsibility with respect to development expenses under the Jubilee Redetermination:

Party	DWT Development Expenses Responsibility	WCTP Development Expenses Responsibility	Aggregate Development Expenses Responsibility
Tullow Ghana	52.7250%	28.59566%	39.60670%
Kosmos	19.0000%	33.44792%	26.85484%
Anadarko	19.0000%	33.44792%	26.85484%
Petro SA Ghana	4.2750%	2.00850%	3.04278%
GNPC	5.0000%	2.50000%	3.64084%
Total	100.0000%	100.0000%	100.0000%

Capital lease agreement—floating production storage and offloading unit

On 14 August 2013, TGL entered into an engineering, procurement, installation, commissioning and bareboat charter agreement (the "**TEN FPSO Contract**") with T.E.N. Ghana MV25 B.V., a subsidiary of MODEC Inc. in respect of an FPSO for use at the Group's TEN fields. TGL, as operator of the TEN fields, entered into the agreement on behalf of itself and its commercial partners. For further details about the TEN FPSO Contract, see paragraph 10.12 of Part 11 of this Prospectus.

Seadrill West Leo

In November 2012, TGL entered into a contract with Seadrill Ghana Operations Limited to provide a West Leo drilling unit for TGL's drilling operations in Ghana, primarily at the TEN fields. This contract was terminated by TGL on 1 December 2016 but is subject to an ongoing dispute. For further details about this dispute, see paragraph 13.2 of Part 11 of this Prospectus.

Equatorial Guinea

Ceiba field and Okume Complex

The Group has development and production interests in two Hess Corporation operated licences offshore Equatorial Guinea, encompassing the Ceiba field and the Okume Complex. The Group acquired such interests through its acquisition of Energy Africa in 2004.

Production sharing contract

The production sharing contract for Block F (containing the Okume Complex) and the production sharing contract for Block G (containing the Ceiba field) were each entered into on 26 March 1997 between the Republic of Equatorial Guinea represented by the Ministry of Mines and Energy of the Republic of Equatorial Guinea ("**Equatorial Guinea**") and Triton Equatorial Guinea, Inc. ("**Triton**") as the contractor. The production sharing contract for Block G was amended on 15 December 2005, such that the boundaries of Block G were amended to include the Okume Complex and Block F was subsequently relinquished (the "**Equatorial Guinea PSC**"). The Equatorial Guinea PSC has been amended from time to time to reflect various changes including as to parties, royalty rates and share of production.

The term of the Equatorial Guinea PSC with respect to a field is thirty years for crude oil and forty years for natural gas, starting on the date of approval as to a commercial discovery from the Ministry of Mines and Energy.

The royalty rate for crude oil ranges from 11 per cent. to 16 per cent. depending on daily production volumes. The applicable rate increases as production increases. The royalty rate for natural gas production is 10 per cent.

The Equatorial Guinea PSC requires the contractor to pay certain taxes, including income tax, and an annual surface rental fee of $2 per hectare for the contract area. Bonuses ranging from $750,000 to $4,000,000 are payable by the contractor to the Government of Equatorial Guinea upon each of a declaration of a commercial discovery and daily production from a field reaching certain thresholds for 60 consecutive days.

If so required, the contractor shall sell crude oil to the Government of Equatorial Guinea at market rates to meet domestic supply demands.

The contractor is entitled to recover petroleum costs equal to up to 70 per cent. of the annual field petroleum production as cost petroleum, following deduction of the royalty. Petroleum costs incurred in a field in excess of production from such field cannot be transferred to another field. Approved work programme costs not attributable to a specific field, can be recovered against the production from any field in the contract area.

After deduction of the royalty and cost petroleum, the remaining crude oil is profit oil and is allocated, on a field basis, between the Government of Equatorial Guinea and the contractor. The Government of Equatorial Guinea receives a minimum of 20 per cent. of such profit oil and can receive a higher percentage as production volumes increase, up to a maximum of 60 per cent.

Joint operating agreement—Block G

The Joint Operating Agreement for Block G was entered into on 1 June 1999 between Triton Equatorial Guinea, Inc. and Tullow Equatorial Guinea Limited, formerly Energy Africa Equatorial Guinea Limited, and was subsequently amended and restated on 1 January 2000 (the "**Block G JOA**"). The same parties also signed the Joint Operating Agreement for Field Development and Production for Block G which was confirmed and ratified on 1 January 2001, which came into effect with respect to the Ceiba Field and Okume Complex on the date the development plans for these fields were approved (the "**Block G Field JOA**" and with the Block G JOA, the "**Block G JOAs**"). A subsidiary of Hess Corporation, formerly Triton, was designated as, and is currently, the operator under the Block G JOAs.

Each of the Block G JOAs establishes an operating committee comprised of one representative and one alternative representative appointed by each party holding a participating interest. Decisions, approvals and actions of the operating committee require the affirmative vote of representatives of parties holding collectively at least 70 per cent. of the participating interests. The Block G JOA provides that if there are three or more parties, the vote of at least two parties is required, while the Block G Field JOA provides that if there are four or more parties then the vote of at least three parties is required. Certain decisions require the unanimous consent of the parties, including surrender of all or any part of the field or contract area which is not required under the related production sharing contract.

Under the Block G Field JOA, expenditures relating to the 5 per cent. participating interest held by the Government of Equatorial Guinea are carried by Hess Corporation and Tullow.

Each party can transfer its interest in each of the Block G JOAs provided that no transfer results in the transferor or the transferee holding less than a 10 per cent. interest unless otherwise agreed and subject to receipt of government consents and the consent of the co-venturers to the applicable Block G JOA. If a party transfers an interest in the Block G Field JOA, it must also transfer a corresponding interest in the Block G JOA.

The following table sets forth current parties to the Block G JOAs together with their participating interests:

Party	PI in Block G Field JOA
Tullow Equatorial Guinea	14.25%
Hess Corporation	80.75%
GEPetrol	5.00%
Total	100.00%

Côte d'Ivoire

Espoir

Production sharing contract

On 20 December 1995, the Government of Côte d'Ivoire entered into a production sharing contract with respect to offshore Block CI-26 with Addax Petroleum Côte d'Ivoire Limited ("**Addax**") and Société Nationale d'Opérations Pétrolières de la Côte d'Ivoire ("**Petroci**") as the contractor (the "**Espoir PSC**"). The Espoir PSC has been amended from time to time to revise certain provisions and also reflect various changes in parties and interests within the contractor group which is now comprised of three entities (Petroci, CNR and Tullow Côte d'Ivoire Limited). CNR is the operator. In the event of a commercial discovery, the contractor is entitled to an exclusive exploitation permit, such permit will have a 25 year term, which shall be extended by 10 years at the request of the contractor depending on production levels and may be extended by 10 years further thereafter depending on then prevailing production levels.

The contract area is divided into Special Zone "E" and the area Outside of Special Zone "E." Special Zone "E" was designated as such because it contains the Espoir Field.

Petroci has a 20 per cent. participating interest under the Espoir PSC in Special Zone "E" and pays no petroleum costs with respect to half of such interest. Under the Espoir PSC, the contractor is entitled to recover annually costs incurred in petroleum operations (which includes exploration, appraisal, development and exploitation costs) as follows : (i) in Special Zone "E," it can use up to 80 per cent. of crude oil production in a year from a field to cover petroleum costs and (ii) in the area outside of Special Zone "E," it can use between 60 per cent. and 80 per cent. of crude oil production in a year to cover petroleum costs, subject to the water depths from which the crude oil is obtained. If the field operating costs recovery cap is reached in a year, additional costs can be rolled over for recovery in subsequent years. After the deduction of petroleum costs, the remaining crude oil is profit oil and is distributed between the Government of Côte d'Ivoire and the contractor. The Government of Côte d'Ivoire receives a minimum of 50 per cent. of such profit oil and can receive a higher percentage as production volumes increase, up to a maximum of 75 per cent. (subject to the water depths from which production is obtained)

The same percentages apply for the sharing of gas production, using a conversion rate of one-barrel to either 5,000 cubic feet or 7,500 cubic feet, depending on the water depths from which the gas is obtained. The contractor's percentage share of the profit oil reduces as production increases and it is proportionately higher in greater water depths.

The Government's share of petroleum includes an amount required to cover the contractor's tax obligation in Côte d'Ivoire. The value of the amount of the Government's share of petroleum needed to cover such tax is determined using the market value of the petroleum.

The contractor (excluding Petroci) must pay the Government bonus amounts when cumulative production in an exploitation area reaches certain levels. Bonus amounts, which range from $2 million to $3 million, are not cost recoverable.

Each year the contractor is required to sell to the Government of Côte d'Ivoire up to 10 per cent. of its crude oil and natural gas production to meet domestic supply requirements. The sale price is determined to be equal to 75 per cent. of the market value of such production (with the 25 per cent. differential being cost recoverable).

Joint operating agreement

The Espoir Joint Operating Agreement ("**Espoir JOA**") was entered into on 24 October 1997 between Petroci, Ranger Oil Côte D'Ivoire S.A.R.L. (now CNR International Côte d'Ivoire S.A.R.L.), Addax Petroleum Côte D'Ivoire Limited and Tullow Côte D'Ivoire Limited. The Espoir JOA has been amended from time to time to reflect the changes of parties and their interests under the Espoir PSC and consequently the Espoir JOA and currently CNR is the operator.

The Espoir JOA establishes an operating committee comprised of one representative and one alternative representative appointed by each party holding a participating interest. Decisions require an affirmative vote of three or more parties collectively holding at least 51 per cent. of the participating interests. The surrender of all or part of an area where such surrender is not a mandatory requirement under the Espoir PSC requires the unanimous vote of the partners.

Any transfer of rights under the Espoir JOA to an entity that is neither an affiliate nor an entity that has an interest under the Petroci PSC is subject to receipt of any government consents and receipt of co-venturer consent (which shall not be unreasonably withheld). Where the proposed assignment of an interest is to an entity which is neither an existing Espoir JOA party nor an affiliate (nor an entity to which Petroci is instructed to transfer an interest by the Government of Côte d'Ivoire), it is subject to the pre-emption rights of the other Espoir JOA parties.

The following table sets forth the current parties to the Espoir JOA together with their participating interests:

Party	PI inside Special Area "E"	PI outside Special Area "E"
Tullow Côte d'Ivoire	21.3333%	24.0000%
CNR	58.6666%	66.0000%
Petroci	20.0000%	10.0000%
Total	**100.0000%**	**100.0000%**

Uganda

All Exploration Areas

Memorandum of understanding

On 5 February 2014, the Government of Uganda, acting through the Ministry of Energy and Mineral Development, entered into a memorandum of understanding with Tullow Uganda Limited, Tullow Uganda Operations Pty Ltd, Total Uganda and CNOOC Uganda Limited (the "**Partners**") (the "**MOU**").

The MOU provides a framework for achieving the objectives of the Government of Uganda in relation to the development of oil and gas resources, in particular the development of a refinery and cross-country pipeline.

The Government of Uganda is to develop the refinery in stages and, at each stage of its refining capacity, the refinery shall have a right of first call on crude oil produced at the exploration areas provided that any excess crude oil which is produced shall be available for export.

The Partners agreed to develop a pipeline (or other viable option) to export the crude oil not supplied to the refinery, and the Government agreed to provide all support required by the Partners in relation to this project including initiating discussions with neighbouring countries and providing support to obtain government approvals.

The pricing of crude oil for both sales to the refinery and export shall be in accordance with the PSA relevant for each licence area.

Farm-down agreement

On 9 January 2017, the Company announced that it had agreed a substantial farm-down of its assets in the Lake Albert Development in Uganda to Total Uganda. Under the sale and purchase agreement, the Group has agreed to transfer 21.57 per cent. of its 33.33 per cent. Uganda interests (the "**Sale Assets**")

to Total Uganda for a total consideration of $900 million. Upon completion of the farm-down, the Group will have an 11.76 per cent. interest in the upstream and pipeline projects. This is expected to reduce to a 10 per cent. interest in the upstream project when the Government of Uganda formally exercises its right to back-in. Although it has not yet been determined what interests the Governments of Uganda and Tanzania will take in the pipeline project, the Group expects its interests in the upstream and pipeline projects to be aligned. The consideration is split into $200 million in cash, consisting of $100 million payable on completion of the transaction, $50 million payable at FID and $50 million payable at first oil. The remaining $700 million is in deferred consideration and represents reimbursement by Total Uganda in cash of a proportion of the Group's past exploration and development costs. The deferred consideration is payable to the Group as the upstream and pipeline projects progress and these payments will be used by the Group to fund its share of the development costs. The Group expects that the deferred consideration will exceed the Group's estimated share of pre-first oil upstream and pipeline capital expenditure of approximately $600 million. Any deferred consideration that has not been paid by first oil will be payable to the Group after first oil and used by the Group to fund post-first oil capital expenditure. Completion of the transaction is subject to certain conditions, including the approval of the Government of Uganda, after which the Group will cease to be an operator in Uganda. Pursuant to the terms of the joint operating agreements in relation to the Lake Albert Development, CNOOC Uganda Ltd ("**CNOOC Uganda**") (the Group's other commercial partner in the Lake Albert Development) has a right of pre-emption to acquire 50 per cent. of the Sale Assets that are the subject of the proposed farm-down on identical terms and conditions as those agreed between the Company and Total Uganda (including as to the amount, structure and timing of the consideration payable to the Group). On 16 March 2017 CNOOC Uganda exercised its right of pre-emption in respect of the Sale Assets and the Group is working with CNOOC Uganda and Total Uganda to conclude definitive sale documentation in relation to the farm-down.

Exploration Area 2

Production sharing agreement

On 8 October 2001, the Government of Uganda, acting through the Ministry of Energy and Mineral Development, entered into a production sharing agreement with Hardman Petroleum Africa NL and Energy Africa Uganda Limited (the "**Area 2 PSA**"). Due to the Group's acquisition of these two entities, the parties to the Area 2 PSA are now Tullow Uganda Operations Pty Ltd, Total Uganda and CNOOC Uganda Ltd (the "**Licencees**").

Five production licences were issued on 30 August 2016 with respect to Exploration Area 2. Each licence has a term of 25 years, and the Area 2 PSA is an integral part of each licence. A production licence issued under the Area 2 PSA may be renewed for a further period of up to five years.

The Area 2 PSA provides that if, during the term of an exploration licence, a discovery is made which could be developed and brought into early production to satisfy domestic consumption requirements in Uganda, the Government and the Licencees shall meet to determine if such development and production would be economically and technically feasible and, if feasible, the Government of Uganda would purchase production at the market rate. Early production under the Area 2 PSA and the other Uganda PSAs described below has not occurred and is not projected to occur.

The Government of Uganda is entitled to receive a royalty on gross daily production on a scale ranging from 5 per cent. to 12.5 per cent. based on production volume.

The Licencees are entitled to recover certain costs incurred in exploration, development and production operations as cost petroleum after the deduction of the royalty. Such recovery right is limited to 60 per cent. of oil production and 70 per cent. of natural gas production per year in each case after royalty deductions with unrecovered costs rolled forward for possible recovery in subsequent years. Following cost recovery in any year, the remaining production is profit oil to be divided among the Licencees and Government of Uganda in a manner in which the Government receives 40 per cent. to 65 per cent. depending upon production volume.

The Licencees are obliged to pay income taxes in addition to any royalties.

The Government, or its nominee Uganda National Oil Company Limited, may exercise a back-in right of up to a 15 per cent. participating interest, in which case the Licencees will carry the Government's (or its nominee's) share of costs, including any past exploration costs, (which are cost recoverable). This back-in right is set out in each of the five production licences which have been issued in respect of Exploration Area 2, however, the Government of Uganda has not yet formally exercised this right.

The Area 2 PSA gives the Licencees the right to transport petroleum to an ocean port. To implement this provision, the contract entitles the Licencees to construct, operate and maintain an export pipeline, pumping stations, storage and related seaboard terminal facilities. Further, given that Uganda is landlocked, the Government agrees to assist the Licencee in negotiating rights of way and other conditions relating to the construction, operation and maintenance of such facilities in relevant neighboring countries. The construction, operation and maintenance of such facilities, including responsibility for transporting petroleum, may be given to a separate pipeline company, which will charge a transportation tariff.

The Licencees are entitled to purchase at the market rate: (i) the Government's (or its nominee's) entitlement to production, and (ii) subject to Ugandan domestic supply requirements or government sales, the government's profit oil take. The Government may purchase the Licencees' share of crude oil at the market rate to satisfy domestic supply requirements which will be calculated as per the formula in the Area 2 PSA. The Area 2 PSA further provides that if there is early production (as described above), such Government purchase will reduce the Licencees' subsequent obligation to supply crude oil for domestic supply requirements.

Joint operating agreement

On 21 February 2012, Tullow Uganda Operations Pty Ltd, Total Uganda and CNOOC Uganda Ltd entered into a joint operating agreement (the "**Area 2 JOA**") with the Group designated as operator.

The Area 2 JOA establishes an operating committee made up of one representative (and one alternate representative) from each party. The following decisions require the unanimous vote of the parties: (i) unitisation of the contract area; (ii) amendment or voluntary termination of the Area 2 PSC, the Area 2 JOA or agreements pertaining to them; and (iii) voluntary relinquishment of any part of the contract area. The following decisions require the affirmative vote of two or more parties, which are not affiliates, holding collectively over 80 per cent. of the participating interests: (i) approval of a development plan; (ii) determination that a discovery is a commercial discovery; and (iii) approval of work programs and budgets. All other operating committee decisions require the affirmative vote of two or more parties, which are not affiliates, holding collectively over 55 per cent. of the participating interests.

Parties may assign a participating interest, but assignments are subject to receipt of government consent and the consent of each co venturer. Further, co-venturers have pre-emption rights on any sale of such interests.

Exploration Area 1

Production sharing agreement

On 1 July 2004, the Government of Uganda, acting through the Ministry of Energy and Mineral Development, entered into a production sharing agreement with Heritage Oil and Gas Limited and Energy Africa Uganda Limited (the "**Area 1 PSA**"). Due to the Group's acquisition of shares in Energy Africa Uganda Limited and Heritage Oil and Gas Limited's interest in the Area 1 PSA, the parties to the Area 1 PSA are now Tullow Uganda Ltd, Total Uganda and CNOOC Uganda Ltd (the "**Licencees**").

Three production licences were issued on 30 August 2016 with respect to Exploration Area 1, with production licence applications for the Jobi East and Mpyo fields still pending. Each licence has a term of 25 years, and the Area 1 PSA is an integral part of each licence. A production licence issued under the Area 1 PSA may be renewed for a further period of up to 5 years.

The material terms of the Area 1 PSA are substantially similar to those of the Area 2 PSA, other than with respect to those matters set out below.

Royalties on natural gas are expected to be negotiated (within agreed parameters) on the discovery of gas. Profit oil will be divided in a manner in which the Government of Uganda receives 45 per cent. to 67.5 per cent. depending upon production volume.

The Government, or its nominee Uganda National Oil Company Limited, may exercise a back-in right of up to a 15 per cent. participating interest, in which case the Licencees will carry the Government's (or its nominee's) share of costs from development to production (which are cost recoverable). This back-in right is set out in each of the three production licences which have been issued in respect of Exploration Area 1, however, the Government of Uganda has not yet formally exercised this right.

Joint operating agreement

On 21 February 2012, Tullow Uganda Ltd, Total Uganda and CNOOC Uganda Ltd entered into a joint operating agreement with respect to the Area 1 PSA (the "**Area 1 JOA**") with Total designated as operator. The material terms of the Area 1 JOA are substantially similar to those contained in the Area 2 JOA.

Exploration Area 1A

Production sharing agreement

On 3 February 2012, the Government of Uganda, acting through the Ministry of Energy and Mineral Development, entered into a production sharing agreement with Tullow Uganda Limited (the "**Area 1A PSA**"). The parties to the Area 1A PSA are now Tullow Uganda Ltd, Total Uganda and CNOOC Uganda Ltd (the "**Licencees**").

For the Area 1A PSA to remain in effect, a valid exploration licence or production licence covering all or part of the contract area needs to have been awarded. A production licence issued under the Area 1A PSA will have a 25 year term, and may be renewed for a further period of up to five years.

The material terms of the Area 1A PSA are substantially similar to those contained in the Area 2 PSA, other than with respect to those matters set out below.

The Government is entitled to receive an additional royalty as a percentage of the value of recovered reserves calculated on the basis of gross total daily production in boepd on a scale ranging from 2.5 per cent. to 15 per cent. depending on production volume. An additional royalty is payable on gas sold locally or exported, and is calculated by reference to the volume of gas sold on a scale ranging from 2.5 per cent. to 15 per cent. according to recovered cumulative gas sales ranging from less than 300 bcf to more than 2 tcf.

Royalties (other than the additional royalty) on natural gas are expected to be negotiated on the discovery of gas. The Licencees' entitlement to cost recovery is calculated after both the royalty and the additional royalty are deducted. Following cost recovery in a year, the remaining production is profit oil to be divided between the Government and the Licencee. The profit oil split under the Area 1A PSA follows the same percentage split as the Area 1 PSA.

The Licencees are entitled to purchase at the market rate (i) the Government's (or it's nominee's) entitlement to production and (ii) subject to Ugandan domestic supply requirements or government sale, the Government's production share. The Government may purchase, at market rates, the Licencees' share of crude oil at the market rate to satisfy domestic supply requirements.

The Government of Uganda has not yet exercised its back-in rights.

Joint operating agreement

On 21 February 2012, Tullow Uganda Ltd, Total Uganda and CNOOC Uganda Ltd entered into a joint operating agreement (the "**Area 1A JOA**") with Total designated as operator. The material terms of the Area 1A JOA are substantially similar to those in the Area 2 JOA.

Kingfisher Discovery Area

Production sharing agreement

On 8 September 2004, the Government of Uganda, acting through the Ministry of Energy and Mineral Development, entered into a production sharing agreement with Heritage Oil and Gas Limited and Energy Africa Uganda Limited (the "**Kingfisher PSA**"). The parties to the Kingfisher PSA are now Tullow Uganda Ltd, Total Uganda and CNOOC Uganda Ltd (the "**Licencees**").

A production licence was issued on 3 February 2012 with respect to the Kingfisher Discovery Area. The licence has a term of 25 years, and the Kingfisher PSA is an integral part of such licence. A production licence issued under the Kingfisher PSA may be renewed for a further period of up to five years. On 16 September 2013, the Government approved the production licence application for the Kingfisher Discovery Area, subject to certain conditions.

The Government, or its nominee Uganda National Oil Company Limited, may exercise a back-in right of up to a 15 per cent. participating interest, in which case the Licensees will carry the Government's (or its nominees) share of costs from production to development (which are cost recoverable). This back-in right is set out in each production licence, however, the Government has not yet formally exercised this right.

The material terms of the Kingfisher PSA are substantially similar to those in the Area 2 PSA, other than with respect to those matters set out below.

Royalties on natural gas are expected to be negotiated on the discovery of gas. The cost recovery cap is 65 per cent. of oil production and 70 per cent. of natural gas production per year, in each case after deducting royalties with unrecovered costs rolled forward for possible recovery in subsequent years. Following cost recovery in any year, the remaining production will be profit oil to be divided among the Licencees and Government of Uganda in a manner in which the Government receives 43.5 per cent. to 66 per cent. depending upon production volume.

Joint operating agreement

On 21 February 2012, Tullow Uganda Ltd, Total Uganda and CNOOC Uganda Ltd entered into a joint operating agreement (the "**Kingfisher JOA**") with CNOOC designated as operator. The material terms of the Kingfisher JOA are substantially similar to those contained in the Area 2 JOA.

The parties each hold a one third participating interest in each of the Uganda contract areas subject to the exercise by the Government of its back-in rights and to completion of the Group's farm-down to Total Uganda.

Kenya

Block 10BB

Production sharing contract

On 25 October 2007, the Government of Kenya and Africa Oil Turkana Limited (formerly the Turkana Drilling Consortium (Kenya) Limited) entered into a production sharing contract for Block 10BB ("**10BB PSC**").

Tullow Kenya B.V. ("**Tullow Kenya**") became a party to the 10BB PSC with an effective date of 1 July 2010 after acquiring a 50 per cent. interest in the rights and obligations of the Contractor from Africa Oil Turkana Limited pursuant to a farm-out agreement. In 2015, Maersk Oil Exploration International K2 Limited became a party to the 10BB PSC pursuant to a farm-out agreement with Africa Oil Turkana Limited dated 6 November 2015. Africa Oil Turkana Limited, Tullow Kenya and Maersk Oil Exploration International K2 Limited together currently constitute the "Contractor" for the purposes of the 10BB PSC.

The 10BB PSC provided for an initial exploration period of three years, which was then extended by 18 months pursuant to (i) a 12-month extension dated 13 July 2009; and (ii) a further 6 month extension dated 30 November 2011, until July 2012. The 10BB PSC provides for a first additional exploration period of two years, which the Contractor entered into upon expiry of the extension of the initial exploration period. The first additional exploration period was extended for one year pursuant to an extension dated 11 July 2014, until 25 July 2015. The 10BB PSC Also provides for a second additional period of two years, which the Contractor entered into upon expiry of the extension of the first additional extension period. The parties are currently in the second additional exploration period that expires on 18 September 2020 pursuant to an extension letter dated 14 July 2016.

Once a commercial discovery is made, the 10BB PSC will, with respect to a development area, continue for a 25 year term from the date a development plan has been adopted by the Government of Kenya.

The 10BB PSC requires the Contractor to comply with all income tax laws in Kenya, although the Government of Kenya agrees to pay and discharge such taxes on behalf of the Contractor. The Contractor is also obliged to pay annual surface fees ranging from $5 per km^2 to $30 per km^2 depending on the phase of exploration and/or development and production, with the highest fee being charged during the development and production period.

The Contractor surrendered 30 per cent. of the original contract area at the end of the initial exploration period, as required under the 10BB PSC, and surrendered a further 30 per cent. of the remaining contract area at the end of the first additional exploration period.

During the exploration periods, the Contractor is obliged to furnish the Government of Kenya with a 15 per cent. bank guarantee and 85 per cent. parent company guarantee in respect of the minimum exploration and work obligations. The minimum work programme for the second additional exploration period is $25,000,000.

Domestic supply obligations apply in respect of the Contractor's share of crude oil. The quantity of crude oil which the Contractor is obliged to supply to the domestic market in Kenya is determined quarterly by reference to the portion that the Contractor's production bears to overall crude oil production in Kenya.

The Government of Kenya is required to pay the Contractor the average for arm's length sales of crude oil produce for the same area during that time or if no sales at that time fair market price for crude oil purchased for domestic consumption.

The Government of Kenya has a participation/back-in right of up to a 20 per cent. participating interest during exploration (where such interest is carried by the Contractor) and development (where costs applicable to such interest will be funded by the Government of Kenya).

The Contractor is obliged, where possible, to employ Kenyan citizens, and give preference to Kenyan goods and services, in the context of its petroleum operations subject to the local content being comparable with non-Kenyan materials and services in terms of price and quality. The Contractor is further obliged to contribute specified amounts of between $100,000 and $1,000,000 per year depending on the phase of exploration and/or development and production, with the highest fee being charged during the development and production period to a Government of Kenya-established industry training fund.

The Contractor is entitled to recover its petroleum costs (i.e., costs and expenditures incurred by the Contractor in exploration, development and production) up to an annual cap of 55 per cent. of all crude oil produced and saved from the development area(s) in the applicable fiscal year. Capital expenditure incurred in a development area is recoverable at a rate of 20 per cent. per annum. Following cost recovery, the remainder of production is then shared between the Government of Kenya and the Contractor based on percentage splits determined by reference to the average daily production (with the Government of Kenya percentage share increasing at higher production rates and the Contractor receiving between 45 per cent. and 22 per cent. of total production). Where the value of crude oil exceeds $50 per barrel (calculated on certain FOB delivery terms), the Contractor is required to pay the Government of Kenya a "Second Tier Amount". Such amount is calculated in accordance with a formula based on the value of the crude oil and the Contractor's share of profit oil.

The 10BB PSC provides that in the event there is a change in law which substantially affects the economic benefits of the parties under the contract, the parties are required to make necessary adjustments to the relevant contractual provisions.

Joint operating agreement

Effective 1 July 2010, Africa Oil Turkana Limited assigned a 50 per cent. participating interest in Block 10BB to Tullow Kenya and Tullow Kenya became a party to the Joint Operating Agreement for Block 10BB, such agreement being effective as at 9 December 2009 (the "**10BB JOA**") alongside Africa Oil Turkana Limited (30 per cent.) and Lion Energy Kenya (10BB) N.V. (20 per cent.). On 29 July 2010, Lion Energy Kenya (10BB) N.V. and Africa Oil Turkana Limited entered into an amending agreement in respect of an existing farmout agreement in order to have the effect of reducing Lion Energy Kenya (10BB) N.V.'s interest in Block 10BB from 20 per cent. to 10 per cent. On 24 June 2011, Africa Oil Corp acquired Lion Energy Ltd and Lion Energy Kenya (10BB) N.V. assigned its 10 per cent. participating interest in Block 10BB to Africa Oil Turkana Limited. In 2015, Africa Oil Turkana Limited assigned 25 per cent. of its interest to Maersk Oil Exploration International K2 Limited ("**Maersk K2**"), pursuant to a farm-out agreement dated 6 November 2015 and thus Maersk K2 became a party to the 10BB JOA. The parties' current participating interests under the Block 10BB JOA effective 31 March 2015 are as follows:

Party	PI in 10BB
Tullow Kenya	50.00%
Africa Oil Turkana Limited	25.00%
Maersk Oil Exploration International K2 Limited	25.00%
Total	100.00%

Under the 10BB JOA, Tullow Kenya is designated as the operator.

The 10BB JOA establishes an operating committee to supervise and direct the joint operations conducted by the operator. The operating committee is comprised of one representative and one alternate representative appointed by each party holding a participating interest. Decisions, approvals and actions of the operating committee require the affirmative vote of representatives of the parties holding collectively at least 60 per cent. of the participating interests (other than certain specified matters requiring unanimous approval).

The parties indemnify the operator from all liabilities incurred by the operator in the conduct of the joint operations save for gross negligence or willful misconduct by senior supervisory personnel of the operator.

The 10BB JOA requires the operating committee to approve Authorisations for Expenditure ("**AFEs**") for line items in excess of $0.5 million (in an exploration/appraised phase) or $5.0 million (in a development and production phase). It also requires approval of contract awards to affiliates, where the contract sum exceeds $100,000,000 in any 12 month period.

Restrictions apply to transfers of participating interests. A transfer resulting in a party holding less than a 10 per cent. participating interest is not permitted. Further, any proposed transfer to a third party requires the prior written consent of the non-transferring parties (such consent only to be denied on financial or technical capability grounds) and the non-transferring parties will have a right of first negotiation (both at asset level and on a change of control) in respect of such transfer.

Block 13T

Production sharing contract

On 17 September 2008, the Government of Kenya and Platform Resources Inc. ("**Platform**") entered into a production sharing contract for Block 13T ("**13T PSC**").

Tullow Kenya became a party to the 13T PSC on 16 February 2011 after acquiring a 50 per cent. interest in the rights and obligations of the Contractor from Africa Oil Kenya B.V. pursuant to a farm-out agreement. In 2015, Maersk Oil Exploration International K3 Limited became a party to the 13T PSC pursuant to a farm-out agreement with Africa Oil Kenya B.V. dated 6 November 2015. Africa Oil Kenya B.V., Tullow Kenya and Maersk Oil Exploration International K3 Limited together currently constitute the "**Contractor**" for purposes of the 13T PSC.

The 13T PSC provided for an initial exploration period of three years, which was extended by nine months until 17 September 2012 pursuant to a letter dated 27 July 2011. The 13T PSC provides for a first additional exploration period of two years, which the Contractor entered into, upon expiry of the extension of the initial exploration period. The first additional exploration period was extended pursuant to an extension dated 11 July 2014, until 18 September 2015. The PSC also provides for a second additional exploration period of two years, which the Contractor entered into upon expiry of the first additional exploration period. The parties are currently in the second additional exploration period which expires on 18 September 2020 pursuant to an extension letter dated 14 July 2016.

The 13T PSC contemplates a 25 year development and production period once a commercial discovery is made and a development plan has been adopted by the Government of Kenya.

The 13T PSC requires the Contractor to comply with all income tax laws in Kenya, although the Government of Kenya agrees to pay and discharge such taxes on behalf of the Contractor. The Contractor is also obliged to pay annual surface fees ranging from $2 per km^2 to $50 per km^2 depending on the phase of exploration and/or development and production.

The Contractor surrendered 25 per cent. of the original contract area at the end of the initial exploration period, and is obliged to surrender a further 25 per cent. of the remaining contract area at the end of the first additional exploration period.

During the exploration periods, the Contractor is obliged to furnish the Government of Kenya with bank and parent company guarantees in respect of the minimum exploration and work obligations. The minimum work programme for the second additional exploration period is $21,000,000.

Domestic supply obligations apply in respect of the Contractor's share of crude oil, with the Government of Kenya to pay the Contractor full market price for such domestic supplies. The quantity of crude oil which the Contractor is obliged to supply to the domestic market in Kenya is determined quarterly by reference to the portion that the Contractor's production bears to overall production of all contractors in Kenya.

The Government of Kenya, either itself or through a nominee (including the National Oil Company of Kenya), has a participation/back-in right of up to 22.5 per cent. during exploration (carried by the Contractor until such time as the Government elects to convert its participating interest to a full working interest in accordance with the 13T PSC then the parties shall agree to make the necessary adjustments to the 13T PSC, observing the principle of the mutual economic benefits of the parties) and development (to be funded by the Government of Kenya).

The Contractor is obliged to employ Kenyan citizens, and give preference to Kenyan goods and services, in the conduct of its petroleum operations subject to the local content being comparable in terms of price and quality. The Contractor is further obliged to contribute specified amounts to a Government of Kenya-established industry training fund of between $40,000 to $100,000 depending on the phase of exploration and/or development and production, with the highest fee being charged during the development and production period.

The Contractor is entitled to recover its petroleum costs (i.e., costs and expenditures incurred by the Contractor in exploration, development and production.) up to an annual cap of 65 per cent. of all crude oil produced and saved from the development area(s) in the applicable fiscal year. Capital expenditure incurred in a development area is recoverable at a rate of 20 per cent. per annum. Following cost recovery, the remainder of production is then shared between the Government of Kenya and the Contractor based on percentage splits determined by reference to the average daily production (with the Government of Kenya percentage share increasing at higher production rates and the Contractor recovering between 50 per cent. and 25 per cent. of total profit oil). When the value of crude oil exceeds $50 per barrel (calculated on certain FOB delivery terms), the Contractor is required to pay the Government of Kenya a "Second Tier Amount". Such amount is calculated in accordance with a formula based on the value of the crude oil and the Contractor's share of profit oil.

The 13T PSC provides that in the event there is a change in law which substantially affects the economic benefits of the parties under the contract, the parties are required to make necessary adjustments to the relevant contractual provisions.

Joint operating agreement

A Joint Operating Agreement for Block 13T (the "**13T JOA**") was entered into on 26 January 2011 between Africa Oil Kenya B.V. and Tullow Kenya. In 2015, Africa Oil Turkana Limited assigned 25 per cent. of its interest to Maersk Oil Exploration International K3 Limited ("**Maersk K3**"), pursuant to a farm-out agreement dated 6 November 2015 and Maersk K3 became a party to the 13T JOA.

The parties' current participating interest in the 13T JOA are as follows:

Party	PI in 13T
Tullow Kenya	50.00%
Africa Oil Kenya B.V.	25.00%
Maersk Oil Exploration International K3 Limited	25.00%
Total	100.000%

Under the 13T JOA, Tullow Kenya is designated as operator.

The 13T JOA establishes an operating committee to supervise and direct the joint operations. The operating committee is comprised of one representative and one alternative representative appointed by each party holding a participating interest. Decisions, approvals and actions of the operating committee require the affirmative vote of representatives of the parties holding collectively at least 70 per cent. of the participating interests whilst others require unanimity.

The parties indemnify, to the extent of their participating interest, the operator from all liabilities incurred by the operator in the conduct of the joint operations save for gross negligence or willful misconduct by senior supervisory personnel of the operator.

The 13T JOA requires the operating committee to approve authorisations for expenditure for line items in excess of $0.5 million to $5.0 million depending on the particular phase of exploration, appraisal, development and production. The 13T JOA also requires approval of contract awards to affiliates, where the contract sum exceeds $500,000 in any 12 months.

Restrictions apply to transfers of participating interests. A transfer resulting in a party holding less than a 10 per cent. participating interest is not permitted. Further, any proposed transfer to a third party requires the prior written consent of the non-transferring parties and the non-transferring parties will have a right of first negotiation (both at asset level and on a change of control) in respect of such transfer.

PART 5

CERTAIN REGULATORY REGIMES

The Group's main assets are located in Ghana, Uganda and Kenya. This Part 5 discusses the main features of the applicable regulatory regimes in those countries.

1. Ghana

As with most of the country's extractive industrial sectors, Ghana has numerous laws that govern the oil and gas industry, with some laws being industry specific and others being of general application which impact the industry.

1.1. Specific laws and regulations impacting the oil and gas industry

There are a variety of laws governing the oil and gas industry in Ghana. The Ghana National Petroleum Corporation Law, 1983 (PNDCL 64) gives the Ghana National Petroleum Corporation (the "**GNPC**") the right to development of the oil sector, oil exploration and production. The Petroleum (Exploration and Production) Act 2016 (Act 919) places the overall authority of the hydrocarbons sector with the Ministry of Petroleum, although the GNPC continues to do administrative and promotional work including attracting foreign investors. Additionally, the National Petroleum Authority Act, 2005 (Act 691) regulates, oversees and monitors activities in the downstream petroleum industry. Further, the Energy Commission Act, 1997 (Act 541) established the Energy Commission. The object of the Energy Commission is to regulate and manage the energy resources in Ghana and coordinate energy policies. The Energy Commission aids in establishing, and enforcing, standards of performance for public utilities engaged in the transmission, wholesale supply, distribution and sale of electricity and natural gas, and promotes and ensures uniform rules of practice for the transmission, wholesale supply, distribution and sale of electricity and natural gas. Finally, the Petroleum Commission Act, 2011 (Act 821) established a petroleum commission (as described below) as the upstream petroleum regulatory authority in Ghana.

On 19 November 2013, the Ghanaian Parliament passed the Petroleum (Local Content and Local Participation) Regulations. The legislation was publicly reported in local media as being designed to create jobs and increase the use of local businesses, goods, services, and financing in the Ghanaian oil sector. In particular, the legislation requires a minimum five per cent. local equity ownership in Ghanaian petroleum agreements and licences and a minimum ten per cent. local equity ownership in any non-Ghanaian company providing goods and services to oil companies. In addition, the law provides that a specified percentage of managerial and technical employees must be Ghanaian and that Ghanaian companies receive first consideration and preference in supplying goods and services to operators in the Ghanaian oil sector. The requirements set out in the legislation must be met within five years (i.e. by November 2018). Enhanced requirements under this legislation are scheduled to apply after ten years (i.e. by November 2023). Penalties for non-compliance include personal liability for fines and/or imprisonment. Oil companies are required to provide a local content plan and an annual performance report and submit a quarterly forecast on all contracts over $100,000. The Petroleum Commission has also passed the Petroleum Commission (Fees and Charges) Regulation, 2015 (LI 2221) which sets out a variety of fees for undertaking specified activities in the oil and gas sector in Ghana.

Other relevant legislation includes the Ghana Investment Promotion Centre Act 2013 (Act 865) which affects companies engaged in the oil and gas sector, particularly oil and gas service companies. It stipulates minimum capital requirements for non-Ghanaian investors as well as a minimum equity threshold for Ghanaians of ten per cent.

1.2. Roles of various government agencies

The Ghanaian Ministry of Petroleum (the "**Ministry**") has the overall responsibility for providing policy direction for the energy sector. It is also responsible for creating and implementing general policies for the energy sector. While day to day operating, management and regulation of the petroleum sector is mainly delegated to the GNPC, Ghana National Gas Company Limited and the Petroleum Commission respectively, certain matters are reserved for the Ministry such as entry into petroleum agreements (subject to parliamentary ratification) and approval of plans of development and unitisation.

The GNPC was established in 1983 as a national oil company to undertake exploration, development and production activities and to manage the upstream petroleum sector in Ghana. In recent years, the GNPC has become a commercial entity and has adopted an upstream policy and strategy of not directly engaging in exploration activities. The focus of the GNPC is to promote Ghana's exploration potential to attract foreign capital and expertise, evaluate potential investors, negotiate agreements, support direct

investment from foreign investors, approve development plans and monitor activities in the industry while still retaining the right to participate as a shareholder in commercially viable fields.

The Petroleum Commission was established by the Petroleum Commission Act 2011 (Act 821) as the regulatory body for the upstream petroleum sector in Ghana in 2011 and began functioning in 2012. The Petroleum Commission took over day to day regulation of the sector from the GNPC. The Petroleum Commission regulates and monitors the management and utilisation of Ghana's upstream petroleum resources on behalf of the government. Its role is to ensure optimal utilisation of existing and planned petroleum infrastructure and to ensure that contractors, subcontractors and other persons involved in petroleum activities comply with the applicable laws and regulations. The Petroleum Commission also has a mandate to assess and approve appraisal programmes and to advise the Ministry on matters related to petroleum activities, including plans of development, plans for the development of petroleum infrastructure and decommissioning plans for petroleum fields and petroleum infrastructure.

Ghana National Gas Company Limited is a mid stream gas company, which is wholly owned by the Government of Ghana, and was set up to build, own and operate the infrastructure required for the gathering, processing, transporting and marketing of natural gas resources in the country. The National Petroleum Authority was established in 2005 and is responsible for the regulation of the downstream oil and gas sector in Ghana to ensure efficiency, growth and stakeholder satisfaction.

1.3. Fiscal regime

The Petroleum Income Tax Act 1984 (PNDC Law 188) established the tax system for petroleum production in Ghana. It provides that income tax shall be assessed on gross income after deductions of certain expenses incurred in petroleum operations.

The petroleum agreements entered into by contractor entities with the Government of Ghana (based on a model petroleum agreement) provide that contractors will be subject to taxes, duties, fees or other imposts of a minor nature. However, such agreements do not generally define the term "minor nature" and, in some cases, this has led to disputes regarding certain contractor's total tax liabilities.

1.4. Licencing and contractual framework

Contractors often enter into farm-out agreements to acquire an interest in another contractor's petroleum agreement mainly with the aim of diversifying risk. These transactions may have various tax implications such as VAT, corporate income tax and capital gains tax. However, each farm-out agreement needs to be analysed against the framework of the applicable joint venture accounting standards in order to determine which (if any) specific taxes apply.

Companies in Ghana, including those in the oil and gas sector, are required by law to file their annual returns with the Companies Registry four months after their year end. The annual returns should be filed with the audited accounts of the company. Returns are required to be filed even if no activities are conducted during a year of assessment or production has not commenced. Penalties may apply for non compliance. In addition to this, quarterly returns are required by the Petroleum Income Tax Act to be filed when production of oil commences.

1.5. Foreign exchange controls

On 5 February 2014, the Ghanaian central bank introduced a series of foreign exchange controls, including revised regulations on foreign exchange accounts, foreign currency accounts and repatriation of export proceeds.

In 2016, the Bank of Ghana further amended the foreign exchange controls to stabilise the Ghanaian cedi. In February 2016, it introduced measures to strengthen the Ghanaian cedi against major foreign currencies including prohibiting commercial banks and other financial institutions from issuing cheques and cheque books on foreign exchange accounts ("**FEAs**") and foreign currency accounts ("**FCAs**"). The Bank of Ghana also directed that banks in the country should not grant a foreign currency denominated loan or a foreign currency linked facility to a customer who is not a foreign exchange earner.

Subsequent revisions to the rules on foreign exchange operations have been made including: (a) a limit of $1,000 on over the counter foreign exchange cash withdrawal has been removed; (b) exporters are required to continue to repatriate in full export proceeds in accordance with the terms agreed between trading parties (such proceeds to be credited to their FEAs and converted on an as needs basis); (c) FEAs and FCAs shall be operated as they were prior to February 2014; (d) except for the prohibition on transfers between FEAs and FCAs, all other transfers between accounts shall be permitted; (e) FCAs shall be fed only with unrequited transfers from abroad for investment or embassy transfers and FEAs

shall be fed with foreign exchange generated from activities in Ghana such as proceeds from exports of goods and services; (f) the threshold for transfers abroad without initial documentation remains at $50,000, however, where documentation in respect of a transfer remains outstanding, any subsequent import transaction by an importer, irrespective of value, shall only be made on following provision of the documentation required for the current import transaction; (g) importers who use non-cash transfers may continue to accumulate balances of up to $50,000 to meet their legitimate needs abroad subject to the necessary documentation requirements; (h) foreign currency denominated loans may be granted by resident banks to their customers subject to their own internal procedures and processes and in compliance with the risk management guidelines of the Bank of Ghana; and (i) cheques and cheque books may be issued by banks to holders of FEAs and FCAs.

The Bank of Ghana has reiterated that the Ghanaian cedi remains the sole legal tender in Ghana and that any pricing, advertising, invoicing and receiving and making payments for goods and services should be done in Ghanaian cedi, unless otherwise authorised by the Bank of Ghana.

1.6 Environmental Regime

The Environmental Protection Agency ("**EPA**") is responsible for the enforcement of the environmental laws of Ghana. In enforcing these laws, the EPA ensures that the exploration and development of oil is undertaken in an environmentally friendly manner. The primary environmental laws governing Tullow's operations in Ghana are the Environmental Protection Agency Act 1994 (Act 490) (the "**EPA**") and the Environmental Assessment Regulations 1992 (L.I. 1652), as amended.

Under these laws, Tullow is required to conduct an environmental impact assessment. Amongst other things, the assessment takes account of technology intended to be used, land use, the concerns of the general public, the environmental, health and safety impact of the undertaking and a commitment to avoid any adverse environmental effects upon the implementation of a project. Other aspects of Tullow's operations which require compliance with environmental laws, and which are regularly monitored by the EPA, include levels of flaring, discharge of waste into the seabed and treatment of waste.

The EPA is in the process of enacting regulations specifically for offshore oil and gas operations. The proposed Offshore Environmental Regulations 2015 are presently receiving input from various stakeholders. When passed, the regulations are intended to control pollution resulting from petroleum exploration and the exploitation of Ghana's continental shelf, seabed and subsoil.

The Factories, Offices and Shops Act 1970 (Act 328) aims to protect the health of employees and to ensure safety of workplaces. Amongst other things, this Act regulates removal of dust or fumes, the level of noise and vibrations and the notification of accidents and dangerous occurrences to the appropriate authorities.

The Fisheries Act 2002 (Act 625) prohibits the pollution of fishery waters and imposes a penalty for non-compliance.

The Oil in Navigable Waters Act 1964 (Act 235) (the "**1964 Act**") sets out the regime for the pollution of Ghanaian waters by oil. It also codifies provisions of the International Convention for the Prevention of Pollution of the Sea by Oil of 1954 into Ghanaian law. Whilst the 1964 Act has been repealed by the Marine Pollution Act 2016 (the "**2016 Act**"), any rights accrued under the 1964 Act may remain enforceable against a defaulting party. The 2016 Act empowers the Ghana Maritime Authority to regulate marine pollution. The 2016 Act consolidates the previous legislation in this area and incorporates major international marine pollution conventions that Ghana has ratified and/or adheres to.

1.7 Back-in Rights

All petroleum agreements grant the GNPC an initial carried interest, of negotiable percentage, in all petroleum operations carried out under the agreement. This initial interest is carried for exploration and development operations, but is a paying interest for production operations. Any petroleum agreement must give the GNPC an option, within 90 days of a commercial discovery being declared, to acquire a further percentage interest in the discovery from the corporation or contractor. This further percentage is subject to negotiation. The GNPC is required to fund its share of costs relating to its additional interest.

1.8 Decommissioning

The Petroleum (Exploration and Production) Act 2016 ("**PEP**") provides that a corporation or contractor shall, in accordance with regulations and best international techniques and practice, submit to the relevant authorities a development plan, including a decommissioning plan, in respect of any petroleum field to be developed directly by the corporation or contractor. The PEP also imposes an obligation on

corporations or contractors to restore areas affected by their petroleum operations after they terminate those operations. They are expected to remove any causes of damage or danger to the environment in accordance with regulations and to carry out decommissioning in accordance with the approved development and decommissioning plan.

Corporations or contractors are expected to establish a decommissioning fund no later than 90 days after the approval of their development plan by the sector minister. The fund must contain sufficient funds for decommissioning and must not be disbursed for any purpose that is not in connection with decommissioning. There is, however, no distinction between decommissioning and abandonment.

Additionally, the Petroleum (Exploration and Production) Act 1984 (P.N.D.C.L. 84) requires that, after the termination of petroleum operations, steps are taken to restore any affected areas, remove all unnecessary equipment that could be the cause of damage or danger to the environment, plug or close off abandoned wells and conserve and protect natural resources. This law was repealed by the PEP but its provisions continue to apply due to Tullow's accrued rights.

2. Uganda

Uganda has numerous laws that govern the oil and gas industry, with some laws being industry specific, and others being of general application which impact the oil and gas industry.

2.1. Specific laws and regulations impacting the oil and gas industry

The Ugandan constitution is the supreme law of Uganda. The constitution empowers Parliament to make laws regulating the exploitation of minerals, the sharing of royalties arising out of mineral exploitation, the conditions for payment of indemnities arising out of exploitation of minerals and the conditions regarding the restoration of derelict lands.

The Petroleum (Exploration, Development & Production) Act 2013 (the "**Upstream Act**") has been in effect since 5 April 2013. The purpose of the Upstream Act included establishing an effective legal framework and institutional structures to ensure that the exploration, development and production of petroleum resources of Uganda is carried out in a sustainable manner, creating a conducive environment for the efficient management of petroleum resources of Uganda and establishing institutions to manage the petroleum resources and regulate petroleum activities.

To supplement the Upstream Act, on 24 June 2016, four Upstream Regulations were published, namely: the Petroleum (Exploration, Development and Production) Regulations, 2016, the Petroleum (Exploration, Development and Production) (National Consent) Regulations, 2016, the Petroleum (Exploration, Development and Production) (Metering) Regulations, 2016 and the Petroleum (Exploration, Development and Production) (Health, Environment and Safety) Regulations, 2016. These new regulations revoked the Petroleum (Exploration and Production) (Conduct of Exploration Operations) Regulations (S.I. 150 1).

The Petroleum (Refining, Conversion, and Transmission & Midstream Storage) Act 2013 (the "**Midstream Act**") has been in effect since 26 July 2013. The purpose of this Act is to operationalise the National Oil and Gas Policy of Uganda by establishing a legal framework to ensure that midstream oil and gas operations in Uganda are carried out in a sustainable manner that guarantees optimum benefits for all Ugandans, enable the development of petroleum refining, gas conversion, pipelines, transmission pipelines and midstream storage facilities and facilitate investment in midstream operations.

On 2 June 2016, three Midstream Regulations were published, to supplement the Midstream Act, namely: the Petroleum (Refining, Conversion, Transmission and Midstream Storage) Regulations, 2016, the Petroleum (Refining, Conversion, Transmission & Storage) (National Content) Regulations 2016 and the Petroleum (Refining, Conversion, Transmission & Storage) (Health, Safety & Environment) Regulations 2016.

The National Oil & Gas Policy for Uganda has been in effect since February 2008. This policy document is intended to guide the oil and gas industry and it was put in place following the establishment of Uganda's entry into the oil and gas industry and the expected increased investment. The policy addresses the exploration, development and production of the country's oil and gas resources more comprehensively than previous policy documents. The policy contains ten objectives relating to matters such as, but not limited to, licencing, national content, institutional frameworks and the environment. The policy is not on a statutory footing, but it is put into effect through the Upstream Act and the Midstream Act.

The Petroleum Supply Act, which has been in effect since 2003, guides all downstream petroleum activities that involve the distribution, marketing, and selling of petroleum products.

2.2. Institutional framework for the oil and gas industry

The Ugandan Ministry of Energy and Mineral Development (the "**MEMD**") is charged with establishing, promoting the development of, strategically managing and safeguarding the rational and sustainable exploitation and utilisation of energy and mineral resources for social and economic development. The key roles and functions of the MEMD include providing policy guidance in the development and exploitation of mineral resources, acquiring, processing and interpreting technical data in order to establish the energy and mineral resource potential of the country, and inspecting, regulating, monitoring and evaluating activities of private companies in the energy and mineral sectors to ensure that resources are developed, exploited and used on a rational and sustainable basis.

The Upstream Act streamlined the institutional framework, which includes the Minister of MEMD, the Petroleum Authority of Uganda (the "**PAU**") and the Uganda National Oil Company (the "**UNOC**"). This change was driven by the Government's desire to separate policy, regulation and commercial aspects of the oil and gas industry. The Upstream Act allocates the policy aspects to the Minister, regulatory aspects to the PAU and commercial aspects to the UNOC. The new institutions are now in place with the PAU and UNOC Boards being inaugurated in 2015 and the executive director of PAU and the chief executive officer of UNOC being appointed in 2016.

2.3. Licencing

Uganda operates under a two tier regime, with production sharing agreements entered into between an international oil company and the Government of Uganda and licences issued by the Ministry of Energy and Mineral Developments for different phases of petroleum operations.

The Upstream Act provides for licencing through open bidding or, in exceptional circumstances, direct applications. An exploration licence is for a one year initial term subject to two renewals, with a maximum term of two years each. The appraisal term for a discovery is two years following submission of technical evaluation test results, with a possible extension of two additional years. Thereafter, and within a stipulated time, the licencee has an exclusive right to apply for a petroleum production licence which is for an initial duration of twenty years, with a possible extension of five years. However, the existing production sharing agreements stipulate an initial term of twenty five years with a possible five year extension.

2.4. Fiscal regime

The tax system in Uganda is governed by the Uganda Revenue Authority (the "**URA**") and the Ministry of Finance, Planning and Economic Development, which deals with policy development. The URA is a semi-autonomous entity that is responsible for tax policies and advising the Ministry of Finance on policy issues. Oil companies are obligated under the law and production sharing agreements to pay all central, local district, administrative or other taxes, duties, levies and other lawful impositions applicable to the licencee.

The Income Tax Act came into effect in July 1997, as amended from time to time. This Act sets out a schedule of taxation of petroleum operations. This Act provides for taxation of the production of petroleum and allows for cost oil and allowable deductible expenditures. This Act also provides the method of taxing petroleum companies in the event that a company transfers their interests to another party. Additionally, the Act prescribes accounting principles to be applied in the taxation of contractors and the taxation of cross border shared petroleum resources. Timelines for filing returns and payment of taxes are also stipulated and it is an offence which carries large fines to not furnish returns or to file inaccurate returns or to fail to make any payment or contribution by the due date.

Other tax laws that may be applicable to the Group include the Value Added Tax Act, Cap 349 (commenced on 1 July 1996), The East African Community Customs Management Act 2004 (commenced on 1 January 2005), the Tax Appeals Tribunal Act, Cap 345 (commenced on 1 August 1998), the Stamp Duty Act 2014 (which came into effect on 1 July 2014) and the Tax Procedure Code Act No. 8 of 2014 (which came into effect on 1 July 2016).

2.5. Environmental regime

The National Environmental Act (Cap 153) is the primary law regarding the protection of the environment and supersedes any other obligations, especially contracts with petroleum companies, regarding the environment. This Act establishes the National Environment Management Authority ("**NEMA**"), which is

responsible for the management of environmental issues and the sustainable management of the environment. NEMA, in consultation with other agencies, has the authority to issue guidelines and prescribe measures and standards for the management and conservation of natural resources and the environment. This Act provides for environmental monitoring, the setting of environmental standards, economic and social incentives to achieve these ends, and civil and penal sanctions to enforce these standards.

The National Environmental Act (Cap 153) is supplemented by numerous regulations including the Environmental Assessment Impact Regulations 1998, the National Environmental (Wetlands, Rivers and Lakeshores Management) Regulations No. 3 of 2000, the National Environment (Noise Standards and Control) Regulations 2003 and the National Environmental (Waste Management) Regulations 1999.

The Ugandan Government is currently reviewing the environmental regime, including the National Environmental Act.

In addition to the primary laws and regulations set out above, provisions relating to the environment are also contained within the Upstream Act. Section 3 of the Upstream Act requires licencees and any other person who exercises or performs functions, duties or powers under the Upstream Act in connection with petroleum activities to comply with environmental principles and safeguards as prescribed by the National Environmental Act and other applicable laws. This section also requires licencees to ensure that the management of production, transportation, storage, treatment and disposal of waste arising out of petroleum activities is carried out in accordance with environmental principles and safeguards as prescribed under the National Environment Act and other applicable laws. Other key requirements are set out in Part X of the Upstream Act which regulates liability for damage due to pollution and section 100 which sets out restrictions on flaring and gas venting. The Upstream Act is supplemented by the Petroleum (Exploration, Development and Production) (Health, Environment and Safety) Regulations 2016.

Article 24 of the production sharing agreement for EA2 (as summarised at "*Information about the Tullow Group—Material agreement relating to the Group's assets—Uganda—Exploration Area 2*" in Part 4 of this document) also contains provisions relating to the environment.

2.6. Back-in rights

The Upstream Act provides that the Government may participate in petroleum activities under the Upstream Act through a specified participating interest of a licence, contracts granted under the Upstream Act and in joint ventures established by a joint operating agreement in accordance with licences and the Upstream Act. The maximum back-in interest for the Government of Uganda in the existing licences is limited in the applicable production sharing agreements. However, in the future, the maximum Government back-in interest will be stipulated when announcing areas for granting of petroleum exploration licences by the Government.

2.7. Decommissioning

Article 24.18 of the production sharing agreement for EA2 provides that the licencee is required, on the expiration or termination of the agreement or on the relinquishment of part of the licence area, to (a) remove all equipment and installations from the licence area or relinquished area (as applicable) in a manner agreed with the Minister responsible for petroleum activities in terms of an abandonment or decommissioning plan; (b) take all action necessary to prevent hazards to human life, the property of others or the environment; and (c) take all action necessary in accordance with 'good oilfield practice' to reclaim and rehabilitate all lands disturbed by petroleum development and production.

Sections 112 to 120 of the Upstream Act also regulate decommissioning. Section 112 requires a licencee to submit a decommissioning plan to the PAU before a production licence or a specific licence to install and operate facilities expires or is surrendered, or before the use of a facility is terminated permanently. The plan is expected to contain proposals for continued production or the shut down of production, decommissioning of facilities and any other information prescribed by regulation. Section 113 provides for the establishment of a decommissioning fund to be applied to the implementation of a decommissioning. Payments into the fund are made on a quarterly basis following the occurrence of the situations specified in section 113(3), including on notice of surrender and 5 years before the expiry of the licence. The amounts deposited in the decommissioning fund are charged as operating costs subject to the costs recovery limitations stipulated in production sharing agreements or as may be provided by regulation.

2.8. Company Filings

Foreign companies must meet certain requirements for filing including on registration, on establishment of a place of business, on changes to constitutional documents and on creation of a charge over property in Uganda. Foreign companies are also required to file yearly accounts (subject to certain exemptions).

3. Kenya

The legal framework and regulation for the licencing, negotiation and conclusion of oil exploration and production in Kenya is principally set out in the Constitution of Kenya (adopted in 2010) (the "**Kenyan Constitution**") and the Petroleum (Exploration & Production) Act (Chapter 308 of the Laws of Kenya) and the regulations made under that Act.

3.1. Specific laws and regulations impacting the oil and gas industry

Under the Kenyan Constitution, the State must ensure that there is sustainable exploitation, utilisation and management of the environment and natural resources and also ensure an equitable sharing of any accruing benefits. The Kenyan Constitution also requires that all minerals and mineral oils vest in the national Government in trust for the people of Kenya. The State is also obliged to put the environment and any natural resources to use for the benefit of the people of Kenya.

The grant of any rights or concessions by or on behalf of any person, including the national government, to another person for the exploitation of any natural resource of Kenya is subject to ratification by the Kenyan parliament.

The Petroleum (Exploration & Production) Act (the "**Petroleum Act**") is the primary legislation governing exploration and production of oil and gas in Kenya. Subsidiary legislation under the Petroleum Act includes (a) the Petroleum (Exploration and Production) Regulations 1984; and (b) Petroleum (Exploration and Production) (Training Fund) Regulations 2006. The existing Production Sharing Contracts between the Government of Kenya and international oil companies have been entered into under the Petroleum Act.

Under National Energy Policy, 2015 (the "**Policy**"), the Government undertakes upstream petroleum operations through petroleum agreements which may include, production sharing contracts, concession agreements, and service contracts. In addition, the Policy provides that amongst other responsibilities, the Government must establish a regulatory agency for the upstream petroleum operations, develop mechanisms for the sharing of benefits between the national and county governments as well the local communities in accordance with the Kenyan Constitution, and undertake the required process in order to comply with the global standards set by the Extractive Industries Transparency Initiative. In addition, the Policy states that the Government shall restructure the national oil company to separate its midstream and downstream business from its upstream business with the aim of enhancing the capacity of the upstream business.

3.2. Fiscal regime

The Kenya Revenue Authority is responsible for administering taxes in Kenya.

The Income Tax Act (Chapter 470) contains specific provisions that deal with taxation of upstream activities. These include rules for determining the value of sales taxes and transfer pricing. The provisions also give guidance as to the treatment of depreciation of capital expenditure, capitalisation and loss and carry back. Timelines for filing returns and the payment of taxes are also stipulated and it is an offence, which carries large fines, not to file returns, to file inaccurate returns or to fail to make any payment or contribution by the stipulated due date. The Tax Procedures Act 2015 harmonises and consolidates the procedural rules for the administration of tax laws in Kenya.

Additionally, Kenya operates a value added tax ("**VAT**") regime. The current VAT rate is 16%. At present, exports are generally zero rated whereas imports will typically attract a VAT charge.

Production sharing contracts generally provide an exemption from VAT and customs duties on the import of goods by international oil companies and their subcontractors. However such VAT relief does not apply to the provision of services.

The East African Community Customs Management Act 2004 provides for the management and administration of the customs departments of Kenya, Uganda, Tanzania, Rwanda and Burundi (the "**East African Community Partner States**").

The Miscellaneous Fees & Levies Act 2016 provides for the imposition of duties, fees and levies on imported or exported goods and predominantly deals with the imposition of (a) export levies; (b) import declaration fees; and (c) the railway development levy. Additionally, it provides exemptions for the East African Community Partner States.

3.3. Environmental regime

The Environmental Management and Coordination (Amendment) Act 2015 and its subsidiary regulations set out requirements and procedures for conducting environmental impact assessments, auditing and environmental monitoring in Kenya. Furthermore, they establish environmental standards for water quality, noise, fossil fuel emission, and waste management and also regulate activities impacting wetlands, river banks, lake/sea shores, and the conservation of biological diversity.

The Environmental Management and Co-ordination Act 1999 (the "**EMCA**") established the National Environmental Management Authority ("**NEMA**"), the National Environment Council (the "**NEC**"), Provincial and District Environment Committees (the "**Committees**"), the National Environment Tribunal ("the **NET**") and the Public Complaints Committee (the "**PCC**"). NEMA exercises general supervision and co-ordination over all matters relating to the environment and is the principal government department for the implementation and management of all policies relating to the environment.

The NEC is responsible for formulating environmental policies. The Committees facilitate the decentralisation of environmental management and participation of local communities. The NET was established to hear appeals from the decisions of administrative bodies (e.g. NEMA and the PCC) established under the EMCA. The EMCA requires an EIA study to be conducted in respect of various projects listed in the second schedule to the EMCA, including oil and gas pipelines and management of hydrocarbons (for example, the storage of natural gas and combustible of explosive fuels).

3.4. Back-in rights

The respective production sharing contracts provide for back-in rights for the Government of Kenya.

3.5. Decommissioning

The Petroleum Act does not set out any decommissioning obligations. The existing production sharing agreements between Tullow Kenya B.V. and the Government of Kenya require that the international oil companies submit a decommissioning plan as part of their submission of a development plan. International oil companies are required to book sufficient accruals for future abandonment and decommissioning operations to cover the expenses which are expected to be incurred under the decommissioning plan. The estimated costs of abandonment and decommissioning operations shall be reviewed on an annual basis and revised, if appropriate.

PART 6

HISTORICAL FINANCIAL INFORMATION RELATING TO TULLOW

1. Incorporation by reference

The consolidated financial statements of the Group included in the Annual Report and Accounts of the Company for the financial years ended 31 December 2014, 31 December 2015 and 31 December 2016 together with the unqualified independent auditor's reports issued by Deloitte LLP in respect of those financial statements, which are available on the Company's website at www.tullowoil.com, are hereby incorporated by reference into this document. Such financial statements were prepared in accordance with IFRS.

2. Cross-reference list

The following list is intended to enable investors to identify easily specific items of information which have been incorporated by reference into this document.

Consolidated financial statements for the 2016 Financial Year and the independent auditor's report thereon

The page numbers below refer to the relevant pages of the Annual Report 2016:

Section title	Page
Independent auditor's report for the Group financial statements	109 - 115
Group income statement	116
Group statement of comprehensive income and expense	116
Group balance sheet	117
Group statement of changes in equity	118
Group cash flow statement	119
Accounting policies	120 - 125
Notes to the Group financial statements	126 - 149

Consolidated financial statements for the 2015 Financial Year and the independent auditor's report thereon

The page numbers below refer to the relevant pages of the Annual Report 2015:

Section title	Page
Independent auditor's report to the members of Tullow Oil plc	115 - 119
Group income statement	120
Group statement of comprehensive income and expense	120
Group balance sheet	121
Group statement of changes in equity	122
Group cash flow statement	123
Accounting policies	124 - 129
Notes to Group financial statements	130 - 153

Consolidated financial statements for the 2014 Financial Year and the independent auditor's report thereon

The page numbers below refer to the relevant pages of the Annual Report 2014:

Section title	Page
Independent auditor's report to the members of Tullow Oil plc	113 - 117
Group income statement	118
Group statement of comprehensive income and expense	118
Group balance sheet	119
Group statement of changes in equity	120
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PART 7

OPERATING AND FINANCIAL REVIEW OF TULLOW

This operating and financial review contains financial information that has been extracted or derived without material adjustment from the Company's annual reports and accounts for the financial years ended 31 December 2014, 2015 and 2016. The financial information set out in this Part 7 does not constitute statutory accounts for any company within the meaning of section 434 of the Companies Act.

This operating and financial review should be read in conjunction with, and is qualified in its entirety by reference to, the Group's audited consolidated financial statements for the financial years ended 31 December 2014, 2015 and 2016 which are incorporated by reference into this document as explained in Part 9 of this document. Those financial statements were prepared in accordance with IFRS. Each Shareholder and other person contemplating a purchase of New Ordinary Shares should read the whole of this document and the documents incorporated herein by reference and should not rely solely on the summary operating and financial information set out in this Part 7.

During the three financial years ended 31 December 2016 the Group sold certain non-core assets (including interests in upstream exploration and production licences and/or production sharing contracts) in the UK Southern North Sea,the Dutch Southern North Sea and the Norwegian continental shelf and on 9 January 2017 the Company announced its farm-down of certain interests in Uganda effective from 1 January 2017 (some of which transactions remain to be completed). Unless otherwise indicated, all references in this Part 7 to the Group's interests in licences, acreage under licence, commercial reserves, contingent resources, production and sales revenue include the foregoing attributable to those non-core assets which have been disposed. For more information regarding the characteristics of and results attributable to those assets, please see the section entitled "Important Information—Presentation of financial information—Sale of assets" at the beginning of this document.

Unless otherwise indicated, the oil and gas reserves data presented in this Part 7 has been audited by ERCE in accordance with SPE PRMS guidelines and definitions. Estimated oil and gas reserves presented herein may differ from estimates made in accordance with guidelines and definitions used by other companies in the oil and gas industry. See "Important Information—Presentation of certain reserves and production information" at the beginning of this document. Unless otherwise indicated, all references to production figures in this Part 7 are presented on a net to the Group's working interest basis. Where gross amounts are indicated, they are presented on a total basis (being the actual interest of the relevant licence holder in the relevant fields and licence areas without deduction for the economic interest of the Group's commercial partners, taxes or royalty interests or otherwise).

Some of the information contained in this review and elsewhere in this document includes forward looking statements about the Company's and the Directors' plans, estimates, beliefs and expectations. Forward looking statements involve inherent risks and uncertainties and speak only as at the date on which they are made. A number of important factors could cause actual results or outcomes to differ materially from those expressed in any forward looking statements. Accordingly, the results of operations for the periods discussed herein are not necessarily indicative of results that may be expected for future periods, and the Company's results of operations may not be consistent with predicted trends. Prospective investors should read the section headed "Forward looking statements" at the beginning of this document for a discussion of important factors that could cause the actual results of the Group to differ materially from the results described in the forward looking statements contained in this document. The key risks facing the Group and its business are discussed in the section of this document entitled "Risk Factors" on pages 20 to 52.

1. Overview

Tullow is a leading independent oil and gas exploration and production company focused on finding and monetising oil primarily in Africa and South America. The Company has a successful track record of basin opening exploration and monetising discovered resources, both through developments (such as low cost, high margin oil projects offshore Ghana) and through farm-downs or asset sales (such as those carried out by the Group in Uganda).

Tullow has interests in 102 licences across 18 countries, covering exploration, development and production activities.

The Group's key producing assets (the Jubilee and TEN fields) are located offshore Ghana and are operated by the Group. The Group also has non-operated producing assets in Congo (Brazzaville), Côte d'Ivoire, Equatorial Guinea, Mauritania, Gabon, the United Kingdom and the Netherlands. In addition,

the Group has material development assets in Uganda and Kenya. Tullow's exploration portfolio is focused primarily on Africa and South America.

The Group's average daily production (oil and gas) on a working interest basis for the 12 month period ended 31 December 2016 was 67,100 boepd (71,700 boepd including 4,600 bopd of production-equivalent barrels in respect of insurance payments received in relation to the Group's operations at the Jubilee field), and its net 2P reserves and net 2C resources were 303.7 mmboe and 890.2 mmboe, respectively, as at 31 December 2016, prior to the announced farm-down of a substantial portion of the Group's interests in Uganda. The Group's pro forma post Uganda farm-down net 2P reserves and net 2C resources would have been 303.7 mmboe and 569.4 mmboe, respectively, as at 31 December 2016.

The Company has reacted to the current low oil price environment by implementing a series of critical operational actions to re-set and streamline its business, including the implementation of its Major Simplification Project, the re-allocation of capital expenditure to low cost high margin producing assets in West Africa, refocusing its exploration strategy, disposals of selected non-core assets, and certain liquidity initiatives.

During the year ended 31 December 2016, the Group achieved sales revenue of $1.3 billion, gross profit of $0.5 billion, loss for the year from continuing activities before tax of $908.3 million and pre-tax operating cash flow before working capital of $0.8 billion.

Further information on Tullow's business is included in Part 4 of this Prospectus.

2. Recent developments

During November and December 2016, the Group entered into sale agreements with three separate parties in respect of the sale of the Group's remaining interests in 9 licences relating to fields in the Norwegian continental shelf. One of these sales was completed in January 2017 and the two remaining sales are expected to complete during the first half of 2017, at which stage Tullow will cease to hold any licences in respect of the Norwegian continental shelf.

On 5 January 2017, the Company announced that its Chief Financial Officer, Ian Springett, was taking an extended leave of absence in order to undergo treatment for a medical condition and that the Company had appointed Les Wood as Interim Chief Financial Officer. If required and when appropriate, the Company will commence a search for a replacement Chief Financial Officer.

On 9 January 2017, the Company announced that it had agreed a substantial farm-down of its assets in the Lake Albert Development in Uganda to Total Uganda. Under the sale and purchase agreement, the Group has agreed to transfer 21.57% of its 33.33% Uganda interests (the "**Sale Assets**") to Total Uganda for a total consideration of $900 million. Upon completion of the farm-down, the Group will have an 11.76% interest in the upstream and pipeline projects. This is expected to reduce to a 10% interest in the upstream project when the Government of Uganda formally exercises its right to back-in. Although it has not yet been determined what interests the Governments of Uganda and Tanzania will take in the pipeline project, the Group expects its interests in the upstream and pipeline projects to be aligned. The consideration is split into $200 million in cash, consisting of $100 million payable on completion of the transaction, $50 million payable at FID and $50 million payable at first oil. The remaining $700 million is in deferred consideration and represents reimbursement by Total Uganda in cash of a proportion of the Group's past exploration and development costs. The deferred consideration is payable to the Group as the upstream and pipeline projects progress and these payments will be used by the Group to fund its share of the development costs. The Group expects that the deferred consideration will exceed the Group's estimated share of pre-first oil upstream and pipeline capital expenditure of approximately $600 million. Any deferred consideration that has not been paid by first oil will be payable to the Group after first oil and used by the Group to fund post-first oil capital expenditure. Completion of the transaction is subject to certain conditions, including the approval of the Government of Uganda, after which the Group will cease to be an operator in Uganda. The disposal is expected to complete in 2017 and the commercial partners aspire to achieve FID by the end of 2017, with first oil expected to occur 3 years after FID. The Directors believe this agreement will allow the Lake Albert Development to move ahead and increases the likelihood of FID around the end of 2017. Pursuant to the terms of the joint operating agreements in relation to the Lake Albert Development, CNOOC Uganda Ltd ("**CNOOC Uganda**") (the Group's other commercial partner in the Lake Albert Development) has a right of pre-emption to acquire 50 per cent. of the Sale Assets that are the subject of the proposed farm-down on identical terms and conditions as those agreed between the Company and Total Uganda (including as to the amount, structure and timing of the consideration payable to the Group). On 16 March 2017 CNOOC Uganda exercised its right of pre-emption in respect of the Sale Assets and the Group is working with CNOOC Uganda and Total Uganda to conclude definitive sale documentation in relation to the farm-down.

On 11 January 2017, the Company announced a number of changes to the Board. The changes are expected to take effect immediately following the annual general meeting of the Company which will take place on 26 April 2017. Mr. Simon Thompson (currently the non-executive chairman) and Ms. Ann Grant (currently the senior independent non-executive director) will both step down from the Board. Subject to each of the following individuals being re-elected to the Board at the Company's annual general meeting (a) Mr. Jeremy Wilson (currently a non-executive director) will become the senior independent non-executive director; (b) Mr. Paul McDade (currently the chief operating officer) will replace Mr. Aidan Heavey as chief executive officer; and (c) Mr. Aidan Heavey will become the Company's non-executive chairman for a transitional period of up to but not exceeding two years.

On 17 January 2017, the Company announced that the Erut-1 well in Block 13T, northern Kenya, had discovered a gross oil interval of 55 metres with 25 metres of net oil pay at a depth of 700 metres. The overall oil column for the field is estimated to be 100 to 125 metres.

On 7 February 2017, the Group agreed a one year maturity extension of its Corporate Facility from April 2018 to April 2019. Commitments under the facility reduce from $1,000 million to $800 million from April 2017, $600 million from January 2018, $500 million from April 2018 and $400 million from October 2018.

On 17 March 2017, the Company announced the proposed Rights Issue. Further information on the background to and reasons for the Rights Issue and the use of the proceeds of the Rights Issue is included in Part 1 of this Prospectus.

3. Significant factors affecting the Group's results of operations and financial position

The Group's results have been affected, and are expected to be affected in the future, by a variety of factors, including the following:

3.1. Price of oil and gas

Crude oil and gas prices have historically been volatile, dependent upon the balance between supply and demand, and particularly sensitive to OPEC production levels. The prevailing price of crude oil and gas significantly affects the Group's revenues and cashflow generation and also affects the levels of the Group's reserves either through economic limit or entitlement calculations for the Group's production sharing contract fields as described below. However, as at 31 December 2016, the percentage of the Group's 2P reserves that were impacted by oil price dependent entitlement calculations was 9%.

The Group's oil and gas commercial reserves estimates affect depreciation, depletion and amortisation. Those estimates are also a key estimate in the value in use calculation for a field when considering whether there are any indicators of impairment and in performing impairment assessments of property, plant and equipment. The impact of a reduction in oil and gas prices on the Group's commercial reserves estimates occurs when oil and gas reserves are constrained by an economic threshold. A decrease in an oil or gas price could lead to a reduction in the economic life of a field, which will reduce the Group's commercial reserves estimates. A change in oil price that impacts production sharing contract entitlement reserves occurs under the cost recovery model, where an increase in oil prices will result in lower reserves being needed to recover costs, and a decrease in oil prices will result in higher reserves being needed to recover costs. A significant reduction to the Group's commercial or entitlement reserves estimates can lead to an impairment of property, plant and equipment. Furthermore, it may be an indicator of impairment for exploration and evaluation assets, including for wells that have already been drilled and previously been deemed successful, but would no longer be considered successful due to the decrease in oil prices.

The Group's oil sales are priced against the Platts Dated Brent crude oil benchmark. For a portion of the Group's Gabon contracts, the local benchmark "le Prix de Cession Officiel" is used. However, this is itself a differential to the Platts Dated Brent benchmark. For the Group's Congo contract, pricing is based on the prices for oil sales realised by one of the Group's joint venture partners in Congo. The average Brent crude oil quoted price decreased by 15.8% to $45.12 per bbl for the year ended 31 December 2016 compared to $53.60 per bbl for the year ended 31 December 2015. The following table presents information on Brent crude oil prices for the years ended 31 December 2014, 2015 and 2016.

	Year ended 31 December		
(in $/bbl)	**2014**	**2015**	**2016**
Average price for the period	99.45	53.60	45.12
Highest price for the period	115.06	67.77	56.22
Lowest price for the period	57.33	36.11	27.88

Source: ICE—International Commodities Exchange

The Group's gas sales are priced using various benchmarks such as United Kingdom NBP, United Kingdom TTF and Netherlands NIP, with United Kingdom NBP being the Group's most widely used and most important benchmark. The average United Kingdom NBP quoted price decreased by 18.9% to 34.46 pence per therm for the year ended 31 December 2016 compared to 42.51 pence per therm for the year ended 31 December 2015. The following table presents information on United Kingdom NBP gas prices for the years ended 31 December 2014, 2015 and 2016.

	Year ended 31 December		
(in pence/therm)	**2014**	**2015**	**2016**
Average price for the period	49.91	42.51	34.46
Highest price for the period	67.15	55.05	52.65
Lowest price for the period	34.43	29.68	20.51

Source: Heren European Spot Gas Market

3.2. Production volumes

In addition to oil and gas prices, production volumes are a primary revenue driver. The Group's production volumes also affect the level of its reserves and depreciation, depletion and amortisation. The volume of the Group's oil and gas resources and production volumes may be lower than estimated or expected. In addition, certain of the Group's interests are in mature fields with declining production, including the M'Boundi field in Congo (Brazzaville), the Chinguetti field in Mauritania (which is due to cease production in early 2017), the Ceiba and Okume fields in Equatorial Guinea, the CMS fields in the United Kingdom, and the Etame and Echira fields in Gabon. See "*Risk Factors—Risks relating to the Group's business—The level of the Group's oil and gas commercial reserves and contingent resources, their quality and production volumes may be lower than estimated or expected*"

The following table presents information on the Group's oil and gas production (including condensate) for the years ended 31 December 2014, 2015 and 2016.

	Year ended 31 December		
	2014	**2015**	**2016**
Average daily oil production for the period (bopd)	62,400	65,200	60,900[(1)]
Average daily gas production for the period (mcfd)	74,700	47,700	35,400
Average daily condensate production for the period (boepd)	400	200	200
Total average daily production for the period (boepd)	75,200	73,400	67,100[(1)]
Total average daily sales volumes for the period (boepd)	67,400	67,600	59,900[(1)]

Note:

(1) This figure excludes 4,600 bopd of production-equivalent barrels in respect of payments received under the Group's business interruption insurance policy in relation to its operations at the Jubilee field.

The following table presents information on the Group's total average daily oil and gas production (including condensate) by country for the years ended 31 December 2014, 2015 and 2016.

	Year ended 31 December		
(in boepd)	**2014**	**2015**	**2016**
Ghana	36,200	36,400	33,100[(1)]
Equatorial Guinea	9,800	9,000	7,000
Gabon	10,700	13,700	14,300
Côte d'Ivoire	3,000	4,400	4,000
Congo (Brazzaville)	2,500	2,000	1,500
Mauritania	1,200	1,100	1,000
United Kingdom—CMS Area	6,800	3,800	3,300
The Netherlands	4,800	3,000	2,900
Norway	200	—	—
Group total	75,200	73,400	67,100[(1)]

Note:

(1) This figure excludes 4,600 bopd of production-equivalent barrels in respect of payments received under the Group's business interruption insurance policy in relation to its operations at the Jubilee field.

3.3. Oil and gas reserves

The Group estimates its commercial reserves using standard recognised evaluation techniques. This estimate is reviewed internally at least semi-annually and is reviewed regularly by independent consultants. The Group estimates future development costs taking into account the level of development required to produce the commercial reserves it has elected to develop by reference to other similar operators, where applicable, reviews by external engineers and the Group's experience. The amount of development costs in turn influences the economic recoverability of resources and, therefore, what proportion of resources are recognised as reserves.

Separately, the depreciation, depletion and amortisation of oil and gas assets charged to the Group's income statement is dependent on the estimate of the Group's oil and gas reserves. An increase in estimated reserves will cause a reduction to the Group's income statement charge because a larger base exists on which to depreciate the asset. Correspondingly, a decrease in estimated reserves will cause an increase to the Group's income statement charge. The estimate of oil and gas reserves also underpins the value in use calculation of a field used for impairment calculations, and in significant cases a reduction to the commercial reserves estimate can lead to an impairment charge.

3.4. Underlying operating costs

Underlying operating costs are operating expenses that are either variable or fixed and include royalties paid in respect of the Group's production. The variable element of operating costs will increase (or decrease) with the level of production; therefore an increase (or decrease) in production will result in an increase (or decrease) in underlying variable operating costs. The main variable operating costs that affect the Group's results include the costs associated with the use of infrastructure and production consumables, such as chemicals. Fixed operating costs are substantially independent from production levels and therefore do not increase (or decrease) with an increase (or decrease) in the Group's level of production. Fixed operating costs include FPSO operation and the costs of operational and maintenance contracts, labour costs, and routine and non-routine maintenance costs. Certain significant maintenance programs will also result in the shut-in of production for a period of time. An increase in fixed operating costs will result in an increase in underlying operating costs per boe due to higher costs with no associated increase in production. See paragraph 6 below for a discussion of certain events and trends that occurred in the years ended 31 December 2014, 2015 and 2016 in relation to underlying operating costs.

3.5. Development and production success and impairment

The Group faces inherent risks in connection with its development and production activities. These risks include the difference between estimated and actual recoverable reserves, the Group's cost efficiency in development and production activities and the Group's level of production. The Group reviews its development and production projects at least semi-annually for indicators of impairment. Where such an indicator exists, the Group compares the recoverable value of the asset (based on a discounted cash flow value in use calculation) with the carrying value on its balance sheet. If the recoverable value is lower than the carrying value, the Group records any impairment to the income statement as an impairment of property, plant and equipment. See paragraph 6 below for a discussion of certain impairments that occurred in the years ended 31 December 2014, 2015 and 2016.

3.6. Acquisitions and disposals

The Group aims to generate cash flow to fund its exploration-led growth strategy by divesting assets or selectively developing them for production. If the Group elects to divest an asset, it could impact several line items in the Group's income statement depending, in part, on the stage of the asset's life when the disposal occurs. For example, a farm-down during the exploration phase generally will not result in a gain or loss on disposal, but instead any consideration received and/or receivable will be recorded against the carrying value of the asset. In contrast, a farm-down during the development phase is likely to result in a gain or loss. When the Group enters the development phase of a project with a high equity stake and farms-down a portion of the equity in that project in return for either cash consideration and/or a carry of all, or a portion, of the Group's share of development costs, the cash consideration and/or the fair value of the carry will be assessed against the carrying value of the percentage disposal to calculate the gain or loss on disposal. Furthermore, any sale of the Group's interests in producing assets will affect the Group's future revenues. For example, if the Group were to sell its interest in a mature producing field, the Group would expect the loss of revenues from its production to be fully or partially offset by the potential gain on disposal. See paragraph 6 below for a discussion of certain disposals that occurred in

the years ended 31 December 2014, 2015 and 2016 and the farm-down of licence interests in Uganda which was first announced on 9 January 2017.

The Group's results also may be affected by acquisitions, although the extent of the impact largely depends on the mix of assets of the acquired company or interests and their acquisition terms. Acquisitions affect the Group's liquidity and cash position in the relevant period to the extent the purchase price is paid in cash. The Group did not make any significant acquisitions in the years ended 31 December 2014, 2015 and 2016.

3.7. Insurance

During 2016 the Group agreed to receive amounts from insurers relating to losses incurred by the Group relating to the year ended 31 December 2016 as a result of the Turret Remediation Project at the Jubilee development in Ghana. See "*Information about the Tullow Group—Main producing assets—Ghana—Jubilee field—Turret Remediation Project*" for further information relating to the Turret Remediation Project at the Jubilee development. The insurance proceeds received in relation to these losses included proceeds under both the commercial partners' hull and machinery insurance policy and the Group's business interruption insurance policy in respect of the Jubilee development. The insurance proceeds receivable as compensation for increased operating and capital costs incurred to 31 December 2016, totaling $54.9 million, were recorded within operating and capital costs of the Group for the year ended 31 December 2016 and, therefore, additional operating and capital costs incurred are presented net of those insurance proceeds. The insurance proceeds receivable as compensation for lost oil production as a result of the Turret Remediation Project are presented as other operating income-lost production insurance proceeds. For the year ended 31 December 2016, the other operating income was $90.1 million.

The Group did not make a material insurance claim during the years ended 31 December 2014 and 2015.

3.8. Derivative financial instruments

The Group holds a portfolio of commodity derivative contracts with various counterparties which relate to its underlying oil and gas businesses. Such commodity derivatives tend to be priced using benchmarks, such as Dated Brent crude oil and United Kingdom NBP (D-1 Heren and M-1 Heren), which correlate as closely as possible to the Group's underlying oil and gas revenues, respectively. The Group hedges a portion of its estimated oil and gas revenues on a portfolio basis (rather than on a single asset basis), aggregating its oil revenues from substantially all of its African oil interests and its gas revenues from substantially all of its UK and Netherlands gas interests. The Group's policy is to have the flexibility to hedge commodity prices up to a maximum of 60% of the Group's next 12 months' sales revenue on a rolling annual basis, up to 40% of the Group's sales revenue for the following 12 month period and up to 20% of the Group's sales revenue for the subsequent 12 month period. The cash gain, net of deferred premium, realised on these derivative contracts totaled $0.7 billion over the three years ended 31 December 2016.

In addition to these contracts, the Group holds a small portfolio of interest rate derivatives and, at times, a small portfolio of foreign exchange derivatives. The Group's floating rate debt comprises bank borrowings at interest rates fixed in advance from overnight to three months at rates determined by US dollar LIBOR, sterling LIBOR and Norwegian NIBOR. The Group hedges its floating interest rate exposure on an ongoing basis. From time to time the Group undertakes certain transactions denominated in currencies other than pounds sterling and US dollars. These exposures are often managed by executing foreign currency financial derivatives. These derivatives have historically been "highly effective" within the range prescribed under IAS 39 using regression analysis.

All of the Group's derivatives have been designated as cash flow hedges as at and for the years ended 31 December 2014, 2015 and 2016. All of the Group's hedges have been assessed by the Group to be "highly effective" within the range prescribed under IAS 39 using regression analysis. However, there is the potential for a degree of ineffectiveness in the Group's oil hedges arising from, among other factors, the discount on the Group's crude oil located in Africa relative to Dated Brent crude oil and the timing of oil liftings relative to the hedges. There is also the potential for a degree of ineffectiveness in the Group's gas hedges arising from, among other factors, day-to-day field production performance.

3.9. Exploration and appraisal success and exploration costs written off

The Group faces inherent risks in connection with its exploration and appraisal activities. The success or failure of the Group's exploration and appraisal activities will affect the level of its resources recognised

and its future development plans for a particular licenced area. All licence acquisition, exploration and evaluation costs and directly attributable administration costs are initially capitalised in cost centres by well, field or exploration area, as appropriate. Interest incurred on borrowings used to finance exploration and appraisal activities is capitalised insofar as it relates to specific development activities. These costs are then written off as exploration costs in the income statement unless commercial reserves have been established or the determination process has not been completed and there are no indications of impairment. See paragraph 6 below for a discussion of certain events and trends that occurred in the financial years ended 31 December 2014, 2015 and 2016 in relation to exploration costs written off. The Group accounts for such write offs using the successful efforts method of accounting. See paragraph 11 below regarding the Group's critical accounting policies.

3.10. Taxation

Taxation can have a significant impact on the Group's results of operations, in particular with respect to the outcome of tax claims.

The Group is subject to various tax claims which arise in the ordinary course of its business, including tax claims from tax authorities in a number of the jurisdictions in which it operates. The Group assesses all such claims in the context of the tax laws of the countries in which it operates and, where applicable, makes provision for any settlements which the Group considers to be probable.

For example, in 2012 the Uganda Revenue Authority ("**URA**") issued an assessment for $473 million in respect of capital gains tax on the Group's farm-down of two-thirds of its interests in its Ugandan licences. Shortly after completion of the farm-down, the Group paid $142 million to the URA, being 30% of the tax assessed that was legally required to be paid in order for the Group to dispute the assessment. After several years of legal proceedings, on 22 June 2015 the Group agreed to pay $250 million to the Government of Uganda and the URA as a full and final settlement of the Group's capital gains tax liability. This sum comprises the $142 million that the Group paid to the URA in 2012 and a further amount of $108 million to be paid in three equal installments of $36 million in 2015, 2016 and 2017. Only the 2017 payment remains outstanding. Following this settlement, the Group's Uganda High Court appeal and international arbitration claim relating to the dispute were withdrawn. Prior to this settlement, the Group had recorded a contingent liability of $265 million relating to the dispute. As at 31 December 2015, and after settling this dispute, the Group removed the associated contingent liability from its balance sheet.

The Group has an ongoing tax dispute with the Government of Equatorial Guinea which dates back to 2012 and relates to the amount of tax assessed for the 2007 and 2008 financial years. The Government of Equatorial Guinea is seeking $135 million from the Group in relation to a change in statutory tax rates from those imposed at the time of the relevant production sharing agreement. Although the International Centre for Settlement of Investment Disputes conciliation proceedings relating to this dispute commenced in March 2012, these proceedings were suspended in July 2012 (with a view to reaching a negotiated settlement) and remain suspended. In mid-2016, the Group received letters from the Equatorial Guinea tax authorities demanding payment of the disputed amount. The Directors believe that, by applying the stabilisation provisions in the relevant production sharing agreement (which aim to ensure that the Group is made whole by the host country for any loss suffered as a result of changes in tax rates or other fiscal changes), the Group is not required to pay any amounts to the Government of Equatorial Guinea. More recently, the Group and other industry participants facing the same issue have engaged in discussions with the Government of Equatorial Guinea in an effort to try and reach an amicable settlement on this issue. Negotiations remain ongoing and if a settlement cannot be reached with the Government of Equatorial Guinea by the time the current suspension of proceedings expires on 31 March 2017, it is expected that the Group and its commercial partners will seek to have the suspension extended for a further period to allow negotiations to continue. If the Group is unable to reach a negotiated settlement, the Group intends to defend vigorously any claim.

3.11. Interest rates

The Directors believe that the Group has a balanced portfolio of fixed and floating rate debt through its Existing Finance Agreements. The Group's exposure to the risk of changes in market interest rates relates primarily to its bank borrowings, all of which currently have floating interest rates. The Group has historically managed interest rate risk using interest rate swaps. The Group may be affected by changes in market interest rates at the time it needs to refinance any of its indebtedness.

3.12. Exchange rates

The Group's presentation currency is the US dollar, primarily because substantially all of the Group's revenues and the majority of its costs are denominated in US dollars. However, because a significant amount of the Group's staffing and other administrative costs are denominated in pounds sterling, the Group's results are also affected by changes in the US dollar/pound sterling exchange rate. The Group also has less significant exposures to movements in the US dollar against other currencies, including the currencies of the countries in which the Group has operations, notably South Africa, Ghana, Uganda and Kenya, and with the euro in both Ireland and the Netherlands.

3.13. Decommissioning costs

The Group has obligations for decommissioning liabilities for which it makes provisions in its financial statements when the related facilities are installed. Changes in estimated timing of decommissioning activities or decommissioning cost estimates are dealt with prospectively. The Group's estimated decommissioning costs are reviewed annually by internal experts and the results of this review are then assessed alongside estimates from other operators, where applicable. The Group's decommissioning liability as at 31 December 2016 was $1.0 billion and it spent $23.0 million on decommissioning costs during the financial year ended 31 December 2016.

4. Basis of preparation

4.1. IFRS reporting

The Group prepares its consolidated financial statements in accordance with IFRS as adopted by the European Union. The Group has also prepared supplementary financial key performance indicators which are non-IFRS measures used by the Group as explained below.

All financial information related to the Group contained in this Part 7, unless otherwise stated, has been extracted from the Group's audited consolidated financial statements as at and for the years ended 31 December 2014, 2015 and 2016 which are incorporated by reference into this Prospectus as described in Part 9 of this Prospectus.

4.2. Non-IFRS financial measures

The Group uses certain measures to assess the financial performance of its business. Certain of these measures are termed "non-IFRS measures" because they exclude amounts that are included in, or include amounts that are excluded from, the most directly comparable measure calculated and presented in accordance with IFRS, or are calculated using financial measures that are not calculated in accordance with IFRS. These non-IFRS measures include net debt, gearing, Adjusted EBITDAX, capital investment, underlying cash operating costs and free cash flow.

The Group uses such measures to measure operating performance and liquidity, in presentations to the Board and as a basis for strategic planning and forecasting, as well as monitoring certain aspects of its operating cash flow and liquidity. The Directors believe that these and similar measures are used widely by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity.

The non-IFRS measures may not be comparable to other similarly titled measures used by other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of the Group's operating results as reported under IFRS.

An explanation of the relevance of each of the non-IFRS measures and a description of how they are calculated is set out below. Additionally, a reconciliation of the non-IFRS measures to the most directly comparable measures calculated and presented in accordance with IFRS and a discussion of their limitations is set out below. The Group does not regard these non-IFRS measures as a substitute for, or superior to, the equivalent measures calculated and presented in accordance with IFRS or those calculated using financial measures that are calculated in accordance with IFRS.

The non-IFRS measures in this Prospectus are:

4.2.1. Net debt

Net debt is a non-IFRS measure that is defined as current and non-current borrowings plus unamortised arrangement fees and the equity component of any compound debt instrument less cash and cash equivalents.

The Directors believe that net debt is a useful indicator of the Group's indebtedness, financial flexibility and capital structure because it indicates the level of borrowings after taking account of unamortised arrangement fees and the equity component of any compound debt instrument (which do not represent amounts that the Group is required to repay to its lenders) and cash and cash equivalents within the Group's business that could be utilised to pay down the outstanding borrowings. The Directors believe that net debt can assist securities analysts, investors and other parties to evaluate the Group. Net debt and similar measures are used by different companies for differing purposes and are often calculated in ways that reflect the circumstances of those companies. Accordingly, caution is required in comparing net debt as reported by the Group to net debt of other companies. The following table shows a reconciliation of current and non-current borrowings to net debt.

	As at 31 December		
(in millions of $)	**2014**	**2015**	**2016**
Current borrowings	131.5	73.8	591.5
Non-current borrowings	3,209.1	4,262.4	4,388.4
Unamortised arrangement fees[(1)]	81.3	38.8	35.5
Equity component of convertible bonds[(2)]	—	—	48.4
Less cash and cash equivalents	(319.0)	(355.7)	(281.9)
Net debt	3,102.9	4,019.3	4,781.9

Notes:

(1) Unamortised arrangement fees are incurred on creation or amendment of borrowing facilities. They are capitalised as incurred and amortised over the life of the borrowing facility to which they relate.

(2) On initial recognition the Convertible Bonds were measured at fair value and classified as a financial liability. The difference between the net proceeds of the Convertible Bonds and the fair value is recognised in equity.

4.2.2. Gearing and Adjusted EBITDAX

Gearing is a non-IFRS measure that is defined as net debt (as defined in paragraph 4.2.1 above) divided by Adjusted EBITDAX. Adjusted EBITDAX is defined as gain/loss from continuing activities less income tax credit, finance costs, finance revenue, (loss)/gain on hedging instruments, depreciation, depletion, amortisation, share-based payment charge, restructuring costs, gain/(loss) on disposal, goodwill impairment, exploration costs written off, impairment of property, plant and equipment net, provisions for inventory and provision for onerous service contracts, net.

The Directors believe that gearing is a useful indicator of the Group's indebtedness, financial flexibility and capital structure and can assist securities analysts, investors and other parties to evaluate the Group. Gearing and similar measures are used by different companies for differing purposes and are often calculated in ways that reflect the circumstances of those companies. Accordingly, caution is required in comparing gearing as reported by the Group to gearing of other companies.

In prior years, the Group has reported gearing as net debt (as defined in paragraph 4.2.1 above) divided by net assets plus net debt. The Group does not use this measure internally to manage its business and considers the revised definition of gearing set out in this paragraph 4.2.2 to be of more use to securities analysts, investors and other users of the Group's financial statements.

The Directors believe that Adjusted EBITDAX is a useful indicator of the Group's ability to incur and service its indebtedness and can assist securities analysts, investors and other parties to evaluate the Group. Adjusted EBITDAX and similar measures are used by different companies for differing purposes and are often calculated in ways that reflect the circumstances of those companies. Accordingly, caution is required in comparing Adjusted EBITDAX as reported by the Group to adjusted EBITDAX of other companies.

Adjusted EBITDAX eliminates potential differences in performance caused by variations in capital structures (affecting net finance costs), tax positions (such as the availability of net operating losses against which to relieve taxable profits), the cost and age of tangible assets (affecting relative depreciation expense), the extent to which intangible assets are identifiable (affecting relative amortisation expense), exploration costs written off and other additional specific items that are considered to hinder comparison of the trading performance of the Group's business either year-on-year or with other businesses. For the periods under review, other specific items represent loss on disposal and impairment of assets, restructuring costs, share-based payment charge and provision for onerous service contracts, net.

Adjusted EBITDAX has limitations as an analytical tool. Some of these limitations are:

- it does not reflect the Group's cash expenditures or future requirements for capital expenditure or contractual commitments;
- it does not reflect changes in, or cash requirements for, the Group's working capital needs;
- it does not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments, on the Group's debt;
- although depreciation and amortisation are non-cash charges, the assets being depreciated and amortised will often have to be replaced in the future, and Adjusted EBITDAX does not reflect any cash requirements for such replacements;
- it is not adjusted for all non-cash income or expense items that are reflected in the Group's statements of cash flows;
- it does not reflect exploration costs which are necessary in order to replace the Group's reserves; and
- the further adjustments made in calculating Adjusted EBITDAX are those that management consider are not representative of the underlying operations of the Group and therefore are subjective in nature.

The following table shows a reconciliation of loss from continuing activities to Adjusted EBITDAX and the calculation of gearing.

	Year ended 31 December		
(in millions of $)	**2014**	**2015**	**2016**
Loss from continuing activities	(1,639.9)	(1,036.9)	(597.3)
Less			
Income tax credit	(407.5)	(260.4)	(311.0)
Finance costs	143.2	149.0	198.2
Finance revenue	(9.6)	(4.2)	(26.4)
(Gain)/loss on hedging instruments	(50.8)	58.8	(18.2)
Depreciation, depletion and amortisation	621.8	580.1	466.9
Share-based payment charge	20.4	48.7	43.9
Restructuring costs	—	40.8	12.3
Loss on disposal	482.4	56.5	3.4
Goodwill impairment	132.8	53.7	164.0
Exploration costs written off	1,657.3	748.9	723.0
Impairment of property, plant and equipment, net	595.9	406.0	167.6
Provisions for inventory	—	22.2	—
Provision for onerous service contracts, net	—	185.5	114.9
Adjusted EBITDAX	1,546.0	1,048.7	941.3
Net debt	3,102.9	4,019.3	4,781.9
Gearing (times)	2.0	3.8	5.1

4.2.3. Capital investment

Capital investment is a non-IFRS measure that is defined as additions to property, plant and equipment and intangible exploration and evaluation assets less decommissioning asset additions, capitalised share-based payment charge, capitalised finance costs, additions to administrative assets, Norwegian tax refund, and certain other adjustments.

The Directors believe that capital investment is a useful indicator of the Group's organic expenditure on exploration and appraisal assets and oil and gas assets incurred during a period because it eliminates certain non-cash accounting adjustments such as capitalised finance costs and decommissioning asset additions. The Directors believe that capital investment can assist securities analysts, investors and other parties to evaluate the Group. Capital investment and similar measures are used by different companies for differing purposes and are often calculated in ways that reflect the circumstances of those companies. Accordingly, caution is required in comparing capital investment as reported by the Group to capital investment of other companies.

The following table shows a reconciliation of additions to property, plant and equipment and intangible exploration and evaluation assets to capital investment.

	Year ended 31 December		
(in millions of $)	**2014**	**2015**	**2016**
Additions to property, plant and equipment	1,535.3	1,258.2	818.5
Additions to intangible exploration and evaluation assets	1,405.5	626.3	291.4
Less			
Decommissioning asset additions[1]	(454.9)	147.4	(57.1)
Capitalised share-based payment charge[2]	(20.0)	(18.6)	(7.0)
Capitalised finance costs[3]	(120.6)	(160.1)	(138.8)
Additions to administrative assets[4]	(80.6)	(23.1)	(1.6)
Norwegian tax refund[5]	(172.9)	(50.4)	(32.9)
Other adjustments[6]	(70.8)	(59.7)	(15.5)
Capital investment	2,021.0	1,720.0	857.0

Notes:

(1) Decommissioning assets are recorded as an equal and opposite amount to the Group's decommissioning provisions. Decommissioning assets are depreciated over the life of the relevant asset until the point of decommissioning. Any increases in a provision due to a change in scope of the obligation results in an increase in the decommissioning asset. The asset is recorded under the property, plant and equipment line item in the balance sheet. Any new decommissioning assets, or increases in decommissioning assets, from the previous year are shown as additions to that line item.

(2) Capitalised share-based payment charge relates to the portion of the non-cash share-based payment charge that relates to employees who work on capital projects.

(3) Capitalised finance costs relates to the portion of the Group's borrowing costs that is deemed to fund development activities.

(4) Administrative assets represent fixtures, fittings and office equipment such as computers. Because they are not directly attributable to the exploration or development of oil and gas, the Group excludes their costs from its definition of capital investment.

(5) Capital expenditure is adjusted for the Norwegian tax refunds. The Norwegian tax refund for each of the years ended 31 December 2014, 2015 and 2016 represents 78% of the Group's qualifying exploration expenditure in Norway during each of those years. The refund is paid in the year following the year in which the expense is incurred.

(6) Other adjustments includes non-business combinations/acquisitions, cash re-imbursements for capital expenditure under sale and purchase agreements between their effective date and completion date and exclusion of other non-cash adjustments to fixed asset additions made in accordance with IFRS. These include capitalisation of provisions made in respect of inventory and operational receivables and expenditure under certain subleased rig contracts.

4.2.4. Underlying cash operating costs

Underlying cash operating costs is a non-IFRS measure that is defined as cost of sales less operating lease expense, depletion and amortisation of oil and gas assets, underlift, overlift and oil stock movements, share-based payment charge included in cost of sales, and certain other cost of sales. Underlying cash operating costs is not a measurement of performance under IFRS and prospective investors should not consider underlying cash operating costs as an alternative to cost of sales (as determined in accordance with IFRS) as a measure of the Group's underlying cash operating costs or any other measures of performance under IFRS.

The Directors believe that underlying cash operating costs is a useful indicator of the Group's underlying cash costs incurred to produce oil and gas. Underlying cash operating costs eliminates certain non-cash accounting adjustments to the Group's cost of sales to produce oil and gas. The Directors believe that underlying cash operating costs can assist securities analysts, investors and other parties to evaluate the Group. Underlying cash operating costs and similar measures are used by different companies for differing purposes and are often calculated in ways that reflect the circumstances of those companies. Accordingly, caution is required in comparing underlying cash operating costs as reported by the Group to underlying cash operating costs of other companies.

The following table shows a reconciliation of cost of sales to underlying cash operating costs.

	Year ended 31 December		
(in millions of $)	**2014**	**2015**	**2016**
Cost of sales	1,116.7	1,015.3	813.1
Less			
Operating lease expense[1]	—	—	21.0
Depletion and amortisation of oil and gas assets[2]	572.2	551.2	448.5
Underlift, overlift and oil stock movements[3]	27.1	(1.5)	(76.5)
Share-based payment charge included in cost of sales[4]	1.6	0.8	2.7
Other cost of sales[5]	4.3	58.5	40.2
Underlying cash operating costs	511.5	406.3	377.2

Notes:

(1) Operating lease expense are amounts incurred under the Group's operating leases as determined in accordance with IFRS.

(2) Depletion and amortisation of oil and gas assets is the depreciation and amortisation of the Group's oil and gas assets over the life of an asset on a unit of production basis.

(3) Under lifting or offtake arrangements for oil and gas produced in certain operations in which the Group has interests with other commercial partners, each participant may not receive and sell its precise share of the overall production in each period. The resulting imbalance between cumulative entitlement and cumulative production less stock constitutes "underlift" or "overlift." Underlift and overlift are valued at market value and included within other current assets and other current payables on the Group's balance sheet, respectively. Movements during an accounting period are charged to cost of sales rather than charged through revenue, and as a result gross profit is recognised on an entitlements basis.

(4) Share-based payment charge included in cost of sales relates to the portion of the non-cash share-based payment charge that relates to employees who work on operational projects.

(5) Other cost of sales includes purchases of gas from third parties to fulfil gas sales contracts and royalties paid in cash.

4.2.5. Free cash flow

Free cash flow is a non-IFRS measure that is defined as net cash from operating activities, net cash used in investing activities, net cash generated by financing activities and foreign exchange loss less proceeds from disposals, net proceeds from issue of share capital, plus debt arrangement fees and repayment of bank loans, less drawdown of bank loans, issue of senior notes and issue of convertible bonds.

The Directors believe that free cash flow is a useful indicator of the Group's ability to generate organic cash flow to fund its business and strategic acquisitions, reduce borrowings and available to return to Shareholders through dividends. Free cash flow does not reflect any restrictions on the transfer of cash and cash equivalents within the Group or any requirement to repay the Group's borrowings and does not take into account cash flows that are available from disposals or the issue of shares. Management therefore takes such factors into account in addition to free cash flow when determining the resources available for capital investment, acquisitions and for distribution to Shareholders. The Directors believe that free cash flow can assist securities analysts, investors and other parties to evaluate the Group. Free cash flow and similar measures are used by different companies for differing purposes and are often calculated in ways that reflect the circumstances of those companies. Accordingly, caution is required in comparing free cash flow as reported by the Group to free cash flow of other companies.

The following table shows a reconciliation of net cash from operating activities to free cash flow.

	Year ended 31 December		
(in millions of $)	2014	2015	2016
Net cash from operating activities	1,481.8	978.2	512.5
Net cash used in investing activities	(2,327.5)	(1,679.6)	(967.2)
Net cash generated by financing activities	807.5	745.5	399.3
Foreign exchange loss	(11.9)	(7.4)	(18.4)
Proceeds from disposals	(21.3)	(55.8)	(62.8)
Net proceeds from issue of share capital	(3.3)	(3.5)	(9.9)
Debt arrangement fees	22.2	25.7	31.7
Repayment of bank loans	1,202.1	191.8	769.1
Drawdown of bank loans	(1,749.8)	(1,168.8)	(1,187.5)
Issue of senior notes	(650.0)	—	—
Issue of convertible bonds	—	—	(300.0)
Free cash flow	(1,250.2)	(973.9)	(833.2)

5. Explanation of income statement line items

The following discussion provides an explanation of certain of the Company's income statement items.

5.1. Sales revenue

Sales revenue represents the sales value, net of VAT, of the Group's share of oil and gas liftings for the year together with tariff income, which is revenue from third-parties for using the Group's infrastructure. The Group recognises sales revenue when oil and gas volumes are lifted, that is when goods are delivered and title has passed.

Sales revenue includes any gain or loss on realisation of cash flow hedges.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

5.2. Other operating income—lost production insurance proceeds

Other operating income—lost production insurance proceeds is the insurance proceeds derived under the Group's insurance policies to compensate for lost production from the Jubilee field.

5.3. Cost of sales

The Group's cost of sales consists primarily of operating expenses that are either variable or fixed. Cost of sales also includes the cash settled royalties paid in respect of the Group's production (these differ from any royalties that are deemed to be settled in barrels of oil out of the Group's working interest production to form the Group's entitlement to production, and are therefore not included in sales revenue). In addition, cost of sales includes depreciation, depletion and amortisation of tangible oil and gas assets. Depreciation, depletion and amortisation of tangible oil and gas assets represent the release of the balance sheet value of an asset to the income statement over the life of the asset. For oil and gas assets, this release is calculated on a unit of production basis divided by aggregate entitlement reserves.

Under lifting or offtake arrangements for oil and gas produced in certain operations in which the Group has interests with other commercial partners, each participant may not receive and sell its precise share of the overall production in each period. The resulting imbalance between cumulative entitlement and cumulative production less stock constitutes "underlift" or "overlift." Underlift and overlift are valued at market value and included within other current assets and trade and other payables on the Group's balance sheet, respectively. Movements during an accounting period are charged to cost of sales rather than charged through revenue, and as a result gross profit is recognised on an entitlements basis.

Cost of sales are presented net of any insurance proceeds derived under the Group's insurance policies that compensate for increased operating costs incurred as part of cost of sales.

5.4. Administrative expenses

The Group's administrative expenses consist primarily of expenses related to staff in its primary operating offices in Accra, Ghana; Nairobi, Kenya; Kampala, Uganda; and Cape Town, South Africa, as

well as the Group's corporate offices in Dublin, Ireland and London, United Kingdom, that are not charged to commercial partners, expensed as a cost of sales, or capitalised as an intangible or tangible asset.

Office asset depreciation and impairment charges, operating lease costs associated with corporate offices, share-based payments and other corporate costs are also included in administrative expenses. Salary and corporate costs are charged to capital projects and recorded as an addition to intangible exploration and evaluation assets or are charged to commercial partners if they are directly attributable to a specific project. Any salary and corporate costs not recharged to an operational project are classified as administrative expenses. Recharges to operational projects are performed on an allocation basis either using time written to an operational project or an appropriate statistical basis.

5.5. Restructuring costs

The Group has recognised a provision for restructuring costs in connection with its Major Simplification Project and its decision to exit all of its licences and operations in Norway. After recharging part of those costs to certain of the Group's commercial partners, the Group has incurred a net charge for restructuring costs on the Group's income statement.

5.6. Profit/(loss) on disposal

Profit or loss on disposal consists of the difference between the total consideration received (including cash, deferred and contingent consideration) and the carrying value of the assets disposed. Profit or loss on disposal relates to disposed assets with development or production type operations (and not exploration-type activities) and is recognised in the period in which the disposal is contractually agreed.

5.7. Goodwill impairment

Goodwill is tested for impairment annually as at 31 December and when circumstances indicate that the carrying value may be impaired. Goodwill impairment is determined by assessing the recoverable amount, using the 'value in use' method, for each cash-generating unit ("CGU") (or group of CGUs) to which goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

5.8. Exploration costs written off

The Group uses the successful efforts accounting method for exploration and evaluation costs. Pre-licence costs are expensed in the period in which they are incurred. All licence acquisition, exploration and evaluation costs and directly attributable administration costs are initially capitalised in cost centres by well, field or exploration area, as appropriate. Interest payable is capitalised insofar as it relates to specific development activities. These costs are then written off as exploration costs in the income statement unless commercial reserves have been established or the determination process has not been completed and there are no indications of impairment. The Group conducts a detailed review of exploration costs semi-annually.

5.9. Impairment of property, plant and equipment, net

Impairment of property, plant and equipment, net consists of the difference between the value in use, which is the estimated discounted future cash flows of a field, based on management's expectations of future oil and gas prices, production, future costs, discount rates, and the net book value of the field. When the estimated discounted future cash flows of the field are less than its carrying amount, an impairment loss is recognised. Where there is evidence of economic interdependency between fields, such as common infrastructure, the fields are grouped as a single CGU for impairment purposes. Where conditions giving rise to impairment subsequently reverse, the effect of the impairment charge is also reversed as a credit to the income statement, net of any amortisation that would have been charged since the impairment. This account is titled 'net' as the impairment expense is presented net of any impairment reversals, which are a credit to the account.

5.10. Provision for onerous service contracts, net

For the years ended 31 December 2015 and 2016, the Group recorded a provision for onerous service contracts, net. The Group has identified certain contracts where the costs to fulfill the terms of those contracts are higher than the financial and economic benefits to be received under them by the Group. Upon the identification of such contracts and the associated anticipated loss, the Group determines the

net financial obligation connected to the relevant contract, which is then recognised as an expense in the Group's income statement and a provision on the Group's balance sheet.

5.11. Gain/(loss) on hedging instruments

The Group uses derivative financial instruments to manage its exposure to fluctuations in foreign exchange rates, interest rates and movements in oil and gas prices. Derivative financial instruments are stated at fair value. The purpose for which a derivative is used is established at inception. To qualify for hedge accounting, the derivative must be highly effective in achieving its objective and this effectiveness must be documented at inception and throughout the period of the hedge relationship. The hedge must be assessed on an ongoing basis and determined to have been highly effective throughout the financial reporting periods for which the hedge was designated. For the purpose of hedge accounting, hedges are classified as either fair value hedges, when they hedge the exposure to changes in the fair value of a recognised asset or liability, or cash flow hedges, where they hedge exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or forecast transaction. For cash flow hedges, the portion of the gains and losses on the hedging instrument that is determined to be an effective hedge is taken to other comprehensive income and the ineffective portion, as well as any change in time value, is recognised in the income statement. The gains and losses taken to other comprehensive income are subsequently transferred to the income statement during the period in which the hedged transaction affects the income statement. A similar treatment applies to foreign currency loans which are hedges of the Group's net investment in the net assets of a foreign operation. Gains or losses on derivatives that do not qualify for hedge accounting treatment (either from inception or during the life of the instrument) are taken directly to the income statement as a gain/(loss) on hedging instruments in the period.

5.12. Finance revenue

Finance revenue consists of interest received from interest-bearing cash at bank and realised foreign exchange gains.

5.13. Finance costs

Finance costs primarily include interest and arrangement fees due on the RBL Facilities, the Corporate Facility, the Norwegian Facility, the 2020 Senior Notes, the 2022 Senior Notes and the Convertible Bonds, as well as issue costs that are deducted from the debt proceeds on initial recognition of the liability which are amortised and charged to the income statement as finance costs over the term of the debt (the effective interest rate method). The finance costs charged to the income statement are recognised net of capitalised borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets (assets that necessarily take a substantial period of time to prepare for their intended use or sale) that are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Finance costs also include the unwinding of any discount for decommissioning provisions, currency exchange losses and interest on finance leases. When the Group acts as operator of a field, the Group records finance leases on a gross basis (i.e. 100% of the present value of future lease payments) and separately recognises a receivable which represents the Group's commercial partners' share of the lease liability. As at the Latest Practicable Date, the Group's only finance lease related to the FPSO for the Espoir field in Côte d'Ivoire. A finance lease for the FPSO for the TEN fields in Ghana will be recognised in the financial year ending 31 December 2017. Although the Group leases other FPSOs, such as the Chinguetti FPSO in Mauritania, these are treated as operating leases and the associated costs are recognised in cost of sales.

5.14. Income tax credit/(expense)

Current and deferred tax, including UK corporation tax and corporation tax in the other jurisdictions in which the Group does business, such as Ghana, are provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred corporation tax is recognised when transactions or events have occurred and have not been reversed at the balance sheet date and will result in an obligation to pay more, or right to pay less, tax during a future period. Deferred tax assets are recognised only to the extent that it is considered more likely than not that there will be suitable taxable profits from which the underlying temporary differences can be deducted. Deferred tax is measured on a non-discounted basis.

Deferred tax is provided for temporary differences arising on acquisitions that are categorised as business combinations. Deferred tax is recognised at acquisition as part of the assessment of the fair value of assets and liabilities acquired. Any deferred tax is charged or credited in the income statement as the underlying temporary difference is reversed.

UK Petroleum Revenue Tax is treated as an income tax and deferred Petroleum Revenue Tax is accounted for under the temporary difference method. Current UK Petroleum Revenue Tax is charged as a tax expense on chargeable field profits included in the income statement and is deductible for UK corporation tax.

6. Results of operations

The following table sets out certain of the Group's historical revenue and expense items for the years ended 31 December 2014, 2015 and 2016.

	Year ended 31 December		
(in millions of $, unless stated)	**2014**	**2015**	**2016**
Sales revenue	2,212.9	1,606.6	1,269.9
Other operating income—lost production insurance proceeds	—	—	90.1
Cost of sales	(1,116.7)	(1,015.3)	(813.1)
Gross profit	1,096.2	591.3	546.9
Administrative expenses	(192.4)	(193.6)	(116.4)
Restructuring costs	—	(40.8)	(12.3)
Loss on disposal	(482.4)	(56.5)	(3.4)
Goodwill impairment	(132.8)	(53.7)	(164.0)
Exploration costs written off	(1,657.3)	(748.9)	(723.0)
Impairment of property, plant and equipment, net	(595.9)	(406.0)	(167.6)
Provision for onerous service contracts, net	—	(185.5)	(114.9)
Operating loss	(1,964.6)	(1,093.7)	(754.7)
Gain/(loss) on hedging instruments	50.8	(58.8)	18.2
Finance revenue	9.6	4.2	26.4
Finance costs	(143.2)	(149.0)	(198.2)
Loss from continuing activities before tax	(2,047.4)	(1,297.3)	(908.3)
Income tax credit	407.5	260.4	311.0
Loss for the year from continuing activities	(1,639.9)	(1,036.9)	(597.3)
Dividends paid	182.3	—	—
Dividend per share (pence)	4.0	—	—

6.1. Comparison of results of operations for the years ended 31 December 2015 and 2016

Sales revenue

Sales revenue decreased by $336.7 million, or 21.0%, from $1,606.6 million for the year ended 31 December 2015 to $1,269.9 million for the year ended 31 December 2016, driven primarily by a 8.4% reduction in realised oil prices after hedging and by a 11.4% decrease in average daily sales volumes from 67,600 boepd for the year ended 31 December 2015 to 59,900 boepd for the year ended 31 December 2016.

The decrease in average daily sales volumes was primarily attributable to the impact of the Turret Remediation Project at the Jubilee field offshore Ghana, despite the contribution of sales from the TEN fields for the first time in 2016. Average daily sales volumes from the Jubilee field decreased by 30.1% from 34,200 boepd for the year ended 31 December 2015 to 23,900 boepd for the year ended 31 December 2016. Average daily sales volumes from the TEN fields increased from nil boepd for the year ended 31 December 2015 to 4,500 boepd for the year ended 31 December 2016.

The Group's oil sales are based on various benchmark prices, with adjustments for quality, transportation fees and a regional price differential, as a proxy for market prices. On average, oil prices in 2016 were lower than in 2015. The Group's realised oil price for the year ended 31 December 2016 was $61.4/bbl after hedging and $42.0/bbl before hedging, compared to $67.0/bbl and $50.4/bbl respectively for the year ended 31 December 2015, representing a decrease of 8.4% after hedging versus a 16% decrease in Brent oil prices over the period.

Furthermore, there was a decrease in average realised gas prices of 18.9% for the year ended 31 December 2016 compared to average realised gas prices for the year ended 31 December 2015. The average price per therm achieved from gas sales was 33.9 pence for the year ended 31 December 2016 compared to 41.8 pence for the year ended 31 December 2015. These lower prices were primarily caused by lower market prices during the year ended 31 December 2016 compared to the year ended 31 December 2015.

Other operating income—lost production insurance proceeds

Other operating income—lost production insurance proceeds increased by $90.1 million, from $nil for the year ended 31 December 2015 to $90.1 million for the year ended 31 December 2016, due to insurance proceeds received to compensate for lost production as a result of the Jubilee turret issue which only occurred in 2016.

Cost of sales

Cost of sales decreased by $202.2 million, or 19.9%, from $1,015.3 million for the year ended 31 December 2015 to $813.1 million for the year ended 31 December 2016. Underlying cash operating costs decreased from $406.3 million ($15.1 per boe) for the year ended 31 December 2015 to $377.2 million ($14.3 per boe) for the year ended 31 December 2016. Underlying cash operating costs in the year ended 31 December 2016 includes $32 million of insurance proceeds. The decrease of 5.3% in underlying cash operating costs per boe was principally due to the impact of ongoing cost saving initiatives and due to the start-up of the TEN fields which have a low operating cost per boe.

Movements in underlift/overlift resulted in a $76.5 million credit to the income statement for the year ended 31 December 2016 compared to a $1.5 million credit to the income statement for the year ended 31 December 2015. This was as a result of a reduction to the Group's underlift position due to the timings of liftings.

Depreciation, depletion and amortisation charges before impairment on production and development assets decreased from $551.2 million ($20.5 per boe) for the year ended 31 December 2015 to $448.5 million ($17.0 per boe) for the year ended 31 December 2016. The decrease was primarily as a result of lower production levels from the Jubilee field and impairments of property, plant and equipment made in 2015, resulting in a lower net book value available for depreciation.

Cost of sales amounted to 63.2% and 64.0% as a percentage of sales revenue during the years ended 31 December 2015 and 2016, respectively.

Administrative expenses

Administrative expenses decreased by $77.2 million, or 39.9%, from $193.6 million for the year ended 31 December 2015 to $116.4 million for the year ended 31 December 2016, primarily due to the Major Simplification Project which concluded in 2015.

Restructuring costs

Restructuring costs decreased by $28.5 million, or 69.9%, from $40.8 million for the year ended 31 December 2015 to $12.3 million for the year ended 31 December 2016, primarily due to the Major Simplification Project being primarily conducted in 2015. Restructuring costs in the year ended 31 December 2016 mainly related to continued headcount reductions and the decision to exit all of the Group's licences and operations in Norway.

Loss on disposal

Loss on disposal decreased by $53.1 million, or 94.0%, from a loss of $56.5 million for the year ended 31 December 2015 to a loss of $3.4 million for the year ended 31 December 2016.

During the year ended 31 December 2016, the Group disposed of its interests in certain licence areas in Norway. These assets were written down to their fair values before disposal. Consequently, for sales that completed during the year ended 31 December 2016, the Group recognised a minor loss on disposal of $3.4 million.

Loss on disposal for the year ended 31 December 2015 related primarily to the disposal of the Group's interests in the L and Q blocks in the Netherlands to AU Energy for a loss on disposal of $46.3 million and the disposal of various licences in Norway for a loss on disposal of $7.4 million.

Goodwill impairment

Goodwill impairment for the year ended 31 December 2016 related to the Group's decision to exit all of its licences and operations in Norway. The Group impaired the goodwill that was recorded in relation to the Group's acquisition of Spring Energy Norway AS in 2013. The goodwill associated with that acquisition was deemed to no longer provide a future economic benefit given that the Group will no longer operate in Norway following completion of the sale of its remaining licences.

Goodwill impairment for the year ended 31 December 2015 related to an incremental impairment of goodwill that was recorded at the time of the Spring Energy Norway AS acquisition. In assessing the Group's goodwill impairment, the Group compared the carrying value of goodwill and the carrying value of the related group of CGUs with the recoverable amounts relating to those units.

Exploration costs written off

Exploration costs written off decreased by $25.9 million, or 3.5%, from $748.9 million for the year ended 31 December 2015 to $723.0 million for the year ended 31 December 2016.

The following table provides a summary of the exploration costs written off for the year ended 31 December 2016.

	Year ended 31 December 2016	
Country	Rationale for write off	Amount written off ($ million)
Ethiopia	b	1.9
Gabon	b	1.6
Ghana	f	3.5
Guinea	b	5.6
Greenland	b	1.0
Kenya	b	(2.6)
Madagascar	b, d	25.6
Mauritania	b, c	9.5
Mozambique	b	(1.0)
Netherlands	b	1.5
Norway	a, b, c, d, e	286.9
Pakistan	a	10.7
Suriname	b, c	19.3
Uganda	e	330.4
Other	b	4.9
New Ventures	f	24.2
Total exploration costs written off		723.0

Notes:

a. Current year unsuccessful drilling results

b. Current year expenditure or actualisation of accruals associated with CGUs previously written off

c. Licence relinquishments

d. Country exit

e. Revision of value based on disposal/farm-down activities

f. New Ventures expenditure is written off as incurred

The following table provides a summary of the exploration costs written off for the year ended 31 December 2015.

	Year ended 31 December 2015	
	Rationale for write off	Amount written off ($ million)
Côte d'Ivoire	b	2.9
Ethiopia	c	39.7
French Guiana	c	0.3
Gabon	a, b, c	21.3
Ghana	b	0.4
Guinea	c	60.3
Greenland	c	38.7
Kenya	a	28.3
Netherlands	c	371.3
Norway	a, b	92.2
Madagascar	c	12.2
Mauritania	b	7.3
Mozambique	b	4.6
Suriname	a	28.8
Other	a, b, c	15.2
New Ventures	d	25.4
Total exploration costs written off		748.9

Notes:

a. Current year unsuccessful drilling results

b. Licence relinquishments

c. Review of forward work program in light of capital re-allocation to development projects and current low oil and gas price environment

d. New Ventures expenditure is written off as incurred

Impairment of property, plant and equipment, net

The Group recognised an impairment charge of $167.6 million for the year ended 31 December 2016 compared to $406.0 million for the year ended 31 December 2015.

For the year ended 31 December 2016, the Group recognised an impairment charge of $167.6 million, comprising the TEN, Limande, Echira, Etame, Espoir, M'boundi, Chinguetti and UK CGUs, which largely related to lower forecasts of oil and gas prices and an increase in estimated future decommissioning costs. These charges were offset by reversals to impairment of the Oba CGU, which mainly resulted from 2P reserve additions during the year ended 31 December 2016.

For the year ended 31 December 2015, the Group recognised an impairment charge of $406.0 million, which related to lower forecasts of oil and gas prices, partially offset by impairment reversals of $61.2 million relating to the Group's assets in Gabon due to increased reserves and by lower forecasts of decommissioning costs relating to the Group's assets in the United Kingdom.

Provision for onerous service contracts, net

The income statement charge for provision for onerous service contracts decreased by $70.6 million, or 38.1%, from $185.5 million for the year ended 31 December 2015 to $114.9 million for the year ended 31 December 2016. Due to reductions in planned future work programmes, the Group recognised an income statement charge for onerous service contracts in 2015 and 2016.

Gain/(loss) on hedging instruments

The gain/(loss) on hedging instruments improved by $77.0 million, or 131.0%, from a loss of $58.8 million for the year ended 31 December 2015 to a gain of $18.2 million for the year ended 31 December 2016, primarily due to the time value of the Group's commodity derivative instruments.

Finance revenue

Finance revenue increased by $22.2 million, or 528.6%, from $4.2 million for the year ended 31 December 2015 to $26.4 million for the year ended 31 December 2016, primarily due to foreign exchange gains.

Finance costs

Finance costs increased by $49.2 million, or 33.0%, from $149.0 million for the year ended 31 December 2015 to $198.2 million for the year ended 31 December 2016, primarily due to higher average borrowing levels during the year ended 31 December 2016 and the cessation of capitalisation of interest to the TEN asset on commencement of production from the asset in August 2016.

The following table provides additional details on the Group's finance costs for the years ended 31 December 2015 and 2016:

	Year ended 31 December		
(in millions of $)	**2015**	**2016**	**% Change**
Interest on bank overdrafts and borrowings	246.3	304.7	23.7
Interest on obligations under finance leases	2.0	1.8	(10.0)
Total borrowing costs	248.3	306.5	23.4
Less amounts included in cost of qualifying assets	(160.1)	(138.8)	(13.3)
	88.2	167.7	90.1
Finance and arrangement fees	16.8	5.4	(67.9)
Other interest expense	2.7	—	(100.0)
Foreign exchange losses	13.0	—	—
Unwinding of discount on decommissioning provisions	28.3	25.1	(11.3)
Finance costs	149.0	198.2	33.0

Income tax credit/(expense)

Income tax credits increased by $50.6 million, or 19.4%, from a credit of $260.4 million for the year ended 31 December 2015 to a credit of $311.0 million for the year ended 31 December 2016, reflecting the deferred tax credit associated with the Uganda and Norway exploration write offs.

The Group's effective tax rate decreased to a 34% credit for the year ended 31 December 2016 compared to a 20.1% credit for the year ended 31 December 2015. Of this decrease 21% was due to the tax effect of Norwegian losses which are taxed at a higher rate and the remainder was primarily a result of lower profits from overseas production activity and an increase in hedging profits and lost production insurance proceeds taxed at the UK corporation tax rate of 20%. This was partially offset by a higher impairment of goodwill in 2016 for which there is no impact on the Group's tax charge.

6.2. Comparison of results of operations for the years ended 31 December 2014 and 2015

Sales revenue

Sales revenue decreased by $606.3 million, or 27.4%, from $2,212.9 million for the year ended 31 December 2014 to $1,606.6 million for the year ended 31 December 2015, driven primarily by a 31% decrease in realised oil prices after hedging. Sales volume remained stable for the year ended 31 December 2015, with average daily sales volumes of 67,600 boepd for the period compared to 67,400 boepd for the year ended 31 December 2014. Growth in average daily sales volumes from West African oil production was offset by end of field life declines in UK gas production, the partial farm-down of the Schooner and Ketch gas fields in October 2014, and the disposal of the L and Q blocks in the Netherlands in April 2015.

The Group's oil sales are based on various benchmark prices, with adjustments for quality, transportation fees and a regional price differential, as a proxy for market prices. The average realised price per bbl from oil sales was $67.0 for the year ended 31 December 2015 compared to $97.5 for the year ended 31 December 2014. This lower average realised price per bbl was due to the significantly lower average Brent crude oil prices during the year ended 31 December 2015 compared to the year ended 31 December 2014.

The average realised price per therm from gas sales decreased by 9.9 pence, or 19.1%, from 51.7 pence for the year ended 31 December 2014 to 41.8 pence for the year ended 31 December 2015.

This lower average realised price was primarily caused by lower European gas prices during the year ended 31 December 2015 compared to the year ended 31 December 2014.

Cost of sales

Cost of sales decreased by $101.4 million, or 9.1%, from $1,116.7 million for the year ended 31 December 2014 to $1,015.3 million for the year ended 31 December 2015. Underlying cash operating costs decreased from $511.5 million ($18.6 per boe) for the year ended 31 December 2014 to $406.3 million ($15.1 per boe) for the year ended 31 December 2015. The decrease in underlying cash operating costs per boe was principally due to increased West African oil production. As operating costs are largely fixed, this resulted in these costs being spread over increased production volumes in determining costs per barrel. Furthermore, cost savings programmes and the impact and farm-down and disposal of high operating cost per barrel assets in the United Kingdom in 2014 and the disposal of the L and Q blocks in the Netherlands in April 2015 resulted in lower total costs.

Movements in underlift/overlift resulted in a $1.5 million credit to the income statement for the year ended 31 December 2015 compared to a $27.1 million charge to the income statement for the year ended 31 December 2014.

Depreciation, depletion and amortisation charges before impairment on production and development assets decreased from $572.2 million ($20.8 per boe) for the year ended 31 December 2014 to $551.2 million ($20.5 per boe) for the year ended 31 December 2015.

Cost of sales amounted to 50.5% and 63.2% as a percentage of sales revenue during the years ended 31 December 2014 and 2015, respectively. This was largely due to decreased revenue derived for the year ended 31 December 2015 compared to the year ended 31 December 2014.

Administrative expenses

Administrative expenses increased by $1.2 million, or 0.6%, from $192.4 million for the year ended 31 December 2014 to $193.6 million for the year ended 31 December 2015. Share-based payment charges increased from $37.9 million for the year ended 31 December 2014 to $47.9 million for the year ended 31 December 2015, whilst depreciation of other fixed assets fell from $49.6 million to $28.9 million for the same period. Relocation costs associated with the Major Simplification Project of $5.9 million were incurred in 2015, but these costs were offset by lower expenses incurred as a result of the savings achieved under that project as the Group responded to a low oil price environment.

Administrative expenses amounted to 8.7% and 12.1% of sales revenue in the years ended 31 December 2014 and 2015, respectively. This was largely due to decreased revenue derived for the year ended 31 December 2015 compared to the year ended 31 December 2014.

Restructuring costs

During the year ended 31 December 2015, the Group incurred restructuring costs of $44.9 million in connection with its Major Simplification Project. After recharging part of those costs to certain of the Group's commercial partners, the Group incurred a net charge for restructuring costs of $40.8 million on its income statement. The Group did not record a restructuring costs charge for the year ended 31 December 2014.

Loss on disposal

Loss on disposal decreased by $425.9 million from a loss of $482.4 million for the year ended 31 December 2014 to a loss of $56.5 million for the year ended 31 December 2015. Loss on disposal for the year ended 31 December 2015 related primarily to the disposal of the Group's interests in the L and Q blocks in the Netherlands to AU Energy for a loss on disposal of $46.3 million and the disposal of various licences in Norway for a loss on disposal of $7.4 million.

Loss on disposal recorded for the year ended 31 December 2014 related primarily to the reassessment of the recoverability of contingent consideration with respect to certain Ugandan assets to which the Group may have been entitled, resulting in a write down of $370.1 million. On completion of the farm-down of certain of the Group's Ugandan assets in 2012, the Group recognised $341.3 million of discounted contingent consideration as a non-current receivable from CNOOC and Total. The amount of the contingent consideration recoverable was dependent on the timing of the receipt of certain project approvals, and delays in the receipt of such approvals would result in a decrease on a straight-line basis of the amount recoverable. The Group believed that receipt of the project approvals was no longer probable before the recoverable amount reduced to zero and therefore the Group wrote off the full

carrying value of $370.1 million, which had increased from $341.3 million due to the unwinding of the discount. In addition, in the year ended 31 December 2014, the Group completed the farm-down of the Schooner and Ketch fields to Faroe Petroleum (U.K.) Limited for a loss on disposal of $90.4 million and made a payment of $36.6 million in respect of certain indemnities granted on the farm-down of the Group's Ugandan licences. In the same year, the Group completed a disposal of its interests in the Brage field in Norway to Wintershall, generating a profit on disposal of $21.1 million.

Goodwill impairment

Goodwill impairment for the years ended 31 December 2015 and 2014 related to the impairment of goodwill associated with the Group's acquisition of Spring Energy Norway AS in January 2013, which was predominantly acquired for its assets in Norway. Upon the acquisition of Spring Energy Norway AS, the Group recorded goodwill of $350.5 million and allocated it to a related group of CGUs that represented the assets acquired. In assessing goodwill impairment, the Group compares the carrying value of goodwill and the carrying value of the related group of CGUs with the recoverable amounts relating to those units. For the year ended 31 December 2015, the carrying value of goodwill and the carrying value of the related group of CGUs was $264.5 million and the recoverable amount of the CGUs was $210.8 million, resulting in an impairment of $53.7 million.

For the year ended 31 December 2014, the carrying value of goodwill and the carrying value of the related group of CGUs was $419.8 million and the recoverable amount of the CGUs was $287.0 million, resulting in an impairment of $132.8 million. The impairments for each period were primarily as a result of a reduction in recoverable reserves and resources and a reduction in the dollar per boe value of assets, which reflected reduced global oil prices for the respective periods.

Exploration costs written off

Exploration costs written off decreased by $908.4 million, or 54.8%, from $1,657.3 million for the year ended 31 December 2014 to $748.9 million for the year ended 31 December 2015.

Please see paragraph 6.1 above for a summary of the exploration costs written off for the year ended 31 December 2015.

The following table provides a summary of the exploration costs written off for the year ended 31 December 2014.

	Year ended 31 December 2014	
	Rationale for write off	Amount written off ($ million)
Côte d'Ivoire	b	58.0
Ethiopia	c	65.1
French Guiana	c	363.4
Gabon	a, b, c	54.0
Ghana	b	20.4
Kenya	a	0.6
Norway	a, b	366.6
Mauritania	b	621.4
Mozambique	b	(6.2)
Uganda	d	(1.5)
Other	a, b, c	62.2
New Ventures	e	53.3
Total exploration costs written off		1,657.3

Notes:

a. Current year unsuccessful drilling results

b. Licence relinquishments

c. Review of forward work program in light of capital re-allocation to development projects and current low oil and gas price environment

d. Current year expenditure or actualisation of accruals associated with CGUs previously written off

e. New Ventures expenditure is written off as incurred

Impairment of property, plant and equipment, net

The Group recognised a net impairment charge of $406.0 million for the year ended 31 December 2015 compared to $595.9 million for the year ended 31 December 2014.

For the year ended 31 December 2015, the Group recognised an impairment charge of $406.0 million, which related to lower forecasts of oil and gas prices, partially offset by impairment reversals of $61.2 million relating to the Group's assets in Gabon due to increased reserves and by lower forecasts of decommissioning costs relating to the Group's assets in the United Kingdom.

For the year ended 31 December 2014, the Group recognised an impairment charge of $595.9 million, which related to lower forecasts of oil and gas prices and an increase in anticipated decommissioning costs associated with assets in the United Kingdom, the Netherlands, Gabon, Congo and Equatorial Guinea.

Provision for onerous service contracts, net

The Group recognised a $185.5 million provision for onerous service contracts charge for the year ended 31 December 2015. No provision for onerous service contracts charge was recorded for the year ended 31 December 2014.

Gain/(loss) on hedging instruments

Losses on hedging instruments increased by $109.6 million from a gain of $50.8 million for the year ended 31 December 2014 to a loss of $58.8 million for the year ended 31 December 2015, primarily due to changes in the time value of the Group's commodity derivative instruments. As at 31 December 2015, the Group's estimate of fair values was lower than at the same time in 2014. The changes in fair values had the impact of increasing the value of the Group's commodity derivative instruments (i.e. decreasing the liability), the time value element of which was allocated to the income statement.

Finance revenue

Finance revenue decreased by $5.4 million, or 56.3%, from $9.6 million for the year ended 31 December 2014 to $4.2 million for the year ended 31 December 2015, primarily due to a decrease in realised foreign exchange gains in the year ended 31 December 2015.

Finance costs

The following table provides details on the Group's finance costs for the years ended 31 December 2014 and 2015:

	Year ended 31 December		
(in millions of $)	**2014**	**2015**	**% Change**
Interest on bank overdrafts and borrowings	202.3	246.3	21.7%
Interest on obligations under finance leases	1.1	2.0	81.8%
Total borrowing costs	203.4	248.3	22.1%
Less amounts included in cost of qualifying assets	(120.6)	(160.1)	32.8%
	82.8	88.2	6.5%
Finance and arrangement fees	14.4	16.8	16.7%
Other interest expense	1.0	2.7	170.0%
Foreign exchange losses	22.6	13.0	(42.5%)
Unwinding of discount on decommissioning provisions	22.4	28.3	26.3%
Finance costs	143.2	149.0	4.1%

Finance costs increased by $5.8 million, or 4.1%, from $143.2 million for the year ended 31 December 2014 to $149.0 million for the year ended 31 December 2015, primarily due to an increase in interest cost on the Group's debt instruments as a result of larger average balances outstanding and lower foreign exchange losses incurred. In 2015, the Group increased its commitments under the RBL Facilities from $3.5 billion to $3.7 billion and its commitments under the Corporate Facility from $0.75 billion to $1.0 billion. In April 2014, the Group completed the issuance of the 2022 Senior Notes, and refinanced and increased its commitments under the Corporate Facility from $0.5 billion to $0.75 billion. The increase in finance costs for the year ended 31 December 2015 reflected borrowing costs related to the 2022 Senior Notes and commitments under the Corporate Facility.

Finance costs for the years ended 31 December 2014 and 2015 were partially offset by an increase in capitalised interest due to commencement of the development of the TEN fields. The net interest charges for the periods included interest incurred on the Group's debt facilities and the unwinding of the discount on decommissioning provisions, offset by interest earned on cash deposits and borrowing costs capitalised principally against the Group's Ugandan assets and the TEN fields.

Income tax credit/(expense)

Income tax credit decreased by $147.1 million, or 36.1%, from $407.5 million for the year ended 31 December 2014 to $260.4 million for the year ended 31 December 2015. Income tax credit mainly relates to tax charges in respect of the Group's North Sea, Gabon, Equatorial Guinea and Ghanaian production activities, offset by certain tax credits arising from Norwegian exploration and deferred tax credits associated with exploration write offs and impairments. The change in income tax credit related primarily to the decrease in deferred tax credits associated with exploration write offs of $276.5 million and impairments of $49.1 million for the year ended 31 December 2015. For the year ended 31 December 2014, the Group's deferred tax credits associated with exploration write offs and impairments were lower, at $397.9 and $174.9 million, respectively.

The Group's effective tax rate remained materially consistent with a 20.1% credit for the year ended 31 December 2015 compared to a 19.9% credit for the year ended 31 December 2014. The 2015 rate increased due to settlement of the Uganda capital gains tax claim and was offset by losses not recognised in 2014.

7. Liquidity, capital resources and other financial information

7.1. Liquidity overview

The Group's liquidity requirements arise principally from its capital investment and working capital requirements. For the periods discussed in this Part 7, the Group met its capital investment and working capital requirements primarily from oil and gas revenues from its producing assets (such as the TEN and Jubilee fields in Ghana, the Ceiba field and Okume Complex in Equatorial Guinea, and the Tchatamba fields in Gabon), debt financing through ongoing drawings on the RBL Facilities, Corporate Facility and Norwegian Facility and the issuance of the 2020 Senior Notes, 2022 Senior Notes and the Convertible Bonds, and the proceeds from farm-downs and other disposals of interests in licences.

The Group held cash and cash equivalents of $319.0 million, $355.7 million and $281.9 million as at 31 December 2014, 2015 and 2016, respectively. These amounts include cash held in bank accounts relating to business ventures with the Group's commercial partners of $200.6 million, $169.5 million and $140.9 million as at 31 December 2014, 2015 and 2016, respectively. In addition to the cash held in such joint venture bank accounts, the Group had additional amounts of cash held in restricted bank accounts of $nil, $16.1 million and $20.3 million as at 31 December 2014, 2015 and 2016, respectively. Although these balances are short-term and highly liquid, they are restricted for use within the business ventures to which they relate and cannot be used for the Group's general funding requirements.

7.2. Cash flow

The following table sets forth consolidated cash flow information in respect of the Group for the years ended 31 December 2014, 2015 and 2016.

	Year ended 31 December		
(in millions of $)	**2014**	**2015[1]**	**2016**
Loss before taxation	(2,047.4)	(1,297.3)	(908.3)
Adjustments for:			
Depreciation, depletion and amortisation	621.8	580.1	466.9
Loss on disposal	482.4	56.5	3.4
Goodwill impairment	132.8	53.7	164.0
Exploration costs written off	1,657.3	748.9	723.0
Impairment of property, plant and equipment, net	595.9	406.0	167.6
Provision for onerous service contracts, net	—	185.5	114.9
Payments under onerous service contracts	—	—	(132.0)
Provisions for inventory	—	22.2	—
Decommissioning expenditure	(20.4)	(40.8)	(23.0)
Share-based payment charge	39.5	48.7	43.9
(Gain)/loss on hedging instruments	(50.8)	58.8	(18.2)
Finance revenue	(9.6)	(4.2)	(26.4)
Finance costs	143.2	149.0	198.2
Operating cash flow before working capital movements	**1,544.7**	**967.1**	**774.0**
Decrease/(increase) in trade and other receivables	29.9	(26.5)	(99.4)
Decrease/(increase) in inventories	61.0	9.0	(47.8)
(Decrease)/increase in trade payables	(119.6)	(6.3)	(29.8)
Cash flows from operating activities	**1,516.0**	**943.3**	**597.0**
Income taxes (paid)/received	(34.2)	34.9	(84.5)
Net cash from operating activities	**1,481.8**	**978.2**	**512.5**
Proceeds from disposals	21.3	55.8	62.8
Purchase of intangible exploration and evaluation assets	(1,255.1)	(647.6)	(275.2)
Purchase of property, plant and equipment	(1,098.3)	(1,092.0)	(756.0)
Interest received	4.6	4.2	1.2
Net cash used in investing activities	**(2,327.5)**	**(1,679.6)**	**(967.2)**
Net proceeds from issue of share capital	3.3	3.5	9.9
Debt arrangement fees	(22.2)	(25.7)	(31.7)
Repayment of bank loans	(1,202.1)	(191.8)	(769.1)
Drawdown of bank loans	1,749.8	1,168.8	1,187.5
Issue of senior loan notes	650.0	—	—
Issue of convertible bonds	—	—	300.0
Repayment of obligations under finance leases	(1.1)	(3.3)	(3.3)
Finance costs paid	(172.9)	(203.6)	(284.0)
Dividends paid	(182.3)	—	—
Distribution to non-controlling interests	(15.0)	(2.4)	(10.0)
Net cash generated by financing activities	**807.5**	**745.5**	**399.3**
Net (decrease)/increase in cash and cash equivalents	**(38.2)**	**44.1**	**(55.4)**
Cash and cash equivalents at beginning of year	352.9	319.0	355.7
Cash transferred from held for sale	16.2	—	—
Foreign exchange loss	(11.9)	(7.4)	(18.4)
Cash and cash equivalents at end of year	**319.0**	**355.7**	**281.9**

Note:

(1) An amount of $372.8 million has been re-presented between movements in trade payables and purchase of property, plant and equipment related to movements in capital accruals. This reduced the cash outflow for the purchase of property, plant and equipment in 2015 from $1,464.8 million to $1,092.0 million, with a corresponding adjustment to the cash flow from changes in trade payables, resulting in the net cash inflow from increases in trade payables of $366.5 million becoming a net cash outflow from decreases in trade payables of $6.3 million.

7.3. Net cash from operating activities

Net cash from operating activities was $512.5 million for the year ended 31 December 2016 compared to $978.2 million from operating activities for the year ended 31 December 2015. The decrease in net cash from operating activities was primarily due to lower realised oil prices and payments under onerous service contracts. This was partially offset by a decrease in underlying cash operating costs and administrative costs, which was due to ongoing savings efforts and savings from the Major Simplification Project.

Net cash from operating activities was $978.2 million for the year ended 31 December 2015 compared to $1,481.8 million from operating activities for the year ended 31 December 2014. The decrease in net cash from operating activities was primarily due to lower realised oil prices. This was partially offset by a decrease in underlying cash operating costs associated with ongoing cost savings and the impact of the Group's farm-down and disposal of high cost per barrel assets in the United Kingdom and the Netherlands.

7.4. Net cash used in investing activities

Net cash used in investing activities was $967.2 million for the year ended 31 December 2016 compared to $1,679.6 million of net cash used in investing activities for the year ended 31 December 2015. In the year ended 31 December 2016, capital expenditure on property, plant and equipment and on intangible exploration and evaluation assets accounted for $1,031.2 million of the investment cash outflow, mainly relating to investments associated with completing the development of the TEN fields. In the year ended 31 December 2015, capital expenditure on property, plant and equipment and on intangible exploration and evaluation assets accounted for $1,739.6 million of the investment cash outflow, also mainly relating to investments associated with the TEN fields.

Net cash used in investing activities was $1,679.6 million for the year ended 31 December 2015, compared to $2,327.5 million of net cash used in investing activities for the year ended 31 December 2014. In the year ended 31 December 2015, capital expenditure on property, plant and equipment and on intangible exploration and evaluation assets accounted for $1,739.6 million of the investment cash outflow, mainly relating to investments associated with developing the TEN fields. In the year ended 31 December 2014, capital expenditure on property, plant and equipment and on intangible exploration and evaluation assets accounted for $2,353.4 million of the investment cash outflow, also mainly relating to investments associated with developing the TEN fields and exploration activity.

Additions to intangible exploration and evaluation assets and property, plant and equipment exceed net cash used in investing activities due to the additions of non-cash items such as share based-payment charges.

For a more detailed description of the Group's recent capital expenditure, see paragraph 8 below entitled "Capital investment".

7.5. Net cash generated by financing activities

Net cash generated by financing activities was $399.3 million for the year ended 31 December 2016, compared to $745.5 million of net cash generated by financing activities for the year ended 31 December 2015. In the year ended 31 December 2016, financing activities reflected principally net drawings on the Group's debt facilities, partially offset by interest payments under those facilities. In the year ended 31 December 2015, financing activities also reflected principally net drawings on the Group's debt facilities, partially offset by finance costs.

Net cash generated by financing activities was $745.5 million for the year ended 31 December 2015, compared to $807.5 million of net cash generated by financing activities for the year ended 31 December 2014. In the year ended 31 December 2014, financing activities reflected principally net drawings on the Group's debt facilities, partially offset by dividends paid of $182.3 million and finance costs.

7.6. Financing

As noted above, the Group's liquidity requirements arise principally from its capital investment and working capital requirements. For the periods discussed in this Part 7, the Group met its capital investment and working capital requirements primarily from oil and gas revenues from its producing assets, and the proceeds of equity and debt financings and farm-downs and other disposals of interests in licences. Historically, the Group has utilised a combination of short and long-term financial

instruments to supplement cash flow from operations to finance its cash needs and the growth of its business.

7.6.1. Equity financing

In the year ended 31 December 2016, the Company issued 2,905,350 Ordinary Shares for an aggregate subscription amount of $9.8 million in respect of options and awards granted under the Tullow Share Schemes, compared to 914,979 Ordinary Shares for an aggregate subscription amount of $3.6 million in the year ended 31 December 2015, and 689,690 Ordinary Shares for an aggregate subscription amount of $3.3 million in the year ended 31 December 2014. As at 31 December 2016, the Company had 914,481,960 allotted and fully paid Ordinary Shares in issue, compared to 911,576,706 Ordinary Shares as at 31 December 2015 and 910,661,631 Ordinary Shares as at 31 December 2014 respectively.

7.6.2. Debt financing

The Group's total debt as at 31 December 2016 amounted to $5,063.8 million.

In 2013, the Group completed an offering of the 2020 Senior Notes, raising gross proceeds of $650.0 million. In 2014, the Group completed an offering of the 2022 Senior Notes, raising gross proceeds of $650.0 million. The proceeds of the 2020 Senior Notes and the 2022 Senior Notes were used to repay existing indebtedness under the RBL Facilities.

In July 2016, the Group completed an offering of Convertible Bonds, raising gross proceeds of $300.0 million which were used for general corporate purposes and to fund capital investment.

During 2016 the commitments on the RBL Facilities amortised by $445 million, as scheduled. In March 2015, the Group arranged an additional $200 million of commitments, increasing the RBL Facilities to $3.7 billion. In October 2016, the Group arranged $345 million of new commitments from its existing lenders by exercising an accordion facility in the RBL Facilities which will take effect from 3 April 2017. Available credit under the RBL Facilities was $3,255 million as at the Latest Practicable Date and is expected to be $3,155 million after the scheduled amortisation payment in April 2017. The RBL Facilities incur interest on outstanding debt at LIBOR (in respect of US dollar loans or pound sterling loans) or EURIBOR (in respect of euro loans) plus an applicable margin. The outstanding debt is repayable in line with the amortisation of bank commitments over the period to the final maturity date of 31 October 2019, or such time as is determined by reference to the remaining reserves of the assets, whichever is earlier.

In April 2014, the Group increased the commitments under the Corporate Facility from $500 million to $750 million. In March 2015, the Group arranged an additional $250 million of commitments under the Corporate Facility, increasing that facility to $1,000 million. In April 2016, the Group extended its Corporate Facility by twelve months to April 2018, with commitments reducing to $800 million in April 2017 and to $600 million in January 2018, and an accordion facility of $200 million was agreed with the Group's lenders. In February 2017, the Group extended its Corporate Facility by twelve months to April 2019, with commitments of $500 million from April 2018 reducing to commitments of $400 million in October 2018. The Corporate Facility incurs interest on outstanding debt at US dollar LIBOR plus an applicable margin.

In March 2015, the Group reduced commitments under the Norwegian Facility by NOK 750 million to NOK 2,250 million. In December 2016, the Group reduced commitments under the Norwegian Facility by a further NOK 1,250 million to NOK 1,000 million. The Group used the Norwegian Facility to finance certain exploration activities on the Norwegian continental shelf which are eligible for a tax refund. The Norwegian Facility is available for drawing until 31 December 2017, and its final maturity date is the earlier of 31 December 2018 and the date when the 2017 tax reimbursement claims are received by the Group. The Norwegian Facility incurs interest on outstanding debt at NIBOR plus an applicable margin.

In March 2017, the Group entered into the Senior Corporate Facility Agreement with commitments of $25 million which mature in April 2018. The Senior Corporate Facility incurs interest on outstanding debt at LIBOR (in respect of US dollar loans or pound sterling loans) or EURIBOR (in respect of euro loans) plus an applicable margin.

As at 31 December 2016, the Group's drawings under the RBL Facilities were, in aggregate, $3,000.0 million (with $3,255.0 million in commitments), drawings under the Corporate Facility were $380.0 million (with $1,000.0 million in commitments) and drawings under the Norwegian Facility were NOK 724.9 million ($83.9 million) (with NOK 1,000.0 million ($115.7 million) in commitments).

The following table details the Group's remaining contractual maturity for debt as at 31 December 2016. The table has been compiled based on the undiscounted cash flows of financial liabilities on the earliest date on which the Group can be required to pay.

(in millions of $)	As at 31 December 2016
Due within one year	591.9
Due within two to five years	3,821.9
Due after five years	650.0
Total	5,063.8

$55 million of drawn commitments under the RBL Facilities will amortise in April 2017, and $453.1 million of drawn commitments under the RBL Facilities will amortise in October 2017. The Group estimates that it will be required to make NOK 724.9 million ($83.9 million) of debt principal repayments on the Norwegian Facility by 31 December 2017. The Group expects that it will be able to repay its borrowings under the Norwegian Facility through a tax refund from the Norwegian Government.

7.7. Capitalisation and indebtedness

The following tables show the capitalisation and the indebtedness of the Group as at 31 December 2016. The figures for the capitalisation and the indebtedness of the Group have been extracted without material adjustment from the Group's audited consolidated financial statements for the year ended 31 December 2016. The figures exclude balances between entities that comprise the Company, its subsidiaries and subsidiary undertakings.

7.7.1. Capitalisation

The table below sets out the capitalisation of the Group as at 31 December 2016.

(in millions of $, unless stated)	As at 31 December 2016
Total current debt	
Guaranteed	—
Secured	591.9
Unguaranteed/unsecured	—
	591.9
Total non-current debt (excluding current portion of long-term debt)	
Guaranteed	1,600.0
Secured	2,871.9
Unguaranteed/unsecured	—
	4,471.9
Shareholder's equity	
Called up share capital	147.5
Share premium	619.3
Equity component of convertible bonds	48.4
Foreign currency translation reserve	(232.2)
Hedge reserve	128.2
Other reserves	740.9
Retained earnings	778.0
Total shareholder's equity	**2,230.1**

Save for the proposed Rights Issue, there has been no material change in the capitalisation of the Group since 31 December 2016.

7.7.2. Indebtedness

The following table sets out the Group's net indebtedness as at 31 December 2016.

(in millions of $, unless stated)		As at 31 December 2016
(A)	Cash	281.9
(B)	Cash equivalents	—
(C)	Trading securities	—
(D)	**Liquidity (A)+(B)+(C)**	**281.9**
(E)	**Current financial receivable**	**1,187.3**
(F)	Current bank debt	591.9
(G)	Current portion of non current debt	—
(H)	Other current financial debt	1,005.1
(I)	**Current financial debt (F)+(G)+(H)**	**1,597.0**
(J)	**Net current financial indebtedness (I)-(E)–(D)**	**127.8**
(K)	Non current bank loans	2,871.9
(L)	Bonds issued	1,600.0
(M)	Other non current loans	—
(N)	**Non current financial indebtedness (K)+(L)+(M)**	**4,471.9**
(O)	**Net financial indebtedness (J)+(N)**	**4,599.7**

Save for the contingent liabilities discussed in paragraph 9 below and the Group's liability of $1.6 billion under an operating lease for the FPSO for the TEN fields in Ghana which will be recognised in the Group's financial statements as a finance lease liability for the year ending 31 December 2017, the Group has no indirect and contingent indebtedness.

The Group intends to accelerate the reduction of its debt towards its gearing policy of less than 2.5x net debt/Adjusted EBITDAX through a combination of the receipt of the net proceeds from the Rights Issue, improving cash flow from production growth, and value enhancing portfolio management activities, including future asset sales and farm-downs.

8. Capital investment

During the years ended 31 December 2014, 2015 and 2016, the Group spent $2,021.0 million, $1,720.0 million and $857.0 million, respectively, on capital investment to support its exploration and development strategy. Capital investment has historically comprised the costs of technical services and studies, seismic acquisition and interpretation, and exploratory, appraisal, development and productivity enhancement drilling, well testing and costs associated with construction of oil and gas facilities.

The Group's capital investment in the year ended 31 December 2016 principally related to (i) development activities ($775.4 million), and (ii) exploration and appraisal activities ($81.6 million). The major development activities were the completion of the TEN project in Ghana, which achieved first oil in August 2016, and developments in Kenya, Uganda and Gabon. More than 90% of the Group's capital investment in the year ended 31 December 2016, or more than $800.0 million, was invested in Africa, and more than 80% was invested in Ghana, Kenya and Uganda.

The Group's capital investment in the year ended 31 December 2015 principally related to (i) development activities ($1,464.0 million) associated with the TEN fields, the Jubilee field and developments in Kenya and Uganda, and (ii) exploration and appraisal activities ($256.0 million). More than 90% of the Group's capital investment in the year ended 31 December 2015, or more than $1,605 million, was invested in Africa, and more than 80% was invested in Ghana, Kenya and Uganda.

The Group's capital investment in the year ended 31 December 2014 principally related to (i) development activities ($1,225.0 million) primarily associated with the TEN fields and continued drilling of the Phase 1A development wells in the Jubilee field ($759.1 million), and (ii) exploration and appraisal activities ($796.0 million), particularly in Kenya, Ethiopia and Mauritania. More than 90% of the Group's capital investment in the year ended 31 December 2014, or more than $1,840 million, was invested in Africa, and more than 60% was invested in Ghana, Kenya and Uganda.

The following table shows a reconciliation of additions to property, plant and equipment and intangible exploration and evaluation assets to capital investment for the years ended 31 December 2014, 2015 and 2016.

	Year ended 31 December		
(in millions of $)	**2014**	**2015**	**2016**
Additions to property, plant and equipment	1,535.3	1,258.2	818.5
Additions to intangible exploration and evaluation assets	1,405.5	626.3	291.4
Less			
Decommissioning asset additions[(1)]	(454.9)	147.4	(57.1)
Capitalised share-based payment charge[(2)]	(20.0)	(18.6)	(7.0)
Capitalised finance costs[(3)]	(120.6)	(160.1)	(138.8)
Additions to administrative assets[(4)]	(80.6)	(23.1)	(1.6)
Norwegian tax refund[(5)]	(172.9)	(50.4)	(32.9)
Other adjustments[(6)]	(70.8)	(59.7)	(15.5)
Capital investment	2,021.0	1,720.0	857.0

Notes:

(1) Decommissioning assets are recorded as an equal and opposite amount to the Group's decommissioning provisions. Decommissioning assets are depreciated over the life of the relevant asset until the point of decommissioning. Any increases in a provision due to a change in scope of the obligation results in an increase in the decommissioning asset. The asset is recorded under the property, plant and equipment line item in the balance sheet. Any new decommissioning assets, or increases in decommissioning assets, from the previous year are shown as additions to that line item.

(2) Capitalised share-based payment charge relates to the portion of the non-cash share-based payment charge that relates to employees who work on capital projects.

(3) Capitalised finance costs relates to the portion of the Group's borrowing costs that is deemed to fund development activities.

(4) Administrative assets represent fixtures, fittings and office equipment such as computers. Because they are not directly attributable to the exploration or development of oil and gas, the Group excludes their costs from its definition of capital investment.

(5) Capital expenditure is adjusted for the Norwegian tax refunds. The Norwegian tax refund for each of the years ended 31 December 2014, 2015 and 2016 represents 78% of the Group's qualifying exploration expenditure in Norway during each of those years. The refund is paid in the year following the year in which the expense is incurred.

(6) Other adjustments includes non-business combinations/acquisitions, cash re-imbursements for capital expenditure under sale and purchase agreements between their effective date and completion date and exclusion of other non-cash adjustments to fixed asset additions made in accordance with IFRS. These include capitalisation of provisions made in respect of inventory and operational receivables and expenditure under certain subleased rig contracts.

Future capital investment

The Group's capital investments are driven largely by its exploration and appraisal activities and development of new oil and gas projects through to production. The Group continually evaluates its capital needs and compares them to its estimated funds available and its actual future capital expenditures may be higher or lower than its budgeted amounts. In particular, the Group's capital expenditures may increase as additional exploration opportunities are presented to the Group or to fund appraisal and development costs associated with additional successful wells. The final determination with respect to the drilling of any well, including those currently budgeted, will depend on multiple factors, including the results of the Group's development and exploration efforts, the availability of sufficient capital resources for drilling prospects, economic and industry conditions at the time of drilling, including prevailing and anticipated prices that the Group can achieve for its oil and gas, the availability of drilling rigs and crews, and the Group's financial condition.

The Group's capital expenditure associated with operating activities is expected to reduce from $0.9 billion in 2016 to $0.5 billion in 2017. The 2017 total comprises Ghana capital expenditure of approximately $90 million, West Africa non-operated capital expenditure of approximately $30 million, Kenya pre-development expenditure of approximately $100 million, and exploration and appraisal expenditure limited to approximately $125 million. Uganda capital expenditure of approximately $125 million will be offset by deferred consideration payable by Total Uganda and CNOOC Uganda under the farm-down first announced on 9 January 2017, subject to completion of that farm-down.

9. Contractual obligations and contingent liabilities

The following table details the remaining contractual maturity for the Group's non-derivative financial liabilities with agreed repayment periods as at 31 December 2016. The table reflects the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

	Payments due by period					
Contractual obligations (in millions of $)	**Less than 1 month**	**1-3 months**	**3 months to 1 year**	**1-5 years**	**More than 5 years**	**Total**
Non-interest bearing[1]	21.0	167.3	4.7	—	87.7	280.7
Finance lease liabilities[2]	0.3	0.8	2.4	14.5	17.6	35.6
Fixed interest rate instruments						
Principal repayments	—	—	—	950.0	650.0	1,600.0
Interest payments	9.9	—	89.6	359.0	20.3	478.8
Variable interest rate instruments						
Principal repayments	—	55.0	536.9	2,871.9	—	3,463.8
Interest payments	14.4	28.6	120.2	151.9	—	315.1
Total	**45.6**	**251.7**	**753.8**	**4,347.3**	**775.6**	**6,174.0**

Notes:

(1) Primarily reflects trade and other payables such as amounts due to the Group's commercial partners, VAT and royalties payable in cash.

(2) Relates to the Espoir FPSO in Côte d'Ivoire.

As is common in the Group's industry, the Group has entered into various commitments related to the exploration and appraisal of, and production from, commercial oil and gas assets. As at 31 December 2014, 2015 and 2016, the Group had future capital commitments of $2,457.8 million, $1,614.5 million and $108.4 million, respectively. These amounts represent the Group's obligations during the course of the following years to fulfil its contractual commitments.

The decrease in capital commitments from $1,614.5 million as at 31 December 2015 to $108.4 million as at 31 December 2016 was primarily due to the completion of the TEN development project on achieving first oil in 2016.

The decrease in capital commitments from $2,457.8 million as at 31 December 2014 to $1,614.5 million as at 31 December 2015 was primarily due to a scale down in capital programs for the 2015 period, which included commitments associated with the TEN development project.

The Group had certain contingent liabilities in relation to performance guarantees for abandonment obligations, committed work programmes and certain financial obligations of $555.9 million, $162.9 million and $241.7 million as at 31 December 2014, 2015 and 2016, respectively.

The Group's contingent liabilities were as follows as at 31 December 2014, 2015 and 2016:

	As at 31 December		
(in millions of $)	**2014**	**2015**	**2016**
Performance guarantees[1]	288.7	130.9	85.1
Ugandan CGT[2]	265.3	—	—
Other contingent liabilities[3]	1.9	32.0	156.6
Total	**555.9**	**162.9**	**241.7**

Notes:

(1) Performance guarantees are in respect of abandonment obligations, committed work programs and certain financial obligations.

(2) Represents contingent liabilities recorded relating to the Group's tax dispute with the Uganda Revenue Authority. The amount was settled in full between the relevant parties on 22 June 2015.

(3) Other contingent liabilities include legal disputes in which the Group considers it probable that it will prevail.

The Group has entered into certain operating lease agreements which are not recorded on the Group's balance sheet. The Group's commitments under operating lease agreements were as follows as at 31 December 2014, 2015, 2016.

	As at 31 December		
	2014 $m	2015 $m	2016 $m
Due within one year	21.6	8.4	143.7
Due after one year but within two years	22.7	8.4	105.9
Due after two years but within five years	40.2	25.2	319.9
Due after five years	10.4	39.3	464.8
	94.9	81.3	1,034.3

Operating lease payments represent rentals payable by the Group for certain of its office properties and a lease for an FPSO for use at the TEN fields in Ghana. The TEN FPSO is expected to be recognised as a finance lease liability in the year ending 31 December 2017. Leases of office properties are negotiated for an average of six years and rentals are fixed for an average of six years. The increase in operating lease commitments from 31 December 2015 to 31 December 2016 was due to inclusion of the lease for the TEN FPSO.

10. Qualitative and quantitative disclosures about market and financial risks

The Group is exposed to a variety of market and financial risks, including risks relating to credit, liquidity, foreign currency, commodity prices and interest rates. The following discussion of these risks should be read together with note 21 to the Group's audited consolidated financial statements for the year ended 31 December 2016 which are incorporated by reference into this Prospectus as described in Part 9 of this Prospectus.

10.1. Credit risk management

The Group has a credit policy that governs the management of credit risk, including the establishment of counterparty credit limits and specific transaction approvals. The primary credit exposures for the Group are its receivables generated by the marketing of crude oil and amounts due from commercial partners. These exposures are managed at the corporate level. The Group's crude oil sales are predominantly made to international oil market participants including the oil majors, trading houses and refineries. Commercial partners are predominantly international major oil and gas market participants. Counterparty evaluations are conducted utilising international credit rating agencies and financial assessment. Where considered appropriate, security in the form of trade finance instruments from financial institutions with an appropriate credit rating, such as letters of credit, guarantees and credit insurance, are obtained to mitigate the risks.

The Group generally enters into derivative agreements with banks who are lenders under the RBL Facilities. Security is provided under the RBL Facilities which mitigates non-performance risk. The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties. The maximum financial exposure due to credit risk on the Group's financial assets, representing the sum of cash and cash equivalents, investments, derivative assets, trade receivables, current tax assets, other current assets and other non-current assets, as at 31 December 2014, 2015 and 2016 was $2,126.1 million, $2,176.9 million and $1,661.7 million, respectively.

10.2. Liquidity risk management

The Group manages its liquidity risk using both short-term and long-term cash flow projections, supplemented by debt financing plans and active portfolio management. Ultimate responsibility for liquidity risk management rests with the Board, which has established a liquidity risk management framework covering the Group's short, medium and long term funding and liquidity management requirements. The Group closely monitors and manages its liquidity risk. Cash forecasts are regularly produced and sensitivities run for different scenarios including, but not limited to, changes in commodity prices, different production rates from the Group's producing assets and delays to development projects. In addition to the Group's operating cash flows, portfolio management opportunities are reviewed to potentially enhance the financial capability and flexibility of the Group.

Included in the Group's cash and cash equivalents balances is cash held in bank accounts relating to business ventures with the Group's commercial partners. These balances were $200.6 million, $169.5 million and $140.9 million as at 31 December 2014, 2015 and 2016, respectively. In addition to

the cash held in such joint venture bank accounts, the Group had additional amounts of cash held in restricted bank accounts of $nil, $16.1 million and $20.3 million as at 31 December 2014, 2015 and 2016, respectively. Although these balances are short-term and highly liquid, they are restricted for use within the business ventures to which they relate and cannot be used for the Group's general funding requirements.

10.3. Foreign currency risk management

The Group conducts and manages its business predominately in US dollars which is the operating currency of the industry in which it operates. The Group's current drawings under its borrowing facilities are also denominated in Krone (Norway) and the Group has the ability to draw in pounds sterling under the RBL Facilities, which further assists in foreign currency risk management. The Group also purchases the nationally issued currencies of the countries in which it operates routinely on the spot market. From time to time, the Group undertakes transactions denominated in other currencies. These exposures are often managed by executing foreign currency financial derivatives. There were no material non-US dollar denominated financial derivatives in place as at 31 December 2014, 2015 or 2016. Cash balances are held in other currencies to meet immediate operating and administrative expenses or to comply with local currency regulations.

As at 31 December 2014, 2015 and 2016, the Group's only material monetary assets or liabilities that were not denominated in the functional currency of the respective subsidiaries involved were non-US dollar denominated cash and cash equivalents, and £106.0 million, £106.0 million and nil in cash drawings under the Group's borrowing facilities as at 31 December 2014, 2015 and 2016 respectively. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities were net liabilities of $110.4 million and $107.2 million as at 31 December 2014 and 2015, respectively, and net assets of $16.9 million as at 31 December 2016.

The Group is mainly exposed to fluctuations in other currencies against the US dollar, in particular the pound sterling. The Group measures its market risk exposure by running various sensitivity analyses including assessing the impact of reasonably possible movements in key variables. The sensitivity analyses include only outstanding non-US dollar denominated monetary items and adjusts their translation at the period end for a 20% change in such non-US dollar rates. The following table demonstrates the sensitivity of the Group's financial instruments to certain possible movements in US dollar exchange rates.

		Effect on profit before tax		Effect on equity	
	Market movement	2016 $million	2015 $million	2016 $million	2015 $million
US$/foreign currency exchange rates	20%	(2.7)	(7.7)	(2.7)	23.7
US$/foreign currency exchange rates	(20%)	4.0	11.5	4.0	(19.9)

10.4. Commodity price risk management

The Group uses a number of derivative instruments to mitigate the commodity price risk associated with its underlying oil and gas revenues. Such commodity derivatives tend to be priced using pricing benchmarks, such as Dated Brent crude oil and United Kingdom NBP (D-1 Heren and M-1 Heren), which correlate as closely as possible to the Group's underlying oil and gas revenues, respectively. The Group hedges a portion of its estimated oil and gas revenues on a portfolio basis (rather than on a single asset basis), aggregating its oil revenues from substantially all of its African oil interests and its gas revenues from substantially all of its United Kingdom and Netherlands gas interests.

As at 31 December 2014, 2015 and 2016, all of the Group's derivatives were designated as cash flow hedges. The Group's oil and gas hedges have been assessed by it to be "highly effective" within the range prescribed under IAS 39 using regression analysis. There is, however, the potential for a degree of ineffectiveness in the Group's oil hedges arising from, among other factors, the discount on the Group's crude oil located in Africa relative to Dated Brent crude oil and the timing of oil liftings relative to the hedges. There is also the potential for a degree of ineffectiveness in the Group's gas hedges which arises from, among other factors, day-to-day field production performance.

The Group's derivative carrying and fair values were as follows as at 31 December 2016:

Assets/liabilities (in millions of $)	Less than 1 year	1-3 years	Total 2016
Cash flow hedges			
Oil derivatives	139.7	40.2	179.9
Gas derivatives	(1.4)	—	(1.4)
Interest rate derivatives	(1.0)	0.6	(0.4)
	137.3	**40.8**	**178.1**
Deferred premium			
Oil derivatives	(51.5)	(35.9)	(87.4)
Gas derivatives	—	—	—
	(51.5)	**(35.9)**	**(87.4)**
Total assets	**91.7**	**15.8**	**107.5**
Total liabilities	**(5.9)**	**(10.9)**	**(16.8)**

10.5. Interest rate risk management

Interest rate risk refers to the risk that market interest rates will increase, resulting in higher borrowing costs under the Group's credit facilities, all of which currently have floating interest rates. The Group has historically managed interest rate risk using interest rate swaps. The Group may be affected by changes in market interest rates at the time it needs to refinance any of its indebtedness.

11. Critical accounting policies

Critical accounting policies involve judgements and uncertainties that are sufficiently sensitive to result in materially different results under different assumptions and conditions. Accounting estimates are an integral part of the preparation of the Group's financial statements and the financial reporting process. The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Certain accounting estimates and judgements are particularly sensitive because of their complexity and the possibility that future events affecting them may differ materially from the Group's current estimates and judgements.

A detailed description of the principal accounting policies adopted by the Group, the critical accounting judgements that the Directors have made in the preparation of the Group's audited consolidated financial statements and the key sources of estimation uncertainty at each balance sheet date is set out in the section headed "Accounting policies" in the Group's audited consolidated financial statements for the years ended 31 December 2014, 2015 and 2016 which are incorporated by reference into this Prospectus as described in Part 9 of this Prospectus.

12. IFRS standards and interpretations issued and not yet adopted

IFRS standards and interpretations issued and not yet adopted are set forth in the section headed "Accounting policies" in the Group's audited consolidated financial statements for the year ended 31 December 2016 which are incorporated by reference into this Prospectus as described in Part 9 of this Prospectus.

PART 8

TAXATION

The statements on taxation referred to in this Part 8 are for general information purposes only and are intended to be a general summary of certain tax consequences that may arise for Shareholders and prospective investors in relation to the acquisition, holding and disposal of Ordinary Shares (which may vary depending upon the particular individual circumstances and status of Shareholders and prospective investors) and are not intended to be a comprehensive summary of all taxation aspects relating to the acquisition, holding or disposal of Ordinary Shares. These statements are based on the laws and practices as at the date of this document which may be subject to future revision. This discussion is not intended to constitute legal or tax advice to any person and should not be so construed.

Shareholders and prospective investors who are in any doubt as to their taxation position should consult their own independent professional advisers on the potential tax consequences regarding the acquisition, holding or disposal of New Ordinary Shares or Nil Paid Rights or the lapse of rights to New Ordinary Shares under the laws of their country and/or state of citizenship, domicile or residence.

1. UNITED KINGDOM TAXATION

1.1. Introduction

The following statements are intended to apply only as a general guide to certain UK tax considerations and are based on current UK tax law and current published practice of HM Revenue and Customs (''HMRC''), both of which are subject to change at any time, possibly with retrospective effect. They relate only to certain limited aspects of the UK taxation treatment of Shareholders who are resident and, in the case of individuals, domiciled in (and only in) the UK for UK tax purposes (except to the extent that the position of non-UK resident Shareholders is expressly referred to), who hold the Ordinary Shares as investments (other than under an individual savings account or a self-invested personal pension) and who are the beneficial owners of both the Ordinary Shares and any dividends paid on them. The statements may not apply to certain classes of Shareholders such as (but not limited to) persons acquiring their Ordinary Shares in connection with an office or employment, dealers in securities, insurance companies and collective investment schemes.

Prospective purchasers of Ordinary Shares who are in any doubt as to their tax position regarding the acquisition, ownership and disposition of the Ordinary Shares or who are subject to tax in a jurisdiction other than the United Kingdom are strongly recommended to consult their own tax advisers.

1.2. Taxation of dividends

1.2.1. UK resident individuals

Under current UK legislation, no tax is required to be withheld from dividend payments by the Company.

An individual Shareholder who is resident and domiciled for tax purposes in the United Kingdom and who receives a cash dividend from the Company will pay no tax on the first £5,000 of dividend income received in a year (the ''dividend allowance''). The 2016/2017 and 2017/2018 rates of income tax on dividends received above the dividend allowance (taking into account UK and non-UK dividends and certain other distributions in respect of shares received by the Shareholder in the same year) are: (a) 7.5 per cent. for dividends taxed in the basic rate band; (b) 32.5 per cent. for dividends taxed in the higher rate band; and (c) 38.1 per cent. for dividends taxed in the additional rate band.

Dividend income that is within the dividend allowance (currently £5,000, but expected to reduce to £2,000 from 5 April 2018) counts towards an individual's basic or higher rate limits—and will therefore affect the rate of tax that is due on any dividend income in excess of this allowance. In calculating into which tax band any dividend income over the allowance falls, savings and dividend income are treated as the highest part of an individual's income. Where an individual has both savings and dividend income, the dividend income is treated as the top slice.

1.2.2. UK resident companies

Shareholders within the charge to UK corporation tax which are ''small companies'' for the purposes of Chapter 2 of Part 9A of the Corporation Tax Act 2009 will generally not be subject to UK corporation tax on any dividend received from the Company provided certain conditions are met (including an anti-avoidance condition).

Other Shareholders within the charge to UK corporation tax will not be subject to UK corporation tax on dividends received from the Company so long as the dividends fall within an exempt class and certain

other conditions are met. Examples of exempt classes include dividends paid on shares that are ‘‘ordinary shares’’ and are not ‘‘redeemable’’ (as defined in Chapter 3 of Part 9A of the Corporation Tax Act 2009), and dividends paid to a person holding less than 10 per cent. of the issued share capital (or any class of that share capital) in the Company. However, the exemptions are not comprehensive and are subject to anti-avoidance rules.

If the conditions for exemption are not met or cease to be satisfied, or such a Shareholder elects for an otherwise exempt dividend to be taxable, the Shareholder will be subject to UK corporation tax on dividends received from the Company at the rate of corporation tax applicable to that Shareholder (currently 20 per cent., reducing to 19 per cent. from 1 April 2017 and to 17 per cent. from 1 April 2020).

1.2.3. Non-UK resident Shareholders

Where a non-UK resident Shareholder who is resident for tax purposes outside the United Kingdom carries on a trade profession or vocation in the United Kingdom and the dividends are a receipt of that trade, profession or vocation or, in the case of a non-UK resident corporate Shareholder if, the Ordinary Shares are held for a UK permanent establishment through which a trade is carried on, the Shareholder may be liable to UK tax on dividends paid by the Company.

A Shareholder resident outside the United Kingdom may be subject to taxation on dividend income under their local law. Any such Shareholder should consult his (or its) own tax advisers concerning his (or its) tax liabilities (in the United Kingdom and any other country) on dividends received from the Company.

1.3. Taxation of disposals

1.3.1. General

For the purpose of UK tax on chargeable gains, the amounts paid by a Shareholder for Ordinary Shares will generally constitute the base cost of his holdings in those Ordinary Shares.

A disposal or deemed disposal of Ordinary Shares by a Shareholder who is (at any time in the relevant UK tax year) resident in the UK for tax purposes may give rise to a chargeable gain or an allowable loss for the purposes of UK taxation of chargeable gains depending upon the Shareholder’s circumstances and subject to any available exemption or relief.

1.3.2. UK resident individual Shareholders

For an individual Shareholder within the charge to UK capital gains tax, a disposal (or deemed disposal) of Ordinary Shares may give rise to a chargeable gain or an allowable loss for the purposes of capital gains tax. The rate of capital gains tax is 10 per cent. (2016/2017 and 2017/2018) for individuals who are subject to income tax at the basic rate and 20 per cent. (2016/2017 and 2017/2018) for individuals who are subject to income tax at the higher or additional rates. An individual Shareholder is entitled to realise an annual exempt amount of gains (£11,100 for the year to 5 April 2017, expected to increase to £11,300 for the year to 5 April 2018) without being liable to UK capital gains tax.

1.3.3. UK resident corporate Shareholders

For a corporate Shareholder within the charge to UK corporation tax, a disposal (or deemed disposal) of Ordinary Shares may give rise to a chargeable gain at the rate of corporation tax applicable to that Shareholder (currently 20 per cent., reducing to 19 per cent. from 1 April 2017 and 17 per cent. from 1 April 2020) or an allowable loss for the purposes of UK corporation tax. Indexation allowance may reduce the amount of chargeable gain that is subject to corporation tax by increasing the chargeable gains tax base cost of an asset in accordance with the rise in the retail prices index but indexation allowance cannot create or increase any allowable loss.

A gain accruing to a corporate Shareholder on a disposal of shares in the Company may qualify for the substantial shareholding exemption if certain conditions regarding the amount of shareholding and length of ownership, the investing company and the company invested in are fulfilled (certain of these conditions are expected to change for disposals on or after 1 April 2017). If the substantial shareholding exemption applies, gains are exempt from tax and losses do not accrue.

1.3.4. Non-UK resident Shareholders

A Shareholder (individual or corporate) who is not resident in the UK for tax purposes is generally not subject to UK taxation on chargeable gains. They may, however, be subject to taxation under their local law.

However, if such a Shareholder carries on a trade, profession or vocation in the UK through a branch or agency (or, in the case of a non-UK resident corporate Shareholder, a permanent establishment) to which the Ordinary Shares are attributable, the Shareholder will be subject to the same rules that apply to UK resident Shareholders.

An individual Shareholder who has previously been resident or ordinarily resident in the United Kingdom may in some cases be subject to UK tax on capital gains in respect of a disposal of Ordinary Shares in the event that they re-establish residence in the United Kingdom.

1.4. Chargeable gains taxation on acquisition of New Ordinary Shares

For the purposes of UK taxation of chargeable gains, the issue of New Ordinary Shares to existing Shareholders who take up their rights should be regarded as a reorganisation of the share capital of the Company.

A UK resident Shareholder that takes up their entitlement to New Ordinary Shares under the Rights Issue should not be treated as making a disposal of their existing Ordinary Shares. The New Ordinary Shares issued to a Shareholder should be treated as the same asset acquired at the same time as their existing holding of Ordinary Shares, and the amount paid for the New Ordinary Shares acquired under the Rights Issue should be added to the base cost of that Shareholder's existing Ordinary Shares.

In the event that reorganisation treatment does not apply for UK chargeable gains purposes, when a UK resident Shareholder takes up their rights, they will be treated as acquiring new Ordinary Shares. If the New Ordinary Shares are offered at a discount to their market value, such Shareholders might be regarded as having made a part-disposal of their existing shareholding when they take up New Ordinary Shares under the Rights Issue.

If a UK resident Shareholder sells all or any of their rights to subscribe for New Ordinary Shares provisionally allotted to him, or allows their rights to lapse and receives a cash payment in respect of them, this may constitute a disposal for the purposes of UK taxation of chargeable gains. Such a disposal may, depending on the Shareholder's circumstances and subject to any available exemption or relief, give rise to a liability to UK capital gains tax or corporation tax.

However, if the proceeds resulting from such sale or lapse of the rights are "small" as compared to the value of the Existing Ordinary Shares in respect of which the rights arose, the Shareholder should not generally be treated as making a disposal for capital gains tax or corporation tax purposes. Instead, the proceeds will be deducted from the base cost of their holding of Existing Ordinary Shares for the purposes of computing any chargeable gain or allowable loss on a subsequent disposal. HM Revenue & Customs currently regards a receipt as "small" if its amount or value does not exceed 5.0% of the value of the Existing Ordinary Shares or is £3,000 or less, whether or not it would also fall within the 5.0% test. This treatment will not apply where such proceeds are greater than the base cost of the holding of Existing Ordinary Shares for capital gains tax or corporation tax purposes.

1.5. Inheritance tax

The Ordinary Shares will be assets situated in the UK for the purposes of UK inheritance tax. A transfer of ownership by gift or settlement of such assets by, or the death of, an individual Shareholder, may therefore give rise to a liability to UK inheritance tax regardless of where the Shareholder is resident or domiciled, subject to any available exemption or relief. A transfer of Ordinary Shares at less than market value may be treated for inheritance tax purposes as a gift of the Ordinary Shares, and particular rules apply to gifts where the donor reserves or retains some benefit. Special rules apply to close companies and to trustees of certain settlements who hold Ordinary Shares, which rules may bring them within the charge to inheritance tax. The inheritance tax rules are complex and Shareholders should consult an appropriate professional adviser in any case where those rules may be relevant, particularly in (but not limited to) cases where Shareholders intend to make a gift of Ordinary Shares, to transfer Ordinary Shares at less than market value or to hold Ordinary Shares through a company or trust arrangement.

1.6. Stamp duty and stamp duty reserve tax ("SDRT")

1.6.1. General

The following statements are intended as a general guide to the current UK stamp duty and SDRT position for holders of Ordinary Shares. Certain categories of person, including intermediaries, brokers, dealers and persons connected with depositary receipt systems and clearance services may not be liable to stamp duty or SDRT or may be liable at a higher rate or may, although not primarily liable for tax, be required to notify and account for it under the Stamp Duty Reserve Tax Regulations 1986. The

comments in this section relating to stamp duty and SDRT apply whether or not a Shareholder is resident in the UK.

1.6.2. The Rights Issue

No stamp duty or SDRT will be payable on the issue of New Ordinary Shares pursuant to the Rights Issue, other than as explained in the paragraphs below.

No stamp duty or SDRT will generally be payable on the issue of Provisional Allotment Letters or the crediting of Nil Paid Rights to accounts in CREST. Where New Ordinary Shares represented by such documents or rights are registered in the name of the Shareholder entitled to such shares, or New Ordinary Shares are credited in uncertificated form to CREST accounts, no liability to stamp duty or SDRT will generally arise unless this is for consideration in money or money's worth.

A purchaser of rights to New Ordinary Shares represented by Provisional Allotment Letters (whether nil or fully paid) or of Nil Paid Rights or Fully Paid Rights held in CREST on or before the latest time for registration of renunciation will not generally be liable to pay stamp duty, but the purchaser will normally be liable to pay SDRT at the rate of 0.5 per cent. of the value or amount of the consideration given.

Where such a purchase is effected through a stockbroker or other financial intermediary, that person will normally account for the SDRT and should indicate that this has been done in any contract note issued to the purchaser. In other cases, the purchaser of the rights to the New Ordinary Shares represented by the Provisional Allotment Letter or Nil Paid Rights or Fully Paid Rights held in CREST is liable to pay the SDRT and must account for it to HMRC. In the case of transfers within CREST, any SDRT due should be collected through CREST in accordance with the CREST rules.

No stamp duty or SDRT will be payable on the registration of Provisional Allotment Letters or Nil Paid Rights or Fully Paid Rights, whether by the original holders or their renouncees.

1.6.3. Subsequent non-CREST transfers of Ordinary Shares

Stamp duty at the rate of 0.5 per cent. of the amount or value (in the case of consideration given in the form of other marketable securities or debt) of the consideration given (rounded up to the nearest multiple of £5) is generally payable on an instrument transferring Ordinary Shares, outside the CREST system. An exemption from stamp duty applies to an instrument transferring Ordinary Shares where the amount or value of the consideration (whether in the form of cash or otherwise) is £1,000 or less and it is certified on the instrument that the transaction effected by the instrument does not form part of a larger transaction or series of transactions in respect of which the aggregate amount or value of the consideration exceeds £1,000.

A charge to SDRT will also generally arise on an unconditional agreement to transfer Ordinary Shares (at the rate of 0.5 per cent. of the amount or value of the consideration payable). However, if within six years of the date of the agreement (or, if the agreement is conditional, the date on which it becomes unconditional) an instrument of transfer is executed pursuant to the agreement and stamp duty is paid on that instrument or the instrument is certified as exempt, any SDRT already paid will generally be refunded provided that a claim for payment is made, and any outstanding liability to SDRT will be cancelled. The purchaser or transferee of the Ordinary Shares will generally be responsible for paying such stamp duty or SDRT.

1.6.4. Subsequent transfers of Ordinary Shares held through CREST

Paperless transfers of Ordinary Shares within CREST are generally liable to SDRT, rather than stamp duty, at the rate of 0.5 per cent. of the amount or value of the consideration payable. CREST is obliged to collect SDRT on relevant transactions settled within the CREST system. Under the CREST system, generally no stamp duty or SDRT will arise on a deposit of Ordinary Shares into the system unless such a transfer is made for a consideration in money or money's worth, in which case a liability to SDRT will arise usually at a rate of 0.5 per cent. of the amount or value of the consideration for the Ordinary Shares.

1.6.5. Depositary receipt systems and clearance services

Under current UK legislation, where Ordinary Shares are issued or transferred (i) to, or to a nominee for, a person whose business is or includes the provision of clearance services; or (ii) to, or to a nominee or agent for, a person whose business is or includes issuing depositary receipts, stamp duty or SDRT will generally be payable at the higher rate of 1.5 per cent. of the amount or value of the consideration payable or, in certain circumstances, the value of the Ordinary Shares (rounded up to the nearest

multiple of £5 in the case of stamp duty). Subsequent transfers of the Ordinary Shares held within the clearance service or depository receipt scheme should then not be subject to either stamp duty or SDRT.

There is an exception from the 1.5 per cent. charge on the transfer to, or to a nominee or agent for, a clearance service where the clearance service operator has made and maintained an appropriate election under section 97A of the Finance Act of 1986 which has been approved by HMRC. In these circumstances, the normal rates of stamp duty and SDRT (rather than the higher rate regime referred to above) will generally apply to any transfer of Ordinary Shares into the clearance service (in the event that this is done for consideration) and to any transfers of the Ordinary Shares held within the clearance service.

Any liability for stamp duty or SDRT in respect of the transfer into a clearance service or depositary receipt system, or in respect of a transfer of Ordinary Shares held within such a service or system, will strictly be payable by the operator of the clearance service or depositary receipt system or its nominee, as the case may be, but in practice will generally be reimbursed by participants in the clearance service or depositary receipt system.

Following litigation, HMRC issued a note stating that it will no longer seek to impose the 1.5 per cent. SDRT charge on issues of UK shares to depositary receipt issuers and clearance service providers anywhere in the world on the basis that the charge is not compatible with EU law. HMRC consider, though, that the 1.5 per cent. SDRT or stamp duty charge will still apply to transfers of shares to depositary receipt issuers or clearance service providers that are not an integral part of an issue of share capital. As such, it may be appropriate to seek specific professional advice before transferring shares to, or to a nominee or agent for, a person whose business includes issuing depositary receipts or a person providing clearing services.

2. UNITED STATES FEDERAL INCOME TAXATION

2.1. General

This section describes the material United States federal income tax consequences of the receipt of the Nil Paid Rights pursuant to the Rights Issue and the subsequent disposition, exercise or lapse of those Nil Paid Rights, the purchase of Fully Paid Rights and the subsequent disposition or exchange of those Fully Paid Rights, the issuance of New Ordinary Shares to the holders of Fully Paid Rights, and the ownership and disposition of the New Ordinary Shares.

It applies to you only if you are a US holder (as defined below) and acquire the Nil Paid Rights pursuant to the Rights Issue, acquire the Fully Paid Rights through exercise of such Nil Paid Rights, or acquire New Ordinary Shares through issuance to the holders of such Fully Paid Rights, and hold those Nil Paid Rights, the Fully Paid Rights or the New Ordinary Shares as capital assets for US federal income tax purposes. This section does not apply to you if you are a member of a special class of holders subject to special rules, including:

- a dealer in securities;
- a trader in securities that elects to use a mark-to-market method of accounting for securities holdings;
- a tax-exempt organisation, qualified retirement plans, individual retirement accounts and other tax deferred accounts;
- insurance companies;
- a person liable for alternative minimum tax;
- a person that actually or constructively owns 10 per cent. or more of the Company's voting shares;
- a person that holds the Nil Paid Rights, the Fully Paid Rights or the New Ordinary Shares as part of a straddle or a hedging or conversion or other integrated transaction;
- banks and other financial institutions, underwriters, real estate investment trusts and regulated investment companies;
- certain former citizens or residents of the United States;
- holders of Existing Ordinary Shares other than as a capital asset within the meaning of Section 1221 of the Code (generally, property held for investment purposes);
- a person who acquired Existing Ordinary Shares, Nil Paid Rights or New Ordinary Shares through the exercise or cancellation of compensatory stock options or otherwise as compensation;

- a person that purchases or sells the Nil Paid Rights, the Fully Paid Rights or the New Ordinary Shares as part of a wash sale for tax purposes; or
- a person whose functional currency is not the US dollar.

This section is based on the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations, published rulings and court decisions, and on the Convention Between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and Capital Gains (the "Treaty"). These laws are subject to change, possibly on a retroactive basis.

If a partnership (or entity treated as a partnership for US federal income tax purposes) holds the Nil Paid Rights, the Fully Paid Rights or the New Ordinary Shares, the United States federal income tax treatment of a partner will generally depend on the status of the partner and the tax treatment of the partnership. A partner in a partnership holding the Nil Paid Rights, the Fully Paid Rights or the New Ordinary Shares should consult its tax adviser with regard to the United States federal and state income tax treatment of an investment in the Nil Paid Rights, the Fully Paid Rights or the New Ordinary Shares.

A US holder is a beneficial owner of the Nil Paid Rights, the Fully Paid Rights or the New Ordinary Shares that is also:

- a citizen or resident of the United States for U.S. federal income tax purposes,
- a corporation or other business entity treated as a corporation created or organised under the laws of the United States or its political subdivisions,
- an estate whose income is subject to United States federal income tax regardless of its source, or
- a trust if a United States court can exercise primary supervision over the trust's administration and one or more United States persons are authorised to control all substantial decisions of the trust or if the trust has in effect a valid election to be treated as a U.S. person for U.S. federal income tax purposes.

A "non-US holder" is a beneficial owner of the Nil Paid Rights, the Fully Paid Rights or the New Ordinary Shares that is not a United States person for United States federal income tax purposes.

You should consult your own tax adviser regarding the United States federal, state and local and the United Kingdom and other tax consequences of owning and disposing of the Nil Paid Rights, the Fully Paid Rights or the New Ordinary Shares in your particular circumstances.

This discussion addresses only United States federal income taxation.

2.2. Taxation of the Nil Paid Rights

2.2.1. Distribution of the Nil Paid Rights

Although the tax consequences of the distribution of Nil Paid Rights to a US holder are not free from doubt, the distribution should be a non-taxable event to a US holder, rather than taxable to the US holder as a dividend to the extent of the Company's current or accumulated earnings and profits (as described in this section). Generally, the distribution to common shareholders of rights to acquire additional shares of common stock is treated as a non-taxable distribution; provided the distribution is not a "disproportionate distribution". A disproportionate distribution of stock or stock rights occurs when a distribution (or series of distributions) from a corporation results in (a) an increase in the stockholder's proportionate interest in the earnings and profits or assets of the corporation and (b) the receipt by other stockholders of cash or other property. As provided in this Prospectus, Nil Paid Rights will not be distributed to certain holders of Existing Ordinary Shares resident in the United States and Restricted Territories. However, the underwriters will seek to sell on behalf of such holders the Nil Paid Rights that but for such restriction would have been issued to such holders. It is not clear whether the sale of Nil Paid Rights by the underwriters, and the remittance of the proceeds from that sale to certain US holders and holders from such other Restricted Territories whose Nil Paid Rights were sold, should be treated as a sale and distribution by the Company, or as a distribution of Nil Paid Rights by the Company to such holders and a subsequent sale of those Nil Paid Rights by the relevant holders. If the sale and distribution were considered to be made by the Company, then the distribution of Nil Paid Rights may be considered for U.S. income tax purposes to be a disproportionate distribution and the receipt of Nil Paid Rights would be taxable to US holders as a dividend to the extent of the lesser of the fair market value of such Nil Paid Rights and such US holder's proportionate share of the Company's current or accumulated earnings and profits, as described below under ''Taxation of the New Ordinary Shares – Dividends''.

However, based on the particular facts relating to the Nil Paid Rights and the sale of Nil Paid Rights by the Underwriters, we believe it is proper to take the position that a US holder is not required to include any amount in income for U.S. federal income tax purposes as a result of the receipt of the Nil Paid Rights. It is possible that the U.S. Internal Revenue Service will take a contrary view and require a US holder to include in income the lesser of the fair market value of the Nil Paid Rights distributed to such US holder on the date of their distribution or the US holder's allocable share of the Company's current or accumulated earnings and profits as of the end of the taxable year in which the distribution takes place.

2.2.2. Basis and holding period of Nil Paid Rights

If the distribution of Nil Paid Rights is treated as a non-taxable distribution, your basis in the Nil Paid Rights that you receive should be zero, unless either (a) the fair market value of the Nil Paid Rights on the date such Nil Paid Rights are distributed equals 15 per cent. or more of the value of the Existing Ordinary Shares with respect to which you receive the Nil Paid Rights; or (b) you elect to allocate to the Nil Paid Rights a portion of your basis in the Existing Ordinary Shares with respect to which you will have received the Nil Paid Rights. If either of these situations applies, basis will be allocated in proportion to the relative fair market values of the Existing Ordinary Shares and the Nil Paid Rights distributed thereon on the date the Nil Paid Rights are distributed. See the discussion below under "Lapse of Nil Paid Rights" with regard to the basis allocated to Nil Paid Rights that lapse unexercised. If you wish to make the election to allocate a portion of your basis in the Existing Ordinary Shares to the Nil Paid Rights, you must attach a statement to this effect to your United States federal income tax return for the tax year in which you receive the Nil Paid Rights. The election will apply to all Nil Paid Rights you receive pursuant to this Rights Issue and, once made, will be irrevocable.

If the value of the Nil Paid Rights is less than 15 per cent. of the value of the Existing Ordinary Shares with respect to which they are distributed, you should consult your own tax advisers regarding the advisability of making such an election.

Your holding period with respect to the Nil Paid Rights will include your holding period in the Existing Ordinary Shares with respect to which the Nil Paid Rights are distributed.

If the distribution of Nil Paid Rights is treated as a dividend, your basis in the Nil Paid Rights will equal the fair market value of the Nil Paid Rights on the date of distribution and subject to the PFIC rules discussed below, your holding period will commence on such date.

2.2.3. Sale or other disposition of Nil Paid Rights

Subject to the passive foreign investment company ("**PFIC**") rules (as described in this section), you will recognise capital gain or loss on the sale or other disposition (including a disposition pursuant to a cashless take-up) of Nil Paid Rights in an amount equal to the difference between the amount realised on the disposition and your tax basis, determined in US dollars, in the Nil Paid Rights. Capital gain of a non-corporate US holder is generally taxed at preferential rates where the property is held for more than one year and at the same rates as ordinary income if the holder has a holding period of one year or less. The gain or loss will generally be income or loss from sources within the United States for foreign tax credit limitation purposes. Your ability to deduct any capital losses may be subject to significant limitations.

The amount realised on a sale or other disposition of the Nil Paid Rights for an amount in a currency other than the US dollar (a "foreign currency") will be the US dollar value of this amount on the date of sale or disposition. To the extent the amount realised differs from the US dollar value of the foreign currency received on the settlement date, you will recognise ordinary gain or loss. If you are a cash basis taxpayer and sell Nil Paid Rights that are traded on an established securities market (or an accrual basis taxpayer that so elects), the amount realised will be based on the exchange rate in effect on the settlement date for the sale. If you are an accrual basis taxpayer and wish to make such election, you must apply it consistently from year to year and cannot revoke it without the consent of the US Internal Revenue Service ("IRS").

2.2.4. Lapse of Nil Paid Rights

If the distribution of Nil Paid Rights is treated as a non-taxable distribution and you allow your Nil Paid Rights to lapse without selling or exercising them and do not receive any proceeds, you will not recognise any loss upon expiration of the Nil Paid Rights. If you had allocated to such Nil Paid Rights a portion of your tax basis in your Existing Ordinary Shares, that basis should be re-allocated to the Existing Ordinary Shares. If the distribution of Nil Paid Rights is treated as a non-taxable distribution and

you allow your Nil Paid Rights to lapse and, as a result, receive an amount pursuant to paragraph 7.1 of Part 3 of this Prospectus, subject to the PFIC discussion below you should recognise capital gain or loss in an amount equal to the difference between the US dollar value of the amount you receive and your tax basis, determined in US dollars, in the Nil Paid Rights. Any capital gain or loss will be long-term capital gain or loss if the holding period for the Nil Paid Rights exceeds one year at the time of disposition.

If the distribution of Nil Paid Rights is treated as a dividend and you allow your Nil Paid Rights which were treated as a dividend to lapse without selling or exercising them and do not receive any proceeds, subject to the PFIC rules below you will recognise a short-term capital loss upon expiration of the Nil Paid Rights. Your ability to deduct capital losses may be subject to significant limitations. If the distribution of Nil Paid Rights is treated as a dividend and because you are a U.S. resident or a resident of a Restricted Territory the Nil Paid Rights that would otherwise have been distributed to you but for your residency are sold by the underwriter and, as a result, you receive an amount pursuant to paragraph 7.1 of Part 3 of this Prospectus, such amount paid to you will be treated as a dividend and will be subject to taxation as described under “Taxation of the New Ordinary Shares–Dividends”.

2.2.5. Exercise of Nil Paid Rights

You will not realise gain or loss upon the receipt of Fully Paid Rights pursuant to the exercise of Nil Paid Rights.

2.3. Taxation of the Fully Paid Rights

2.3.1. Basis and holding period of Fully Paid Rights

Your basis in the Fully Paid Rights will equal the sum of the US dollar value of the Issue Price (including amount paid on your behalf pursuant to a cashless take-up) determined at the spot rate on the date of exercise and your tax basis, if any, in the Nil Paid Rights exercised to obtain the Fully Paid Rights. Subject to the PFIC rules discussed below, your holding period in each Fully Paid Right will begin with and include the date on which full payment is made in connection with the exercise of the Nil Paid Right.

2.3.2. Sale or other disposition of the Fully Paid Rights

Subject to the PFIC rules described below, you will recognise capital gain or loss on the sale or other disposition of the Fully Paid Rights in an amount equal to the difference between the US dollar value of the amount realised on the disposition and your tax basis, determined in US dollars, in the Fully Paid Rights. Any such capital gain from the sale or exchange of Fully Paid Rights will be taxed at the same rates as ordinary income. The gain or loss will generally be income or loss from sources within the United States for foreign tax credit limitation purposes. Your ability to deduct any capital losses may be subject to significant limitations. The foreign currency rules (as described in this section) are applicable to a sale or other disposition of the Fully Paid Rights for an amount in a foreign currency.

2.3.3. Receipt of New Ordinary Shares

The receipt of the New Ordinary Shares issued to holders of the Fully Paid Rights should not constitute a taxable event to a US holder for US federal income tax purposes.

2.4. Taxation of the New Ordinary Shares

2.4.1. Basis and holding period

Your basis in the New Ordinary Shares acquired upon issuance to you of a Fully Paid Right should equal your tax basis in the Fully Paid Right with respect to which the New Ordinary Shares were issued. The holding period of any New Ordinary Shares acquired will not include that of the corresponding Nil Paid Right. The holding period of any New Ordinary Shares acquired will begin with and include the date of exercise of the underlying Nil Paid Right.

2.4.2. Dividends

Under the United States federal income tax laws, and subject to the PFIC rules discussed below, if you are a US holder, the gross amount of any dividend the Company pays out of its current or accumulated earnings and profits (as determined for United States federal income tax purposes) is subject to United States federal income taxation. If you are a non-corporate US holder, dividends that constitute qualified dividend income will be taxable to you at the preferential rates applicable to long-term capital gains provided that the Company qualifies for the benefits under the Treaty (which the Directors believe to be the case) and you hold the New Ordinary Shares for more than 60 days during the 121-day period beginning 60 days before the ex-dividend date and meet other holding period requirements.

The dividend is taxable to you when you receive the dividend, actually or constructively. The dividend will not be eligible for the dividends-received deduction generally allowed to United States corporations in respect of dividends received from other United States corporations. The amount of the dividend distribution that you must include in your income as a US holder will be the US dollar value of the pounds sterling payments made, determined at the spot pounds sterling/US dollar rate on the date the dividend distribution is includible in your income, regardless of whether the payment is in fact converted into US dollars. Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date you include the dividend payment in income to the date you convert the payment into US dollars will be treated as ordinary income or loss and will not be eligible for the special tax rate applicable to qualified dividend income. The gain or loss generally will be income or loss from sources within the United States for foreign tax credit limitation purposes. Distributions in excess of current and accumulated earnings and profits, as determined for United States federal income tax purposes, will be treated as a non-taxable return of capital to the extent of your basis in the New Ordinary Shares and thereafter as capital gain. However, the Company does not expect to calculate earnings and profits in accordance with United States federal income tax principles. Accordingly, you should expect generally to treat distributions the Company makes as dividends.

Dividends will be income from sources outside the United States and will, depending on your circumstances, be either "passive" or "general" income for purposes of computing the foreign tax credit allowable to you.

2.4.3. Capital gains

Subject to the PFIC rules discussed below, if you are a US holder and you sell or otherwise dispose of your New Ordinary Shares, you will recognise capital gain or loss for United States federal income tax purposes equal to the difference between the US dollar value of the amount that you realise and your tax basis, determined in US dollars, in your New Ordinary Shares. Capital gain of a non-corporate US holder is generally taxed at preferential rates where the property is held for more than one year and at the same rates as ordinary income if the US holder has a holding period of one year or less. The gain or loss will generally be income or loss from sources within the United States for foreign tax credit limitation purposes. Your ability to deduct any capital losses may be subject to significant limitations.

2.5. Passive foreign investment company ("PFIC") rules

The Directors believe that the Company should not be treated as a PFIC for US federal income tax purposes for its most recent taxable year and, based on the manner in which the Board expects the Company to operate its business in future years, the Directors believe that the Company should not be treated as a PFIC for its current taxable year or in the foreseeable future. The conclusion of whether the Company should be treated as a PFIC is a factual determination that is made annually and thus may be subject to change. If the Company were to be treated as a PFIC, any gain realised on the sale or other disposition of the Nil Paid Rights, the Fully Paid Rights or the New Ordinary Shares would in general not be treated as capital gain, and distributions may not be taxed in the same manner as dividends. Instead, you would be treated as if you had realised such gain (and certain "distributions") rateably over your holding period for the Nil Paid Rights, the Fully Paid Rights or the New Ordinary Shares (for this purpose, proposed Treasury Regulations provide that the holding period of Fully Paid Rights and of a New Ordinary Share acquired through the exercise of a Nil Paid Right will begin with the holding period of the Nil Paid Right) and would generally be taxed at the highest tax rate in effect for each such year to which the gain was allocated, together with an interest charge in respect of the tax attributable to each such year, as if the tax was overdue. With certain exceptions, your Nil Paid Rights, Fully Paid Rights or New Ordinary Shares will be treated as stock in a PFIC if the Company were a PFIC at any time during your holding period in your Nil Paid Rights, Fully Paid Rights or New Ordinary Shares. Dividends that you receive from the Company will not be eligible for the special tax rates applicable to qualified dividend income if the Company is a PFIC (or is treated as a PFIC with respect to you) either in the taxable year of the distribution or in the preceding taxable year, but instead will be taxable at rates applicable to ordinary income. In addition, each US holder of equity (including certain US holders indirectly owning equity) in a PFIC is required to file an IRS Form 8621, subject to limited exceptions. In the event a US holder does not file IRS Form 8621, the statute of limitations on the assessment and collection of U.S. federal income taxes of such US holder for the related tax year may not close (with respect to its entire return and not just the portion reflecting its investment in the PFIC) before the date which is three years after the date on which such report is filed. US holders should consult with their own tax advisors regarding the requirements of filing information returns, and, if applicable, filing obligations and tax consequences relating to the PFIC rules if the Company was or becomes a PFIC at any time during a US holder's ownership of Existing Ordinary Shares, Nil Paid Rights, Fully Paid Rights or New Ordinary Shares.

In the event that the Company is a PFIC, the adverse consequences described above may, in certain circumstances, be minimized if a US holder files a protective statement with its tax return reserving its right to file a retroactive QEF election in the event it is later determined that the Company is a PFIC. US holders should consult with their own tax advisors with respect to whether they should file such a statement.

2.6. Medicare tax

A US holder that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, is subject to a 3.8 per cent. tax on the lesser of (1) the US holder's "net investment income" (or "undistributed net investment income" in the case of an estate or trust) for the relevant taxable year and (2) the excess of the US holder's modified adjusted gross income for the taxable year over a certain threshold (which in the case of individuals is between $125,000 and $250,000 depending on the individual's circumstances). A US holder's net investment income generally includes its dividend income and its net gains from the disposition of the Nil Paid Rights, the Fully Paid Rights or the New Ordinary Shares, unless such dividend income or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). If you are a US holder that is an individual, estate or trust, you are urged to consult your tax advisers regarding the applicability of the Medicare tax to your income and gains in respect of your investment in the Nil Paid Rights, the Fully Paid Rights or the New Ordinary Shares.

2.7. Information with respect to foreign financial assets

Owners of "specified foreign financial assets" with an aggregate value in excess of $50,000 (and in some circumstances, a higher threshold) may be required to file Form 8938, Statement of Specified Foreign Financial Assets, an information report with respect to such assets with their tax returns. "Specified foreign financial assets" may include financial accounts maintained by foreign financial institutions, as well as the following, but only if they are held for investment and not held in accounts maintained by financial institutions: (a) stocks and securities issued by non-United States persons, such as the Nil Paid Rights, the Fully Paid Rights and the New Ordinary Shares; (b) financial instruments and contracts that have non-United States issuers or counterparties; and (c) interests in foreign entities. Holders are urged to consult their tax advisers regarding the application of this reporting requirement to their ownership of the Nil Paid Rights, the Fully Paid Rights or the New Ordinary Shares.

2.8. Backup withholding and information reporting

If you are a non-corporate US holder, information reporting requirements, on IRS Form 1099, generally will apply to dividend payments or other taxable distributions made to you within the United States, and the payment of proceeds to you from the sale of Nil Paid Rights, Fully Paid Rights or New Ordinary Shares effected at a United States office of a broker.

Additionally, backup withholding may apply to such payments if you fail to comply with applicable certification requirements or are notified by the IRS that you have failed to report all interest and dividends required to be shown on your federal income tax returns.

If you are a non-US holder, you are generally exempt from backup withholding and information reporting requirements with respect to dividend payments made to you outside the United States by the Company or another non-US payor. You are also generally exempt from backup withholding and information reporting requirements in respect of dividend payments made within the US and the payment of the proceeds from the sale of Nil Paid Rights, Fully Paid Rights or New Ordinary Shares effected at a US office of a broker, as long as either (a) the payor or broker does not have actual knowledge or reason to know that you are a US person and you have furnished a valid IRS Form W-8 or other documentation upon which the payor or broker may rely to treat the payments as made to a non-US person; or (b) you otherwise establish an exemption.

Payment of the proceeds from the sale of the Nil Paid Rights, Fully Paid Rights or New Ordinary Shares effected at a foreign office of a broker generally will not be subject to information reporting or backup withholding. However, a sale effected at a foreign office of a broker could be subject to information reporting in the same manner as a sale within the United States (and in certain cases may be subject to backup withholding as well) if (a) the broker has certain connections to the United States, (b) the proceeds or confirmation are sent to the United States or (c) the sale has certain other specified connections with the United States.

You generally may obtain a refund of any amounts withheld under the backup withholding rules that exceed your income tax liability by filing a refund claim with the IRS.

PART 9

DOCUMENTS INCORPORATED BY REFERENCE

This document should be read and construed in conjunction with certain information which has been previously published and filed with the FCA and which shall be deemed to be incorporated into, and form part of, this document.

To the extent that any document or information incorporated by reference into this document itself incorporated any information by reference, either expressly or impliedly, such information will not form part of this document for the purposes of the Prospectus Rules, except where such information or documents are stated within this document as specifically being incorporated by reference or where this document is specifically defined as including such information.

Any statement contained in a document which is deemed to be incorporated by reference into this document shall be deemed to be modified or superseded for the purpose of this document to the extent that a statement contained in this document (or in a later document which is incorporated by reference into this document) modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this document.

Paragraph 1 of Part 6 and the table below lists the various sections of certain documents which are incorporated by reference into this document in compliance with Prospectus Rule 2.4.1. It should be noted that the information in other sections of such documents that are not incorporated by reference is either not relevant to potential investors or is covered elsewhere in this document. Such documents are available for inspection in accordance with paragraph 17 of Part 11 of this document and are also available for inspection on the Company's website at www.tullowoil.com.

Reference document	Information incorporated by reference into this document	Page number(s) in reference document
For the financial year ended 31 December 2016		
Annual Report 2016	Independent auditor's report for the Group financial statements	109 - 115
	Group income statement	116
	Group statement of comprehensive income and expense	116
	Group balance sheet	117
	Group statement of changes in equity	118
	Group cash flow statement	119
	Accounting policies	120 - 125
	Notes to the Group financial statements	126 - 149
For the financial year ended 31 December 2015		
Annual Report 2015	Independent auditor's report to the members of Tullow Oil plc	115 - 119
	Group income statement	120
	Group statement of comprehensive income and expense	120
	Group balance sheet	121
	Group statement of changes in equity	122
	Group cash flow statement	123
	Accounting policies	124 - 129
	Notes to Group financial statements	130 - 153
For the financial year ended 31 December 2014		
Annual Report 2014	Independent auditor's report to the members of Tullow Oil plc	113 - 117
	Group income statement	118
	Group statement of comprehensive income and expense	118
	Group balance sheet	119
	Group statement of changes in equity	120
	Group cash flow statement	121
	Accounting policies	122 - 128
	Notes to Group financial statements	129 - 159

PART 10

DIRECTORS, SENIOR MANAGER AND CORPORATE GOVERNANCE

1. Board of directors and senior management

The following table sets out the name, age and position of each Director and senior manager of the Company.

Name	Age	Position
Simon Thompson	57	Non-Executive Chairman
Aidan Heavey	64	Chief Executive Officer
Angus McCoss	55	Exploration Director
Ian Springett	59	Chief Financial Officer
Paul McDade	53	Chief Operating Officer
Ann Grant	68	Senior Independent Non-Executive Director
Tutu Agyare	54	Non-Executive Director
Steve Lucas	62	Non-Executive Director
Anne Drinkwater	61	Non-Executive Director
Jeremy Wilson	52	Non-Executive Director
Mike Daly	63	Non-Executive Director
Les Wood	55	Interim Chief Financial Officer

The business address of each Director and senior manager is 9 Chiswick Park, 566 Chiswick High Road, London W4 5XT.

On 5 January 2017, the Company announced that its Chief Financial Officer, Ian Springett, was taking an extended leave of absence in order to undergo treatment for a medical condition and that the Company had appointed Les Wood as Interim Chief Financial Officer. If required and when appropriate, the Group will commence a search for a replacement Chief Financial Officer.

On 11 January 2017, the Company announced a number of changes to the Board. The changes are expected to take effect immediately following the annual general meeting of the Company which will take place on 26 April 2017. Mr. Simon Thompson (currently the Non-Executive Chairman) and Ms. Ann Grant (currently the senior independent non-executive director) will both step down from the Board. Subject to each of the following individuals being re-elected to the Board at the Company's annual general meeting (a) Mr. Jeremy Wilson (currently a non-executive director) will become the senior independent non-executive director; (b) Mr. Paul McDade (currently the Chief Operating Officer) will replace Mr. Aidan Heavey as Chief Executive Officer; and (c) Mr. Aidan Heavey will become the Company's Non-Executive Chairman for a transitional period of up to two years.

Mr. Simon Thompson was appointed as a non-executive director in May 2011 and non-executive chairman with effect from 1 January 2012. Mr. Thompson worked for investment banks N.M. Rothschild and S.G. Warburg before joining the Anglo American Group in 1995, where he held a number of senior positions and was an executive director from 2005 to 2007. Since leaving Anglo American, Mr. Thompson has served as a non-executive director of Amec Foster Wheeler plc, AngloGold Ashanti Limited, Newmont Mining Corporation and Sandvik AB. Mr. Thompson is non-executive chairman of 3i Group plc (UK) and a non-executive director of Rio Tinto plc (UK) and RioTinto Limited (Australia). He is also a member of the Advisory Council at the Institute of Business Ethics and a member of the Advisory Panel on Business and Sustainability at the International Finance Corporation. He holds a master's degree in geology from the University of Oxford.

Mr. Aidan Heavey is the founder of Tullow and has been its Chief Executive Officer since 1985. He has played a key role in the Group's development as a leading independent oil and gas exploration and production group. He holds a bachelor of commerce degree from University College, Dublin and qualified as a chartered accountant with the Irish Institute of Chartered Accountants.

Dr. Angus McCoss is the Company's exploration director and was appointed to the Board in December 2006, following 21 years of wide-ranging exploration experience, working primarily with Shell in Africa, Europe, China, South America and the Middle East. Dr. McCoss held a number of senior positions at Shell including regional vice present of exploration for the Americas and general manager of exploration in Nigeria. Dr. McCoss is a non-executive director of Ikon Science Limited and a member of the Advisory Board of the industry-backed Energy and Geoscience Institute of the University of Utah. He holds a PhD in structural geology from Queen's University Belfast.

Mr. Ian Springett, the Company's Chief Financial Officer, was appointed to the Board in September 2008. Prior to joining Tullow, Mr. Springett worked at BP for 23 years where he gained extensive international oil and gas experience. Mr. Springett held a number of senior positions at BP including vice president of BP Finance, chief financial officer for the United States and served as a business unit leader in Alaska. Prior to joining BP, he qualified as a chartered accountant with Coopers & Lybrand. On 1 January 2017 he was appointed a non-executive director of security company G4S plc. He holds a degree in accounting and financial management from Sheffield University.

Mr. Paul McDade is the Company's Chief Operating Officer and was appointed to the Board in March 2006. Mr. McDade joined Tullow in 2001 and was appointed chief operating officer following the Group's Energy Africa acquisition in 2004, having previously managed the Company's UK gas business. An engineer with over 25 years' experience, Mr. McDade has worked in various operational, commercial and management roles with Conoco, Lasmo and ERC. He has broad international experience, having worked in the United Kingdom North Sea, Latin America, Africa and South East Asia regions. He holds a bachelor of science degree in civil engineering from the University of Strathclyde and a master's of science degree in Petroleum Engineering from Imperial College, University of London.

Ms. Ann Grant was appointed as a non-executive director in May 2008 and senior independent director in April 2014. Ms. Grant was vice chairman (Africa) at Standard Chartered Bank from 2005 to 2014. Her earlier career was as a British diplomat, from 1971 to 2005. From 1998, she worked at the Foreign and Commonwealth Office in London as director for Africa and the Commonwealth, and from 2000 to 2005 she was British High Commissioner to South Africa. She is a trustee of the Overseas Development Institute and also the Rift Valley Institute. Ms. Grant chairs the Serious Music Trust and is a council member of the London School of Hygiene and Tropical Medicine. She holds a bachelor of arts degree in international relations from the University of Sussex and a master of science degree from SOAS, University of London.

Mr. Tutu Agyare was appointed as a non-executive director in August 2010. Mr. Agyare is a managing partner at Nubuke Investments, an asset management firm focused solely on Africa, which he founded in 2007. Previously, he had a 21 year career with UBS Investment Bank, holding a number of senior positions, most recently as the head of European emerging markets, and serving on its board of directors. Mr. Agyare is a director of the Nubuke Foundation, a Ghanaian-based cultural and educational foundation, as well as a Senior Adviser to Power Africa, an initiative launched by the Obama administration to increase access to electricity in Africa. He holds a degree in mathematics and computing from the University of Ghana.

Mr. Steve Lucas was appointed as a non-executive director in March 2012. A chartered accountant, Mr. Lucas was finance director at National Grid plc from 2002 to 2010. Previously, he worked for 11 years at Royal Dutch Shell and for six years at BG Group, where he served as group treasurer. From 2004 to 2011 Mr. Lucas was a non-executive director of Compass Group where he was chairman of the audit committee. He is a non-executive director of Acacia Mining plc (UK) and Ferrexpo plc. Mr. Lucas is also a consultant to Mauser Group BV. He holds a bachelor of arts degree in geology from the University of Oxford.

Ms. Anne Drinkwater was appointed as a non-executive director in July 2012. Ms. Drinkwater had a long career at BP where she held a number of senior business and operations positions including president and chief executive officer of BP Canada Energy Company, president of BP Indonesia and managing director of BP Norway. Ms. Drinkwater is a non-executive director and the non-executive Deputy Chairman of Aker Solutions ASA (Norway) and is an oil and gas adviser to the Government of the Falkland Islands. She holds a bachelor of technology degree in mathematics from Brunel University.

Mr. Jeremy Wilson was appointed as a non-executive director in October 2013. Mr. Wilson had a 26-year career at J.P. Morgan, where he held a number of senior positions, most recently as vice chairman of the Energy Group. Mr. Wilson is also a non-executive director of John Wood Group plc (United Kingdom) and a director of The Lakeland Climbing Centre Ltd and the Lakeland Climbing Foundation. He holds a degree in engineering from the University of Cambridge.

Dr. Mike Daly was appointed as a non-executive director in June 2014. Dr. Daly had a 28-year career at BP, where he held a number of senior roles, most recently as executive vice president of exploration and as a member of the BP Group's executive team until January 2014. Dr. Daly is a visiting Professor at the University of Oxford, a senior director at Macro Advisory Partners and a non-executive director of CGG (an integrated geoscience company based in France and listed on the Euronext and New York Stock Exchanges). He holds a PhD in continental tectonics in central Africa from Leeds University.

Due to his appointment as Interim Chief Finanial Officer during Ian Springett's leave of absence, the Directors consider *Mr. George Wood* (known as Les Wood), the Group's vice-president of finance and

commercial to be a senior manager who does not sit on the Board. Mr. Wood joined the Company in 2014 as vice-president of commercial and was appointed vice-president of commercial and finance in May 2015. Prior to joining the Company, Mr. Wood worked for BP for 28 years in various executive, CFO, M&A, senior commercial and senior technical positions, in various locations including Canada and the Middle East. He has an MSc in Inorganic Chemistry from the University of Aberdeen and a BSc in Chemistry from Heriot-Watt University.

2. Interests of the Directors and senior manager

As at the Latest Practicable Date, the interests (all of which are beneficial) of the Directors and senior manager, their immediate families and (so far as is known to them or could with reasonable diligence be ascertained by them) persons closely associated with them (as defined in Article 3(1) (26) of MAR) in Ordinary Shares, including: (i) those arising pursuant to transactions notified to Tullow pursuant to Article 19 of MAR; or (ii) those of of the Directors or senior manager, which would, if such persons closely associated with them were a Director or senior manager, be required to be disclosed under (i), together with such interests that would subsist immediately following completion of the Rights Issue, based on the assumptions described below, are set out below:

	Interest in Ordinary Shares as at the Latest Practicable Date		Interest in Ordinary Shares immediately after the completion of the Rights Issue[1]		Interest in Ordinary Shares immediately after the completion of the Rights Issue[2]	
Director/Senior Manager	Number of Ordinary Shares[3]	% of total issued share capital	Number of Ordinary Shares[3]	% of total issued share capital	Number of Ordinary Shares[3]	% of total issued share capital
Executive Directors						
Aidan Heavey	6,178,813	0.7	6,178,813	0.4	9,331,268	0.7
Angus McCoss	281,548	0.0	281,548	0.0	425,194	0.0
Paul McDade	317,619	0.0	317,619	0.0	479,669	0.0
Ian Springett	17,324	0.0	17,324	0.0	26,162	0.0
Non-Executive Directors						
Tutu Agyare	1,940	0.0	1,940	0.0	2,929	0.0
Mike Daly	3,175	0.0	3,175	0.0	4,794	0.0
Anne Drinkwater	7,000	0.0	7,000	0.0	10,571	0.0
Ann Grant	3,171	0.0	3,171	0.0	4,788	0.0
Steve Lucas	600	0.0	600	0.0	906	0.0
Simon Thompson	27,119	0.0	27,119	0.0	40,955	0.0
Jeremy Wilson	45,000	0.0	45,000	0.0	67,959	0.0
Senior Manager						
Les Wood	888	0.0	888	0.0	1,341	0.0

Notes:

(1) Assuming that the Directors and senior manager (and persons closely associated with them) do not take up any of their rights to New Ordinary Shares and that no further Ordinary Shares are issued by the Company between the Latest Practicable Date (including pursuant to the exercise of any options or awards under any Tullow Share Scheme or any Convertible Bonds) and completion of the Rights Issue other than the New Ordinary Shares.

(2) Assuming that the Directors and senior manager (and persons closely associated with them) take up their rights to New Ordinary Shares in full and that no further Ordinary Shares are issued by the Company between the Latest Practicable Date (including pursuant to the exercise of any options or awards under any Tullow Share Scheme or any Convertible Bonds) and completion of the Rights Issue other than the New Ordinary Shares.

(3) Details of the options over Ordinary Shares and interests in the Tullow Share Schemes are set out in paragraph 10 of this Part 10. They are not included in the interests of the Directors and senior manager shown in the table above.

Taken together, the combined percentage interest of the Directors and senior manager (and persons closely associated with them) in the Enlarged Issued Share Capital will be approximately 0.5 per cent., assuming that the Directors and senior manager (and persons closely associated with them) do not take up any of their rights to New Ordinary Shares.

3. Remuneration paid to the Directors

Directors' remuneration is set by the Remuneration Committee and the Board in accordance with the Directors' Remuneration Policy approved by Shareholders in general meeting from time to time.

Details of the remuneration paid to the Directors by the Company and its subsidiaries for the year ended 31 December 2016 is set out in the following table:

	Fixed Pay			Tullow Incentive Plan[1]		
Executive Directors[4]	**Salary/ fees[2] £**	**Pensions £**	**Taxable Benefits[3] £**	**TIP Cash £**	**Deferred TIP Shares £**	**Total £**
Aidan Heavey	886,080	221,520	66,638	859,497	859,497	2,893,232
Angus McCoss	501,110	125,278	10,758	486,076	486,076	1,609,298
Paul McDade	501,110	125,278	9,017	486,076	486,076	1,607,557
Ian Springett	532,080	133,020	15,751	516,117	516,117	1,713,085
Graham Martin[5]	167,037	41,759	3,614	162,025	—	374,435
Subtotal	2,587,417	646,855	105,778	2,509,791	2,347,766	8,197,607
Non Executive Directors						
Tutu Agyare	69,500	—	—	—	—	69,500
Mike Daly	69,500	—	—	—	—	69,500
Anne Drinkwater	84,500	—	—	—	—	84,500
Ann Grant	89,500	—	—	—	—	89,500
Steve Lucas	89,500	—	—	—	—	89,500
Simon Thompson	310,500	—	—	—	—	310,500
Jeremy Wilson	89,500	—	—	—	—	89,500
Subtotal	802,500	—	—	—	—	802,500
Total	3,389,917	646,855	105,778	2,509,791	2,347,766	9,000,107

Notes:

(1) These figures represent that part of the TIP award required to be deferred into shares.

(2) Base salaries of the Executive Directors have been rounded up to the nearest £10 for payment purposes, in line with established policy.

(3) Taxable benefits comprise private medical insurance for all Executive Directors; Aidan Heavey's taxable benefits comprised private medical insurance (£17,523) and car benefits/club membership (£47,550); Ian Springett also received club membership.

(4) None of the Executive Directors has a prospective entitlement to a defined benefit pension by reference to qualifying services.

(5) Graham Martin resigned as an Executive Director on 28 April 2016.

The full text of the current Directors' Remuneration Policy can be found on pages 92 to 97 of the Annual Report 2015. The full text of the Directors' Remuneration Policy proposed to be adopted at the annual general meeting of the Company which will take place on 26 April 2017 can be found on pages 83 to 91 of the Annual Report 2016.

4. Executive Directors' service contracts

The following table summarises the key terms of the Executive Directors' service contracts or terms of employment:

Director	Date of service contract	Notice required to be given by Director	Base annual salary as at Latest Practicable Date (£)	Annual bonus potential as at Latest Practicable Date (% of salary)
Aidan Heavey	10 December 2013	6 months	886,080	600
Angus McCoss	10 December 2013	6 months	501,110	600
Paul McDade	10 December 2013	6 months	501,110	600
Ian Springett	10 December 2013	6 months	532,080	600

The Company follows best practice under the Corporate Governance Code with regard to annual re-election of its Directors. The Company is required to give an Executive Director not less than 12 months' notice in writing to terminate his service contract without cause.

Each of the Executive Directors' service contracts entitles Tullow to terminate their employment by making a payment in lieu of notice. Each of the contracts provides that the payment in lieu of notice may, in the Company's sole discretion, be paid in equal monthly instalments, subject to a deduction of the net income (if any) that has been earned by the Director during that month from any alternative employment or engagement (which the Director has obtained after the termination of their employment by Tullow).

In the event an Executive Director is guilty of serious or persistent misconduct or in certain other specified circumstances, Tullow may terminate his agreement with immediate effect and without notice or payment in lieu thereof. In the event of early termination in either case, the Remuneration Committee will consider carefully what compensation should be paid taking into account any mitigation by the Executive Director.

5. Chairman and Non-Executive Directors' Letters of Appointment

The following table summarises the key terms of the Chairman and Non-Executive Directors' letters of appointment:

Director	Date of appointment as a Director	Effective date of current appointment letter	Anticipated expiry of present term of appointment	Annual fees as at Latest Practicable Date (£)
Simon Thompson . .	16 May 2011	1 January 2015	31 December 2017	310,500
Tutu Agyare	25 August 2010	24 August 2016	23 August 2019	69,500
Mike Daly	1 June 2014	1 June 2014	31 May 2017	69,500
Anne Drinkwater . . .	25 July 2012	10 February 2015	9 February 2018	84,500
Ann Grant	15 May 2008	15 May 2014	30 April 2017	89,500
Steve Lucas	14 March 2012	14 March 2015	13 March 2018	89,500
Jeremy Wilson	21 October 2013	21 October 2016	20 October 2019	89,500

The Company's policy is for Non-Executive Directors to have written terms of appointment for an initial term of three years. Thereafter, subject to satisfactory performance, they may serve on one or two additional three-year terms; however, in all cases appointments are terminable on three months' notice by the Company or the Non-Executive Director (except for Simon Thompson, whose appointment is terminable on six months' notice by him or the Company). There is no compensation or other benefits payable on early termination.

6. Governance issues

6.1. Corporate Governance

The Directors support high standards of corporate governance. As a London Stock Exchange listed company, the Company is required to state whether it has complied with the relevant provisions of the Corporate Governance Code throughout the year and, where the provisions have not been complied with, to provide an explanation as to the reasons for non-compliance. The Company is also required to explain how it has applied the Main Principles in Section 1 of the Corporate Governance Code.

The Directors consider that the Company has complied with the provisions set out in the Corporate Governance Code during each of the financial years ended 31 December 2014, 31 December 2015 and 31 December 2016. The Directors expect that the Company will comply with the relevant provisions of the Corporate Governance Code in respect of its current financial year, with the exception of provision A.3.1. which provides that, on appointment, the chairman of a company should be independent. Subject to shareholder approval at the Company's annual general meeting which will be held on 26 April 2017, it is expected that Mr. Aidan Heavey will be appointed as non-executive chairman. Mr. Heavey is currently the Company's chief executive officer. Accordingly, on appointment as chairman he will not be considered to be independent. Mr. Heavey's appointment reflects the directors' belief that, due to the unique nature of Tullow's business and relationships across Africa, a phased transition in the leadership of the Group is appropriate. Mr. Heavey's appointment will not exceed a transitional period of two years from 26 April 2017.

The Board comprises a non-executive chairman, four executive directors and six non-executive directors. Tullow views all of the non-executive directors as independent within the meaning of "independent" as defined in the Corporate Governance Code.

The Board of Directors has established an Audit Committee, a Remuneration Committee, a Nominations Committee, an Environment, Health and Safety Committee, an Ethics and Compliance Committee and an Executive Directors' Committee, each of which have defined terms of reference which are summarised in paragraphs 6.21 to 6.26 of this Part 10. Each Committee and each Director has the authority to seek independent professional advice where necessary to discharge their respective duties in each case at the Company's expense.

6.2. Board Committees

6.2.1. Audit Committee

The purpose of the Audit Committee is to assist the Board in fulfilling its responsibilities of oversight and supervision of, among other things:

- the integrity of the Group's financial statements including annual and half-yearly reports, interim management statements and any other formal announcement or disclosure of material financial information relating to its financial performance;
- the adequacy and effectiveness of the Company's internal controls and accountancy standards, assessing clarity and completeness of disclosure as well as the information presented with the financial statements, such as the business review and corporate governance statements relating to audit and risk management;
- the adequacy of the Company's whistle blowing system and procedures for detecting fraud; and
- the relationship with the Company's external auditor including appointment, remuneration, terms of engagement, assessing independence and objectivity and ultimately reviewing the findings and assessing the standard and effectiveness of the external audit.

The Audit Committee considers annually how the Company's internal audit requirements shall be satisfied and makes recommendations to the Board accordingly, as well as on any area it deems needs improvement or action. The Audit Committee meets at least four times a year at appropriate times in the Company's reporting and audit cycle and more frequently if required.

The following table sets out the current members of the Audit Committee.

Name	Position	Type
Steve Lucas	Chairperson	Non-Executive Director
Ann Grant	Member	Senior Independent Non-Executive Director
Tutu Agyare	Member	Non-Executive Director
Anne Drinkwater	Member	Non-Executive Director
Jeremy Wilson	Member	Non-Executive Director
Mike Daly	Member	Non-Executive Director

6.2.2. Remuneration Committee

The main responsibilities of the Remuneration Committee are:

- setting, and reviewing on an ongoing basis, the remuneration policy for all Executive Directors and the Company's Chairman (including pension rights and any compensation payments);
- monitoring the level and structure of remuneration for senior management;
- reviewing the design of share incentive plans and any performance related remuneration scheme for Executive Directors and designated senior managers for approval by the Board and shareholders (as required);
- reviewing and approving calculations of corporate performance measures used in the calculation of awards made under any performance-related remuneration scheme and approving performance-related remuneration awards made to Executive Directors and designated senior managers;
- within the terms of the agreed policy, determining the total individual remuneration packages for each Executive Director, the Chairman and designated senior managers including determining bonuses, incentive payments and share options or other share awards;
- reviewing and noting the remuneration trends across the Group; and
- agreeing the policy for authorising claims for expenses.

The remuneration of the Non-Executive Directors is determined by the Chairman and the other Executive Directors outside the framework of the Remuneration Committee.

The following table sets out the current members of the Remuneration Committee.

Name	Position	Type
Jeremy Wilson	Chairperson	Non-Executive Director
Simon Thompson	Member	Non-Executive Chairman
Anne Drinkwater	Member	Non-Executive Director
Tutu Agyare	Member	Non-Executive Director
Steve Lucas	Member	Non-Executive Director

6.2.3. Nominations Committee

The Nominations Committee reviews the size, composition and balance of the Board on a regular basis to ensure that the Company has the right structure, skills and experience in place for the effective management of the Group's expanding business. This analysis is reviewed and discussed with the Board, with the aim of scheduling a progressive refreshment of the Board. It is the Nomination Committee's policy, when conducting a search for a new Executive or a Non-Executive Director, to appoint external search consultants to provide the Nomination Committee with a list of possible candidates against an agreed role and experience specification, from which a shortlist is produced.

The primary duties are:

- reviewing the structure, size and composition of the Board (including the skills, knowledge, experience and diversity) and making recommendations to the Board with regard to any changes required;
- identifying and nominating, for the approval of the Board, candidates to fill Board vacancies;
- succession planning for Directors and other senior executives;
- reviewing annually the time commitment required of Non-Executive Directors; and
- making recommendations to the Board regarding membership of the Audit, Remuneration and other committees in consultation with the Chair of each Committee.

The following table sets out the current members of the Nominations Committee.

Name	Position	Type
Simon Thompson	Chairperson	Non-Executive Chairman
Ann Grant	Member	Senior Independent Non-Executive Director
Tutu Agyare	Member	Non-Executive Director
Steve Lucas	Member	Non-Executive Director
Mike Daly	Member	Non-Executive Director
Anne Drinkwater	Member	Non-Executive Director
Jeremy Wilson	Member	Non-Executive Director

6.2.4. Environmental, Health and Safety ("EHS") Committee

The main duties of the EHS Committee are:

- reviewing and providing advice regarding the EHS policies of the Group;
- monitoring the performance of the Group in the progressive implementation of its EHS policies, including process safety management;
- receiving reports covering matters relating to material EHS risks; and
- considering material regulatory and technical developments in the fields of EHS management.

The following table sets out the current members of the EHS Committee.

Name	Position	Type
Anne Drinkwater	Chairperson	Non-Executive Director
Simon Thompson	Member	Non-Executive Chairman
Mike Daly	Member	Non-Executive Director
Paul McDade	Member	Executive Director

6.2.5. Ethics and Compliance Committee

The Ethics and Compliance Committee was set up as a formal sub-committee of the Board in September 2015. The Ethics and Compliance Committee exists to support the Board in promoting within Tullow and with people who work with Tullow, the importance of ethics and compliance. This is to ensure the continued success and business integrity of the Group's business and to protect value as part of the Group's risk management process.

The main responsibilities of the Ethics and Compliance Committee are:

- advising on the development of strategy and policies on ethical and compliance matters;
- reviewing key ethical and compliance risks and monitoring the effectiveness of respective mitigation activities and controls;
- evaluating the ethical and compliance aspects of the Company's culture and making recommendations to rectify any deficiencies, with an emphasis on the example set by management and the senior leadership team;
- overseeing the development and monitoring the implementation and effectiveness of the Ethical Code and other policies and standards in relation to ethics and compliance;
- making recommendations to the Board on approval of amendments to the Ethical Code and other policies and standards mentioned above;
- receiving reports and reviewing findings of significant internal and external investigations, audits and reviews regarding ethics and compliance policies and procedures;
- liaising with and reporting to the Audit Committee on relevant policies and procedures, the adequacy of systems to raise concerns about possible impropriety in financial reporting or other matters and any significant fraud or error reported to the Committee; and
- reviewing compliance performance across the Group based on monitoring, auditing and investigations data.

The following table sets out the current members of the Ethics and Compliance Committee.

Name	Position	Type
Ann Grant	Chairperson	Senior Independent Non-Executive Director
Steve Lucas	Member	Non-Executive Director
Ian Springett	Member	Executive Director

6.2.6. Executive Directors' Committee

In 2014, the Board approved formal terms of reference for the Executive Directors' Committee in accordance with guidance published by the Institute of Chartered Secretaries and Administrators. The Executive Directors' Committee meets regularly and has been constituted to implement the Company's strategy and manage all operational matters except those reserved for the Board.

7. Code of ethical conduct and anti-bribery and corruption programme

Tullow aims to ensure that its day-to-day business activities are conducted in a fair, honest and ethical manner. Every person connected with the Group has individual responsibility for maintaining an ethical workplace. Tullow's managers and leaders are additionally responsible for developing a working environment which encourages compliance and the confidence to openly raise any issues or concerns. The Board approved a revised Conduct Code in 2015 (the "**Ethical Code**") which sets out mandatory requirements and guidance on a range of topics. The Ethical Code has been issued to all staff and it is the Group's policy to provide it to all of the Group's suppliers via its supply chain processes.

Tullow continually reviews and enhances its Anti-Bribery and Corruption ("**ABC**") programme. The programme is designed to demonstrate that the Group has implemented adequate procedures to prevent bribery in line with the UK Ministry of Justice Adequate Procedures Guidance and recognised good practice.

The Group's comprehensive Ethical Code awareness programme includes e-learning training. This aims to ensure that all staff are aware of the Group's zero tolerance approach to corruption, the requirements of its Ethical Code and associated policies and standards. There are a number of ongoing initiatives in support of this programme, including an annual certification process for all staff. In 2015, the Company introduced an ethics and compliance sub-committee of the Board, meeting to ensure that the Board fully

support the Group's activities in this regard and that the appropriate priority is given to ethical and compliance matters. The Ethics and Compliance Committee replaced the former Ethics and Compliance Committee (which was not a formal committee of the Board).

8. Other directorships

In addition to their directorships or managerial role at Tullow (in the case of the Directors), the Directors and senior manager hold or have held directorships of the following companies (other than directorships of subsidiaries of Tullow), and are or were members of the following partnerships, within the past five years.

Director and Senior Manager	Current Directorships/Partnerships	Previous Directorships/Partnerships
Simon Thompson	3i Group plc Rio Tinto plc Rio Tinto Limited	Amec Foster Wheeler Plc Sandvik AB Newmont Mining Corporation
Aidan Heavey	Orchard Gate Residential Developments Limited	None
Angus McCoss	Ikon Science Limited	None
Ian Springett	G4S plc	None
Paul McDade	None	None
Ann Grant	Serious Trust Limited Rift Valley Research Limited Overseas Development Institute	The Eastern Africa Association Disasters Emergency Committee 53 Marine Parade Limited
Tutu Agyare	Nubuke Investments Services Limited Nubuke Investments LLP Nubuke Foundation Limited Gharton Sykes Limited	None
Steve Lucas	Isenhurst Management Company Limited Acacia Mining plc HTN Towers Limited Ferrexpo plc	Essar Energy Limited Essar Infrastructure Limited Transocean Limited
Anne Drinkwater	Aker Solutions ASA	BP Canada Energy Company
Jeremy Wilson	The Lakeland Climbing Foundation Limited Storrs Park Advisers Ltd John Wood Group plc The Lakeland Climbing Centre Limited	None
Mike Daly	CGG SAS Daly Advisory & Research Limited 55 Alderney Street Limited	BP Exploration Company Limited BP Exploration Operating Company Limited Macro Advisory Partners LLP
Les Wood	None	None

9. Directors' and senior manager's confirmations

Save as disclosed in paragraph 9 of this Part 10 of this Prospectus, as at the date of this Prospectus, none of the Directors or the senior manager has, during the five years prior to the date of this Prospectus:

9.1. been convicted in relation to a fraudulent offence;

9.2. been associated with any bankruptcies, receiverships or liquidations while acting in the capacity of a member of the administrative, management or supervisory bodies or as a partner, founder or senior manager of any partnership or company;

9.3. been subject to any official public incrimination and/or sanctions by any statutory or regulatory authorities (including any professional bodies); or

9.4. been disqualified by a court from acting as a director of a company or from acting as a member of the administrative, management or supervisory bodies of any company or from acting in the management or conduct of the affairs of any company.

No Director or senior manager has any material interest in any significant contract with the Company or any of its subsidiary undertakings.

The Board does not presently consider there to be any potential conflicts of interests between any of the Directors' duties to Tullow or the Group and their private interests and/or other duties.

None of the Directors or senior manager were selected to act in such capacity pursuant to any arrangement or understanding with any major shareholder, customer, supplier or other person having a business connection with the Group.

As at the date of this Prospectus, no restrictions have been agreed by any Director or senior manager on the disposal within a certain time period of their holdings of their Ordinary Shares.

There are no family relationships between any of the Directors or the senior manager.

There are no outstanding loans granted by Tullow or any member of the Group to any of the Directors or the senior manager, nor has any guarantee been provided by Tullow or any member of the Group for their benefit save that each of the Directors has the benefit of a qualifying third party indemnity pursuant to which Tullow agrees to indemnify the Directors against liabilities that they may incur as a result of their office as director, in terms which are in accordance with the relevant provisions of the 2006 Act.

10. The Tullow Share Schemes

Tullow operates the following share incentive schemes.

10.1. Tullow Incentive Plan

10.1.1. Overview

The Tullow Incentive Plan (the "**TIP**") has replaced both the PSP and DSBP (as defined in paragraph 10.6 and 10.7 of this Part 10) as the primary senior executive incentive arrangement. The first awards were made in February 2014. The TIP has been designed to better align executive and shareholder interests and simplify the Group's remuneration arrangements. Participants in the TIP do not participate in the Tullow ESAP (as defined in paragraph 10.2 of this Part 10). As at the Latest Practicable Date, there were 10,732,417 options outstanding under the TIP.

At the annual general meeting of the Company which will take place on 26 April 2017, the Company is seeking shareholder approval to make the following changes to the TIP.

- Maximum annual award opportunity for the TIP will be reduced from 600 per cent. of base salary to 400 per cent. of base salary. The Remuneration Committee shall, however, be given the discretion to increase the maximum TIP award to 500 per cent. of base salary if it considers it appropriate and in the event that the Company becomes a member of the FTSE 100 Index for a full financial year.
- Remuneration Committee given discretion to settle any portion of the annual cash bonus component of a TIP award in deferred shares.
- Minimum shareholding requirement reduced to 300 per cent. of base salary.

10.1.2. Eligibility

Any employee (including an executive director) of the Company and its subsidiaries will be eligible to participate in the TIP at the discretion of the Remuneration Committee in respect of a financial year. Furthermore, an employee who has left for a Good Leaver reason, or who has died, will be entitled to receive a cash bonus in respect of the preceding financial year.

10.1.3. Nature of participation

In each participation cycle, the following shall occur:

(a) at the start of a financial year, the Remuneration Committee shall determine a maximum participation amount within the individual limit (as explained in paragraph 10.1.4 of this Part 10);

(b) the maximum participation amount relates to how much a participant can receive as a cash bonus and as a deferred bonus award;

(c) the Remuneration Committee shall also determine performance conditions for each participant for the relevant performance period; and

(d) following the end of any financial year, participating employees may receive a cash bonus and be granted a deferred award over shares in the Company based on the extent to which their performance conditions have been met for the relevant performance period.

10.1.4. Individual limit/maximum participation amount

The aggregate value of cash and deferred share awards that an individual can receive or be awarded in respect of their participation in the TIP for any financial year may not exceed 600 per cent. of their salary at the beginning of the following financial year. This limit was reduced to 500 per cent. for 2016 awards.

A TIP award is divided equally between a cash bonus and deferred shares, up to the first 200 per cent. of salary. Any portion of a TIP award above 200 per cent. of salary shall be satisfied in deferred shares only. Deferred shares forming part of a TIP award are normally deferred for five years.

The maximum participation amount that may be paid as a cash bonus and deferred share award may be reduced pro rata if the individual was not employed by the Company or its subsidiaries throughout the financial year, or if a corporate event occurs during the financial year. The maximum participation amount may be further reduced if a participant's performance conditions are not satisfied at the end of a financial year, to give the "actual participation amount". No cash bonuses can be paid or deferred share awards granted under the TIP after 7 May 2023.

10.1.5. Performance conditions

The value of a participant's cash and deferred share awards under the TIP for any financial year will depend on the satisfaction of performance conditions set by the Remuneration Committee. Performance conditions are measured to provide the actual participation amount and may be measured over one or more periods of up to 3 years ending with, or comprising, the financial year in which the participant participates in the TIP. Performance will typically be measured over one year, apart from Total Shareholder Return ("**TSR**") and earnings per share ("**EPS**"), if adopted, which will normally be measured over three years (save for under the transitional arrangements).

Transitional arrangements

As awards under the PSP (as described in paragraph 10.6 of this Part 10) had a three-year vesting period and pre-vesting performance conditions (as opposed to pre-grant performance conditions), transitional arrangements were put in place for executive directors when the TIP was adopted.

The TSR performance period for deferred share awards granted under the TIP in 2014 was measured over the 2013 financial year, the performance period for deferred share awards granted under the TIP in 2015 was measured over the 2013-14 financial year and the performance period for the 2016 deferred share awards are measured over the 2014-15 financial year as operating a three-year TSR performance period for these deferred share awards would create an overlap with past PSP awards.

The Remuneration Committee may vary performance conditions that have already been set without prior shareholder approval if an event occurs which causes it to consider that it would be appropriate to do so, provided the Remuneration Committee considers the varied conditions are fair and reasonable and not materially less challenging than the original conditions.

10.1.6. Payment of cash bonuses

The Remuneration Committee may, in its discretion, pay cash bonuses dependent upon the extent to which any relevant performance conditions for the preceding financial year have been satisfied. Cash bonuses will normally be paid as soon as practicable following the end of the relevant financial year in respect of which an individual participates in the TIP.

10.1.7. Grant of deferred share award

The Remuneration Committee may, in its discretion, grant deferred share awards dependent upon the extent to which any relevant performance conditions for the preceding financial year or years (as applicable) have been satisfied and if the participant is employed by the Company or one of its subsidiaries at the grant date. The Remuneration Committee may normally grant deferred share awards within six weeks following the Company's announcement of its results for any period. It may also grant deferred share awards at any other time when the Remuneration Committee considers there are exceptional circumstances which justify the granting of deferred share awards.

Deferred share awards may be granted as:

(a) conditional share awards, which are conditional rights to acquire shares;

(b) nil (or nominal) cost options, which are conditional rights to acquire shares upon exercise of such option; or

(c) as forfeitable shares awards, which are comprised of forfeitable shares that are subject to certain restrictions and forfeiture under the TIP and which transfer the beneficial interest in forfeitable shares to a participant.

The Remuneration Committee may also grant cash-based awards of an equivalent value to share-based awards or to satisfy share-based awards in cash, although it would not normally do so except if circumstances arise where it is not practicable to provide benefits through delivery of shares. No payment is required for the grant of a deferred share award. Deferred share awards are not transferable, except on death.

10.1.8. Vesting of deferred share awards

Deferred share awards made to executive directors normally vest five years after grant (save for under the transitional arrangements).

Transitional arrangements

As awards under the PSP had a three year vesting period and pre-vesting performance conditions (as opposed to pre-grant performance conditions), transitional arrangements were put in place for executive directors in relation to deferred share awards granted under the TIP. To cover the gap between 2016 (when the 2013 PSP awards vest) and 2019, the deferred share awards granted under the TIP in 2014 will vest 50 per cent. after three years (i.e. 2017) and 50 per cent. after four years (i.e. 2018) and the deferred share awards granted under the TIP granted in 2015 will vest 50 per cent. after four years (i.e. 2019) and 50 per cent. after five years (i.e. 2020), instead of vesting over five years.

For other participants, a shorter period, of not less than three years, may be applied at the Remuneration Committee's discretion. Awards in the form of options are then normally exercisable up until the tenth anniversary of grant unless they lapse earlier.

10.1.9. Dividend equivalents

The Remuneration Committee may decide that participants will receive a payment (in cash and/or shares) on or shortly following receipt of shares under their deferred share awards, of an amount equivalent to the dividends that would have been paid on those shares between the time when the deferred share awards were granted and their vesting. This amount may assume the reinvestment of dividends.

10.1.10. Leaving employment

Deferred share awards

Treatment prior to grant

Deferred share awards shall not be granted to a participant who ceases to hold employment or be a director within the Group for any reason either during the financial year in respect of which he or she participates in the TIP or at the end of that financial year (and before an award is granted).

Treatment after grant

If an award is held by a participant and their employment ceases before the award has vested then their deferred share award shall lapse immediately upon such cessation.

However, where the reason for cessation of employment is death, injury, disability, retirement or redundancy, the participant's employing company or the business for which they work being sold out of the Company's group or in other circumstances at the discretion of the Remuneration Committee ("**Good Leaver Reasons**"):

(a) vested deferred share awards granted as options in respect of a financial year shall subsist and continue to be exercisable for 12 months; and

(b) unvested deferred share awards may vest earlier than if the participant's employment had not ceased for Good Leaver Reasons. In general, unvested deferred share awards will vest at the

normal time, unless the Remuneration Committee determines otherwise, in which case deferred share awards will vest on the date the participant leaves. If the participant leaves by reason of retirement vesting will normally be the earlier of the normal vesting date and three years after retirement. If the participant dies deferred share awards will normally vest immediately. Options may be exercised within a period of 12 months from the date of vesting, and shall lapse thereafter.

Cash bonuses

Treatment during financial year

If a participant ceases to hold employment or be a director within the Group either during the financial year in respect of which he or she participates in the TIP for a Good Leaver Reason, at the discretion of the Remuneration Committee, he may be paid a cash bonus at the end of that financial year on a time pro-rated basis.

Treatment at the end of the financial year

If a participant ceases to hold employment following the end of the financial year, but before the cash bonus is paid, for a Good Leaver Reason, at the discretion of the Remuneration Committee, he may be paid a cash bonus at the end of that financial year in full.

10.1.11. Corporate events

In the event of a takeover by way of general offer resulting in a change of control of the Company, a compromise or arrangement that is sanctioned by the court resulting in a change of control or winding up of the Company (not being an internal corporate reorganisation) a notification shall be sent to participants and the following provisions shall apply:

(a) no deferred share awards shall be granted following that event;

(b) outstanding unvested deferred share awards shall vest early, at the time of such event and, in the case of options, shall be exercisable for one month from notification (in the case of a general offer) and for one month from the court sanction or winding-up (as applicable), after such period they will lapse;

(c) outstanding vested deferred bonus share awards granted as options shall be exercisable for one month after such notification or event (as applicable), after such time they shall lapse;

(d) if the event occurs during the financial year, but before the cash bonus is paid, the participant will instead be paid earlier and at the time of such event, based on a curtailed performance period and on a time pro-rated basis; and

(e) if the event occurs following the end of the financial year, but before the cash bonus is paid, the participant shall receive the cash bonus as soon as practicable thereafter.

In the event of an internal corporate reorganisation:

(a) performance conditions applying to the financial year in which the event occurs shall continue, unless the Remuneration Committee determines otherwise; and

(b) if the acquiring company consents, the deferred share awards will be replaced by equivalent new awards over shares in a new holding company unless the Remuneration Committee decides that deferred share awards should vest on the basis which would apply in the case of a takeover corporate event.

If a demerger, special dividend or other similar event (the "**Relevant Event**") is proposed which, in the opinion of the Remuneration Committee, would affect the market price of shares to a material extent, cash bonuses will generally not be affected but the Remuneration Committee may decide that outstanding deferred share awards will vest on such terms as the Remuneration Committee may determine, and can either vest prior to such event or upon the event occurring, as the Remuneration Committee may determine. Options, to the extent unexercised, shall lapse at the end of the period preceding the Relevant Event.

10.1.12. Participants' rights

Awards of conditional shares and options will not confer any shareholder rights until the awards have vested or the options have been exercised and the participants have received their shares. Holders of awards of forfeitable shares will have shareholder rights from when the awards are made, except they may be required to waive their rights to receive dividends.

10.1.13. Clawback

The Remuneration Committee may decide, within five years of the end of any financial year in respect of which an individual participates in the TIP, that any cash bonus paid or deferred share award granted to them will be subject to clawback (i) where there has been a misstatement of the Company's financial results or of its oil or gas reserves, (ii) if an error has occurred in assessing the performance conditions that determined the amount of the cash bonus or deferred share award, (iii) where there is a catastrophic failure of environmental, health or safety risk management, or (iv) if the participant's employment is terminated for misconduct.

The Remuneration Committee may satisfy any such clawback by reducing unpaid cash bonuses or subsisting deferred share awards under the TIP, or by taking similar action in relation to the cash payment or deferred share awards granted after 8 May 2013 under other plans operated by the Company or by requiring a cash payment from the participant.

Summary of TIP Awards

Details of nil cost options granted to Executive Directors under the TIP:

Director	Award grant date	Share price on grant date	As at 1 January 2016	Granted since 1 January 2016	As at the Latest Practicable Date	Earliest date shares can be acquired	Latest date shares can be acquired
Aidan Heavey . . .	19 February 2014	774p	102,992	—	102,992	19 February 2017	19 February 2024
	18 February 2015	400p	152,772	—	152,772	18 February 2019	17 February 2025
	11 February 2016	148p	—	565,423	565,423	11 February 2021	11 February 2026
Angus McCoss . .	19 February 2014	774p	58,246	—	58,246	19 February 2017	19 February 2024
	18 February 2015	400p	86,398	—	86,398	18 February 2019	17 February 2025
	11 February 2016	148p	—	319,767	319,767	11 February 2021	11 February 2026
Paul McDade . . .	19 February 2014	774p	58,246	—	58,246	19 February 2017	19 February 2024
	18 February 2015	400p	86,398	—	86,398	18 February 2019	17 February 2025
	11 February 2016	148p	—	319,767	319,767	11 February 2021	11 February 2026
Ian Springett	19 February 2014	774p	61,845	—	61,845	19 February 2017	19 February 2024
	18 February 2015	400p	91,737	—	91,737	18 February 2019	17 February 2025
	11 February 2016	148p	—	339,529	339,529	11 February 2021	11 February 2026
Graham Martin[(1)] .	19 February 2014	774p	58,246	—	58,246	19 February 2017	19 February 2018
	18 February 2015	400p	86,398	—	86,398	18 February 2019	17 February 2020
	11 February 2016	148p	—	319,767	319,767	28 April 2019	28 April 2020

Note:

(1) Graham Martin resigned as an Executive Director on 28 April 2016.

10.2. Tullow Employee Share Award Plan (the "ESAP")

10.2.1. Overview

The Tullow Employee Share Award Plan (the "**ESAP**") is the Company's primary non tax-advantaged all employee incentive arrangement. The first awards were made in February 2014. Participants in the ESAP do not participate in the Tullow TIP (as defined in paragraph 10.1 of this Part 10). As at the Latest Practicable Date, there were 22,484,522 options outstanding under the ESAP.

10.2.2. Eligibility

Any employee of the Company and its subsidiaries will be eligible to participate in the ESAP (unless determined otherwise by the Remuneration Committee). Any individual who participates in the Tullow Incentive Plan will not receive ESAP awards in the same financial year.

10.2.3. Nature of participation

An employee may receive an award of shares (or a cash equivalent) in any financial year, subject to continued employment.

10.2.4. Grant of awards

The Remuneration Committee may grant awards to acquire shares within six weeks following the Company's announcement of its results for any period. The Remuneration Committee may also grant awards at any other time when the Remuneration Committee considers there are exceptional circumstances which justify the granting of awards.

The Remuneration Committee may grant awards as:

(a) conditional share awards, which are conditional rights to acquire shares;

(b) nil (or nominal) cost options, which are conditional rights to acquire shares upon exercise of such option; or

(c) forfeitable share awards, which are comprised of forfeitable shares that are subject to certain restrictions and forfeiture under the ESAP and which transfer the beneficial interest in forfeitable shares to a participant.

The Remuneration Committee may also decide to grant cash-based awards of an equivalent value to share-based awards or to satisfy share-based awards, in cash, but would normally only do so when the delivery of shares is impracticable. An award may not be granted under the ESAP after 7 May 2023.

No payment is required for the grant of an award. Awards are not transferable, except on death.

10.2.5. Individual limit

An employee may not receive awards in any financial year over shares having a market value in excess of 50 per cent. of their annual base salary in that financial year (or 75 per cent. of such salary in exceptional circumstances, as determined by the Remuneration Committee). The Remuneration Committee will have regard to the seniority of employees within the Company's group and the personal performance in determining the value of shares over which they receive awards in any financial year.

10.2.6. Vesting of awards

The Remuneration Committee may determine any vesting period whatsoever, however, they normally determine that that awards vest after three years. Options may not be exercised after the tenth anniversary of grant. The vesting of awards is not subject to performance conditions and subject only to continued employment, subject to good leaver provisions (as explained in paragraph 10.2.8 of this Part 10).

10.2.7. Dividend equivalents

The Remuneration Committee may decide that participants will receive a payment (in cash and/or shares) on or shortly following the vesting of their awards (or their exercise in the case of options), of an amount equivalent to the dividends that would have been paid on those shares between the time when the awards were granted and their vesting. This amount may assume the reinvestment of dividends.

10.2.8. Leaving employment

Awards will normally lapse upon a participant ceasing to hold employment or becoming a director within the Group.

However, if a participant ceases to be an employee because of their death, injury, disability, retirement, redundancy, their employing company or the business for which they work being sold out of the Group or in other circumstances at the discretion of the Remuneration Committee, then their unvested award will vest earlier when they leave employment, unless the Remuneration Committee determines otherwise, in which case vesting will occur on the normal vesting date. When an award vests on cessation of employment it will normally be time pro-rated to reflect any reduced period between grant and vesting. Awards which have been granted as options will become exercisable for a period of 12 months commencing on the date of vesting.

10.2.9. Corporate events

In the event of a takeover by way of a general offer, a compromise or arrangement that is sanctioned by the court resulting in a change of control or winding up of the Company (not being an internal corporate reorganisation) awards will vest early on notification of such event. Options are exercisable within one month of such notification and shall lapse at the end of that period. Vesting shall be subject to pro-rating of the award to reflect the reduced period of time between their grant and vesting, although the Remuneration Committee can decide not to pro-rate an award if it regards it as inappropriate to do so in the particular circumstances.

In the event of an internal corporate reorganisation, awards will, with the consent of the Acquiring Company, be replaced by equivalent new awards over shares in a new holding company, unless the Remuneration Committee decides that awards should vest on the basis which would apply in the case of a takeover.

If a demerger, special dividend or other similar event is proposed which, in the opinion of the Remuneration Committee, would affect the market price of shares to a material extent, then the Remuneration Committee may decide that awards will vest earlier on such basis as the Remuneration Committee may determine and during such period preceding such event or on such event as the Remuneration Committee determines. If the Remuneration Committee determines that the award shall vest then it shall apply a pro rata reduction to the number of shares, unless it determines this to be inappropriate.

10.2.10. Participants' rights

Awards of conditional shares and options will not confer any shareholder rights until the awards have vested or the options have been exercised and the participants have received their shares. Holders of awards of forfeitable shares will have shareholder rights from when the awards are made, except they may be required to waive their rights to receive dividends.

10.3. UK Share Incentive Plan

10.3.1. Overview

The Board will supervise the operation of the Share Incentive Plan (the "**SIP**") which has been approved by HM Revenue and Customs. The SIP has three elements and the Board may decide which of these to offer to eligible employees:

(a) "Free Shares" are free shares which may be allocated to an employee. The market value of Free Shares allocated to any employee in any tax year may not exceed £3,000 or such other limit as may be permitted by the relevant legislation. Free Shares may be allocated to employees equally or on the basis of salary, length of service or hours worked, or on the basis of performance.

(b) "Partnership Shares" are shares an employee may purchase out of their pre-tax earnings. The market value of Partnership Shares which an employee can buy in any tax year may not exceed £1,500 (or 10 per cent. of the employee's salary, if lower), or such other limit as may be permitted by the relevant legislation. The funds used to purchase Partnership Shares will be deducted from the employee's pre-tax salary. Salary deductions may be accumulated over a period of up to 12 months and then used to buy shares at the market value of the shares at either the start or at the end of the accumulation period (or the lower of the two prices).

(c) "Matching Shares" are free shares which may be allocated to an employee who buys Partnership Shares. The Board may allocate Matching Shares to an employee who purchases Partnership Shares up to a maximum of two Matching Shares for every Partnership Share purchased (or such other maximum ratio as may be permitted by the relevant legislation). Awards under the SIP may not be made after 7 May 2023.

As at the Latest Practicable Date, there were 1,413,192 Ordinary Shares held pursuant to the SIP.

10.3.2. Eligibility

Employees of the Company and any designated participating subsidiary who are UK resident taxpayers are eligible to participate. The Board may allow non-UK tax resident taxpayers to participate. The Board may require employees to have completed a qualifying period of employment of up to 18 months in order to be eligible to participate. All eligible employees, who are UK resident taxpayers, must be invited to participate.

10.3.3. Retention of shares

The trustee of the SIP trust will award Free Shares and Matching Shares to employees and hold those shares on behalf of the participants. Free Shares and Matching Shares must usually be retained by the trustee of the SIP trust for a period of at least three years after award. The trustee will acquire Partnership Shares on behalf of participants and hold those shares on behalf of the participants. Employees can withdraw Partnership Shares from the SIP trust at any time. An employee will be treated as the beneficial owner of shares held on their behalf by the trustee of the SIP. The Board may decide that awards of Free Shares and/or Matching Shares will be forfeited if participants cease to be employed by a company in the Company's group within three years from the grant of those awards unless they leave by reason of death, injury, disability, redundancy, retirement, or if the business or company for which they work ceases to be part of the Company's group. In any of those cases, the participants will be required to withdraw their shares from the SIP. If an employee ceases to be employed by the Company's

group at any time after acquiring Partnership Shares, he will be required to withdraw the shares from the SIP trust.

10.3.4. Corporate events

In the event of a general offer being made to shareholders, participants will be able to direct the trustees how to act in relation to their shares. In the event of a corporate reorganisation, any shares held by participants may be replaced by equivalent shares in a new holding company.

10.3.5. Dividends on shares held by the trustee of the SIP

Any dividends paid on shares held by the trustee of the SIP on behalf of participants may be either used to acquire additional shares for employees or distributed to participants.

10.3.6. General

No benefits received under the plans will be pensionable.

10.3.7. Overall plan limits

The SIP must be operated so that, in any 10 calendar year period, the Company must not issue (or grant rights to issue) more than 10 per cent. of the issued ordinary share capital of the Company in issue at that time under all of the Company's share plans.

10.3.8. Rights attaching to shares

Any shares allotted under the plans will rank equally with the shares then in issue (except for rights arising by reference to a record date prior to their allotment).

10.3.9. Variation of capital

In the case of a variation of the share capital of the Company, shares held in the SIP will be treated in the same way as other shares. In the event of a rights issue, participants will be able to direct the trustees of the SIP on how to act on their behalf.

10.3.10. Alteration to the plans

The Board may, with the trustee's written consent, alter the plan in any respect provided that it may not amend any "key feature" in such a way that the SIP would no longer be a Schedule 2 SIP. If the Board amends a key feature of the Plan, such amendment shall not have effect unless and until the written approval of the Inland Revenue has been obtained in accordance with paragraph 81 of Schedule 2 of the Income Tax (Earnings and Pensions) Act 2003.

Any alteration relating to eligibility, plan limits, maximum entitlement for any individual participant, the basis for determining a participant's entitlement to, and the terms of, securities, cash, or other benefits to be provided and for any adjustment in the event of a variation of share capital, which provide an advantage to participants, will require shareholder approval.

Any alteration to benefit the administration of the SIP to take account of legislation or obtain or maintain favorable tax, exchange or regulatory treatment for participants, the Company, the trustees or any subsidiary shall not require shareholder approval.

10.3.11. The Tullow Oil Irish Share Incentive Plan

The Tullow Oil Irish Share Incentive Plan is similar to the SIP, although it differs in certain respects to comply with Irish legislation.

Summary of Shares held in the SIP

Details of shares held by Executive Directors pursuant to the SIP:

Director	Shares held 1 January 2016	Partnership shares acquired since 1 January 2016	Matching shares awarded since 1 January 2016	Total shares held at Latest Practicable Date	SIP shares that became unrestricted since 1 January 2016[1]	Total unrestricted shares held at Latest Practicable Date
Angus McCoss	4,532	979	979	6,490	238	2,324
Paul McDade	9,502	980	980	11,462	238	7,294
Ian Springett	3,010	979	979	4,968	240	802
Graham Martin[2]	9,502	574	574	—	3,476	—

Notes:

(1) Unrestricted shares (which are included in the total shares held at Latest Practicable Date) are those which no longer attract a tax liability if they are withdrawn from the SIP.

(2) Graham Martin resigned as an Executive Director on 28 April 2016.

10.4. Terms common to the TIP and ESAP

10.4.1. General

Awards made under the plans are not transferable other than to personal representatives in the event of the participant's death. No benefits received under the plans will be pensionable.

10.4.2. Overall plan limits

The plans may operate over newly issued shares in the Company, treasury shares or shares purchased on the stock markets in which the Company's shares are traded.

The TIP and ESAP operate so that, in any 10 calendar year period, the Company must not issue (or grant rights to issue) more than 10 per cent. of the issued ordinary share capital of the Company in issue at that time under all of the Company's share plans.

In relation to the TIP only, it must be operated so that, in any 10 calendar year period, the Company must not issue (or grant rights to issue) more than 5 per cent. of the issued ordinary share capital of the Company in issue at that time under executive share plans adopted by the Company (for which purpose, the Tullow Oil 2000 Executive Share Option Scheme and the Tullow Oil 2010 Share Option Plan are excluded since participation in them was available to the vast majority of employees in the Group).

Treasury shares will count as newly issued shares for the purposes of these limits whilst this is required by institutional shareholder guidelines.

10.4.3. Rights attaching to shares

Any shares allotted under the plans will rank equally with the shares then in issue. Where vested shares are transferred to participants (or are released from their restrictions in the case of forfeitable shares) the participants shall be entitled to all rights attaching to such shares by reference to a record date on or after the date of such transfer or release of restrictions.

10.4.4. Variation of capital

The Remuneration Committee may make such adjustment as it considers appropriate to:

(a) the number of shares subject to an award under the TIP or ESAP; and/or

(b) the exercise price payable (if any); and/or

(c) where an award has vested but no shares have been transferred or allotted, the number of shares which may be so transferred or allotted and (if relevant) the price at which they may be acquired,

in the event of any variation of the Company's share capital or in the event of a demerger, payment of a special dividend or other similar event which, in the opinion of the Remuneration Committee would affect the market price of shares to a material extent. In certain circumstances, an adjustment may reduce the price at which the shares may be subscribed for, on the exercise of an option to less than their nominal value, if the Board is authorised in this regard.

10.4.5. Alteration to the plans

The Remuneration Committee or the Board (as the case may be) may, at any time, alter the plans in any respect, provided that the prior approval of shareholders is obtained for any alterations that are to the advantage of participants in respect of the rules governing eligibility, limits on participation, the overall limits on the issue of shares or the transfer of treasury shares, the basis for determining a participant's entitlement to, and the terms of, the shares or cash to be acquired and the adjustment of share awards in the event of a variation of share capital. The requirement to obtain the prior approval of shareholders will not, however, apply to any minor alteration made to benefit the administration of the plans, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for any company in the Company's group. No alteration which is to the material disadvantage of participants can be made unless the majority of participants approve such alteration.

10.4.6. Overseas plan

The terms of shareholder approval of the TIP and ESAP permit the Board to establish further plans for overseas territories, any such plan to be similar to each plan referred to in paragraphs 10.1 and 10.2 of this Part 10, but modified to take account of local tax, exchange control or securities laws, provided that any shares made available under such further plans are to be treated as counting against the limits on individual and overall participation in the relevant plan.

10.5. Tullow Oil 2010 Share Option Plan ("2010 Plan")

10.5.1. Overview

This plan replaced the Company's Executive Share Option Scheme 2000 (as described in paragraph 10.8 of this Part 10), which expired in 2010. As at the Latest Practicable Date, there were 8,007,123 options outstanding under the 2010 Plan.

The 2010 Plan is comprised of a Part A tax-advantaged company share option scheme, which has been set up in accordance with Schedule 4 of the Income Tax (Earnings and Pensions) Act 2003 ("**ITEPA**") and a Part B non tax-advantaged share option plan. The descriptions in each paragraph relate to both Parts A and B, unless specifically headed "Part A" or "Part B".

10.5.2. Eligibility

Part A

Full-time directors (who work over 25 hours a week with any 2010 Plan participating company) and any other qualifying employee can participate, save that employees cannot participate if they if they have a "material interest", as defined in Paragraph 9 of Schedule 4 of ITEPA.

Part B

Any employee of the Company and its subsidiaries will be eligible to participate at the discretion of the Board. Options are granted on an 'all-employee' basis but participants in the Company's Performance Share Plan, including executive directors, are not eligible to participate.

10.5.3. Grant of options

The Board may grant options to acquire ordinary shares in the Company within six weeks following the Company's announcement of its financial results for any period. The Board may also grant options within six weeks of shareholder approval of the Plan or at any other time if the Board considers there are exceptional circumstances to justify the grant.

Options may not be granted more than 10 years after shareholders approve the plan. No payment is required for the grant of an option. Options are not transferable, except on death.

Options are not pensionable.

Part B

In relation to any non tax-advantaged awards granted under Part B, the Company may also grant 'share appreciation rights' and 'phantom share options'. These relate to a notional number of shares. On exercise, they respectively provide free shares and a cash bonus equal to the gain that could have been realised on the exercise of option over the notional number of shares. These facilities are most likely to

be used when making awards to employees outside the UK, where conventional share options may not be practicable.

10.5.4. Individual participation

Under Part A, options can be granted over shares with a value per individual of up to £30,000 (or such other limit as may from time to time be imposed by Schedule 4 of ITEPA) as at the date of grant. In addition, under Parts A and B, an employee may not receive options in any financial year over shares with a market value exceeding 200 per cent. of his annual base salary (or such higher value as the Board considers appropriate).

10.5.5. Option price

Part A

The price per share payable upon exercise of an option will not be less than:

(a) the middle market price of a share on the London Stock Exchange Daily Official List on the dealing day immediately before the date of grant or the average of such prices over up to 5 dealing days before the date of grant (or such other dealing day(s) as may be agreed with HMRC in relation to any options granted under Part A; and

(b) the market value of shares as agreed in advance for the purposes of the 2010 Plan with HMRC Shares and Assets Valuation, on the date of grant or such other dealing day(s); and

(c) if the option relates only to newly issued shares, the nominal value of a share.

Part B

The price per share payable upon exercise of an option will not be less than:

(a) the middle market price of a share on the London Stock Exchange Daily Official List on the dealing day immediately before the date of grant (or such other dealing days as the Remuneration Committee may decide); or

(b) the market value of shares as determined by the Remuneration Committee on the date of grant or such other dealing day(s); and

(c) if the option relates only to newly issued shares, the nominal value of a share.

10.5.6. Performance conditions

The Board may impose performance conditions on the exercise of options.

The Board may also vary any performance conditions applying to existing options without prior shareholder approval if an event has occurred which causes the Board to consider that it would be appropriate to do so, provided the Remuneration Committee considers the varied conditions are fair and reasonable and not materially less challenging than the original conditions.

10.5.7. Exercise of options

Options will normally become capable of exercise three years after grant to the extent any performance conditions have been satisfied, provided the participant remains employed in the Group (and subject to a takeover or other corporate event). Options will lapse on the day before the tenth anniversary of the date of grant or after such shorter period as determined by the Board at the time of grant. Shares will be allotted or transferred to participants within 30 days of exercise.

An option may not be exercised in respect of fewer than 10% of the number of shares over which it was granted, unless the Board determines otherwise.

10.5.8. Cash alternative under Part B

The Board can decide to satisfy options which are not tax-advantaged by the payment of a cash amount equal in value to the gain made on the exercise of the option.

10.5.9. Leaving employment

Unless the Board, acting fairly and reasonably, determine otherwise, an option will lapse upon a participant ceasing to hold employment within the Group.

However, if a participant ceases to be an employee in the Group by reason of his death, injury, disability, redundancy, retirement, his employing company or the business for which he works being sold out of the Group ("**Good Leaver Reasons**") or in other circumstances at the discretion of the Board, then options already capable of exercise will remain exercisable for a period of 12 months and shall lapse at the end of that period. Unless the Board determines the extent to which an option is exercisable will depend upon the extent to which any performance condition is satisfied by reference to the date of cessation.

10.5.10. Corporate events

On a takeover by way of general offer (other than an internal corporate reorganisation), options may be exercised within a period of one month (or such longer period, as the Board may permit) of such notification and shall lapse thereafter. Unless the Board determines otherwise, the extent to which options become exercisable will normally depend upon the extent to which any performance condition is satisfied by reference to the date of the corporate event.

In the event that any person becomes bound or entitled to acquire shares by way of compulsory acquisition, obtains control of the Company as a result of a compromise or arrangement sanctioned by the Court, the Company passes a resolution for voluntary winding up or an order is made for compulsory winding up an option may, subject to performance, unless the Board determines otherwise, be exercised within one month of such event, and shall lapse thereafter.

In the event of an internal corporate reorganisation, options will be replaced by equivalent options over shares in a new holding company unless the Board decides that options should become exercisable as described in this paragraph.

If a demerger, special dividend or other similar event is proposed which, in the opinion of the Board, would materially affect the market price of shares, the Board may, acting fairly and reasonably, decide to notify the participant that his option may be exercised subject to performance conditions, on such terms as the Board determines and during such period preceding such event or on such event as the Board may determine and, if not exercised, the option shall lapse.

10.5.11. Adjustment of options

Part A

On a variation in the Company's share capital, the Board may adjust, as it considers appropriate, the number of shares under option, the price payable on an option's exercise and where an option has been exercised but no shares have yet been allotted or transferred, the number of shares which may be so allotted or transferred and the price at which they may be acquired.

In the case of tax-advantaged options granted under Part A, no adjustment can be made without prior approval of HMRC. In certain circumstances, an adjustment may reduce the price at which the shares may be subscribed for on the exercise of an option to less than their nominal value, but only if the Board is authorised in this regard.

Part B

Options that are not tax-advantaged may be adjusted for a demerger, special dividend or other similar event which materially affects the market price of shares, as well as any variation of the share capital of the Company. The same provisions apply to such an adjustment as set out under Part A.

10.5.12. Rights attaching to shares

Any ordinary shares allotted when an option is exercised will rank equally with the other ordinary shares then in issue (except for rights arising by reference to a record date occurring before their allotment).

10.5.13. Overall plan limits

The Plan may operate over newly issued shares, treasury shares or shares purchased in the market. In any 10 calendar year period, the Company may not issue (or grant rights to issue) more than:

(a) 10 per cent. of the issued ordinary share capital of the Company under the plan and any other employee share plan adopted by the Company; and

(b) 5 per cent. of the issued ordinary share capital of the Company under the Plan and any other executive share plan adopted by the Company.

Treasury shares will count as newly issued shares for the purposes of these limits unless institutional investors no longer require them to.

10.5.14. Alterations to the plan

The Board may, at any time, amend the plan in any respect, provided that prior shareholder approval is obtained for any alterations which are to the advantage of participants; or made to the rules governing eligibility, limits on participation, overall limits on the issue of shares or the transfer of treasury shares; or the basis for determining a participant's entitlement to, and the terms of, the shares or cash to be acquired and the adjustment of options. The requirement to obtain prior shareholder approval will not apply to any minor alteration made to benefit the administration of the Plan, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for any company in the Group. Prior shareholder approval will also not be required for any amendment to performance conditions applying to an option.

10.5.15. Overseas plans

The directors have approval to establish further plans for overseas territories. Any such plan will be similar to the plan, but modified to take account of local tax, exchange control or securities laws. Shares made available under such further plans count against the limits on individual and overall participation in the plan.

10.6. Performance share plan

10.6.1. Overview

Prior to the introduction of the TIP (as described in paragraph 10.1 of this Part 10), the Company's Performance Share Plan (the "**PSP**") rewarded participants for delivering returns to shareholders relative to both a group of oil and gas sector peers and the FTSE 100. PSP awards are based on three year performance periods ending in the relevant year. As at the Latest Practicable Date, there were 936,205 awards outstanding under the PSP.

10.6.2. Structure

Awards under the PSP (the "**Awards**") were granted as:

(a) conditional allocations, where a participant will receive free shares automatically on the vesting of the Award; or

(b) nil (or nominal) exercise price options, where the participant can decide when to exercise the Award during a period after it has vested or which can be exercised following a three-year vesting period; or

(c) forfeitable shares, which the participant will acquire when the Award is made, but will be subject to a risk of forfeiture with some shareholder rights restricted until vesting.

All outstanding Awards under the PSP have been granted as, or converted into, nil exercise price options for directors of the Company. To the extent that they vest, they are normally exercisable from three to 10 years from grant.

Awards will normally vest on the third anniversary of their grant provided the relevant performance condition has been satisfied, subject to the participant remaining in employment and any corporate actions.

Awards are not transferable (other than to the participant's personal representatives in the event of his death).

Awards are not pensionable.

10.6.3. Limit on Awards

The maximum number of shares over which Awards may be granted to any employee during any financial year of the Company is 300,000.

The market value on grant of all Awards granted to any employee in any financial year shall not normally exceed 150 per cent. of the employee's base salary. In exceptional circumstances (e.g. on recruitment), this limit is increased to 200 per cent. of base salary.

10.6.4. Performance conditions

The vesting of Awards will depend on the Company's performance over a single three year performance period. The Remuneration Committee will set appropriately challenging performance conditions in respect of each Award. Awards are subject to a performance condition based 70 per cent. on the Company's total shareholder return ("**TSR**") relative to a comparator group of international oil and gas companies.

The other 30 per cent. of the Award is subject to a performance condition based on the Company's TSR relative to the constituents of the FTSE 100 Index.

In addition, Awards will only vest if the Remuneration Committee is satisfied that the Company's underlying financial performance and its performance against other key factors (for example health and safety) is satisfactory over the relevant period.

There will be no opportunity to retest performance if the performance conditions are not satisfied over the three year performance period.

The performance conditions may, however, be adjusted to reflect certain material events to maintain their original purpose. Major shareholders will be consulted before any such adjustments are made.

The Remuneration Committee will review the performance conditions each time Awards are granted in order to ensure that they remain appropriate. The Remuneration Committee may impose different performance conditions for future Awards, provided that the new conditions are not, in its opinion, materially less challenging than the original conditions.

Major shareholders will be consulted before any materially different performance conditions are imposed. Performance conditions have been disclosed in the Company's annual report and accounts.

10.6.5. Leaving employment

Awards lapse on leaving employment, unless the participant leaves for a Good Leaver Reason (which includes any reason that the Board determines) whether before or after the vesting date.

If a participant ceases employment with any company in the Group before the normal vesting date by reason of death, injury, disability, redundancy, retirement, sale of their employing company or business out of the Group, or any other reason as determined by the Remuneration Committee ("**Good Leaver**" reason), then Awards will normally vest early. This is provided that the Remuneration Committee determines the number of shares which should vest by applying any performance conditions and a time pro rata reduction in the number of shares that vest, unless the Remuneration Committee determines, acting fairly and reasonably, that it is inappropriate to reduce the vested shares.

The Remuneration Committee will, however, have discretion to determine that vesting should occur at the date of termination. If vesting occurs on termination, the performance conditions are measured at the date of termination and time pro-rating applies, unless the Remuneration Committee determines otherwise.

10.6.6. Corporate events

In the event of a takeover by way of general offer, or if any person obtains control of the Company as a result of a compromise or arrangement sanctioned by the Court, or on the winding up of the Company (not being an internal corporate reorganisation), Awards will only vest to the extent that the performance conditions have been satisfied at the time of such event, with a time pro rata reduction in the number of shares that vest (unless the Remuneration Committee, acting fairly and reasonably, decides that such reduction is inappropriate.). If a demerger, special dividend or other similar event is proposed which, in the opinion of the Remuneration Committee, would affect the market price of shares subject to outstanding Awards to a material extent then the Board may, at its discretion and acting fairly and reasonably, decide that they shall notify the participant that his Award may vest on such terms as the Board determines and during such period preceding such event or on such event as the Board may determine and, if not exercised, the Award shall lapse.

In the event of an internal corporate reorganisation, Awards will be replaced by equivalent new Awards over shares in a new holding company, unless the Remuneration Committee decides they should vest on the same basis as described in this paragraph.

10.6.7. Limits on issue of new and treasury shares

The PSP will operate over new issue shares, treasury shares or shares purchased in the market In any ten year period (but ignoring any part of such period falling before 27 August 1998) the Company may not issue (or have the possibility to issue) more than:

(a) 10 per cent. of the issued ordinary share capital of the Company under the PSP and any other employee share plan adopted by the Company; and

(b) 5 per cent. of the issued ordinary share capital of the Company under the PSP and any other executive share plan adopted by the Company.

Treasury shares count as new issue shares for the purposes of these limits, although they will cease to count towards these limits if institutional investor bodies' guidelines no longer require them to be counted. Where an Award was granted in exchange for the release of an Award over shares in the previous holding company for the Group, the replacement Award will be treated for the purposes of these limits as though granted at the same time as the Award it replaced.

10.6.8. Participant rights

Awards do not confer any shareholder rights on participants (for example, voting rights), until the Awards have vested and the participants have received their shares, except for certain rights that will be enjoyed by holders of Awards granted as forfeitable shares. However, to provide a closer alignment with shareholders, the number of shares subject to an Award may be increased by an amount equivalent to the dividends that would have been paid on those shares on the basis that any dividends were reinvested in shares at the average market price of the Company's shares shortly before payment of any dividend.

10.6.9. Rights attaching to shares

Shares allotted under the PSP pursuant to the vesting of an Award will rank equally with all other shares then in issue.

10.6.10. Dividend equivalents

The Remuneration Committee may decide on or before the grant of an Award that a participant or his nominee shall be entitled to cash and/or shares equal in value to the dividends (in whole or in party) that would have been paid on the vested shares in respect of dividend record dates occurring during the period between grant and vesting of Awards.

10.6.11. Adjustment of Awards

In the event of any variation in the share capital of the Company, or a demerger, the payment of a special dividend or any other event that would affect the market price of the shares to a material extent, the Remuneration Committee may make such adjustments as it considers appropriate to the number of shares subject to an Award In such scenarios, adjustments may be made to: (i) any share option price and, (ii) where Awards have vested, or an option has been exercised but no shares have been transferred or allotted, the number of shares which may be transferred or allotted and, (iii) if relevant, the price at which they may be acquired. In certain circumstances, an adjustment may reduce the price at which the shares may be subscribed for on the exercise of an option to less than their nominal.

Summary of PSP Awards

Detail of nil exercise cost option shares granted to Executive Directors for nil consideration under the PSP:

Director	Award grant date	Share price on grant date	As at 1 January 2016	Exercised since 1 January 2016	As at the Latest Practicable Date	Earliest date shares can be acquired	Latest date shares can be acquired
Paul McDade . . .	15 May 2008	924.5	80,277	—	80,277	15 May 2011	14 May 2018
	18 March 2009	778	98,355	—	98,355	18 March 2012	17 March 2019
	17 March 2010	1,281	13,972	—	13,972	17 March 2013	16 March 2020
			192,604		**192,604**		
Ian Springett	1 September 2008	791	68,873	—	68,873	1 September 2011	31 August 2018
	18 March 2009	778	104,438	—	104,438	18 March 2012	17 March 2019
	17 March 2010	1,281	14,836	—	14,836	17 March 2013	16 March 2020
			188,147		**188,147**		
Graham Martin[(1)] .	15 May 2008	924.5	80,277	—	80,277	15 May 2011	14 May 2018
	18 March 2009	778	98,355	—	98,355	18 March 2012	17 March 2019
	17 March 2010	1,281	13,972	—	13,972	17 March 2013	16 March 2020
			192,604		**192,604**		

Note:

(1) Graham Martin resigned as an Executive Director on 28 April 2016.

10.7. Deferred share bonus plan (the "DSBP")

10.7.1. Overview

Prior to the introduction of the TIP (as described in paragraph 10.1 of this Part 10), any bonus earned by the Company's Executive Directors that exceeded 75 per cent. of base salary was deferred under the Company's Deferred Share Bonus Plan (the "**DSBP**") into nil cost share options. These have a three-year vesting period, subject to continued service and the occurrence of a corporate event (see below). Vested awards normally remain exercisable until ten years from grant. All options have now vested under the DSBP. As at the Latest Practicable Date, there were 205,704 options outstanding under the DSBP.

10.7.2. Leaving employment

If a participant ceases to be a director or employee of the Group before the normal vesting date by reason of death, injury or disability, redundancy, retirement, or on the sale of their employing company or business out of the Group, or for any other reason which the Remuneration Committee determines ("**Good Leaver Reasons**") options remain exercisable for 12 months, after such time they lapse.

If a participant ceases to be a director or employee of the Group for any other reason, his awards shall lapse immediately on such cessation.

10.7.3. Corporate events

On a takeover by way of general offer, in the event that any person obtains control of the Company as a result of a compromise or arrangement sanctioned by the Court, or if the Company is wound up, options shall continue to be exercisable within one month and shall lapse thereafter.

If a demerger, special dividend or other similar event is proposed which would affect the market price of the shares to a material extent, then the Board may, at its discretion and acting fairly and reasonably, decide that they shall notify the participant that his award may vest and become exerciserable, on such terms as the Board determines and during such period preceding such event or on such event as the Board may determine and, if not exercised, shall lapse.

In the event of an internal corporate reorganisation, awards will be replaced by equivalent new awards over shares in the new holding company, unless the Remuneration Committee decides they should vest on the same basis as described in this paragraph.

10.7.4. Adjustment of options

In the event of any variation in the share capital of the Company, a demerger, the payment of a special dividend or any other event that would affect the market price of the shares to a material extent, the Remuneration Committee may make such adjustments as it considers appropriate to (i) the number of shares subject to an award, (ii) any share option price and (iii) where awards have vested, or an option

has been exercised but no shares have been transferred or allotted, the number of shares which may be transferred or allotted and, if relevant, the price at which they may be acquired.

10.7.5. Alterations to the plan

The Remuneration Committee may, at any time, amend the plan in any respect. No alteration may be made which disadvantages participants unless participant consent is sought.

Summary of DSBP Awards

Detail of nil exercise cost options granted to Executive Directors for nil consideration under the DSBP:

Director	Award grant date	As at 1 January 2016	Exercised since 1 January 2016	As at Latest Practicable Date	Earliest date shares can be acquired	Latest date shares can be acquired
Aidan Heavey	18 March 2011	19,995	19,995	—	1 January 2014	17 March 2021
	21 March 2012	45,654	45,654	—	1 January 2015	20 March 2022
	22 February 2013	45,649	45,649	—	1 January 2016	21 February 2023
		111,298	**111,298**	**—**		
Angus McCoss . . .	22 February 2013	25,816	25,816	—	1 January 2016	21 February 2023
		25,816	**—**	**25,816**		
Paul McDade	13 March 2008	14,686	—	14,686	1 January 2011	12 March 2018
	18 March 2009	28,374	—	28,374	1 January 2012	17 March 2019
	17 March 2010	15,941	—	15,941	1 January 2013	16 March 2020
	18 March 2011	11,308	—	11,308	1 January 2014	17 March 2021
	21 March 2012	25,819	—	25,819	1 January 2015	20 March 2022
	22 February 2013	25,816	—	25,816	1 January 2016	21 February 2023
		121,944	**—**	**121,944**		
Ian Springett	17 March 2010	16,927	—	16,927	1 January 2013	16 March 2020
	18 March 2011	12,007	—	12,007	1 January 2014	17 March 2021
	21 March 2012	27,415	—	27,415	1 January 2015	20 March 2022
	22 February 2013	27,411	—	27,411	1 January 2016	21 February 2023
		83,760	**—**	**83,760**		
Graham Martin[(1)] .	13 March 2008	16,021	—	16,021	1 January 2011	28 April 2017
	18 March 2009	28,374	—	28,374	1 January 2012	28 April 2017
	17 March 2010	15,941	—	15,941	1 January 2013	28 April 2017
	18 March 2011	11,308	—	11,308	1 January 2014	28 April 2017
	21 March 2012	25,819	—	25,819	1 January 2015	28 April 2017
	22 February 2013	25,816	—	25,816	1 January 2016	28 April 2017
		123,279		**123,279**		

Note:

(1) Graham Martin resigned as an Executive Director on 28 April 2016.

10.8. Tullow Oil 2000 Executive Share Option Scheme ("2000 Plan")

10.8.1. Overview

This plan was replaced by the Tullow Oil 2010 Share Option Plan (as described in paragraph 10.5 of this Part 10). The plan expired in 2010 however, certain employees still have exercisable options under the plan. The exercise of options granted under the plan is subject to a total shareholder return performance condition of equaling the median company in the FTSE 250 Index when these themselves are ranked by total shareholder return. As at the Latest Practicable Date, there were 1,767,346 options outstanding under the 2000 Plan.

The 2000 Plan comprised a tax-advantaged company share option scheme, set up in accordance with Schedule 4 of the Income Tax (Earnings and Pensions) Act 2003 ("**ITEPA**") and a non tax-advantaged share option plan.

The Remuneration Committee has the option to issue the holder of options with the difference between the value of the option shares and the price payable for them rather than issuing the option shares. The general provisions relating to the rights attaching to the option shares, variation of capital and alterations to the scheme are materially similar to those applying to the Tullow Oil 2010 Share Option Plan. Options under the 2000 Plan will lapse on the day before the tenth anniversary of the date of grant.

10.8.2. Leaving employment

An option will lapse upon a participant ceasing to hold employment within the Group, unless the Board determines otherwise. However, if a participant ceases to be an employee in the Group by reason of his injury, disability, redundancy, retirement, his employing company or the business for which he works being sold out of the Group ("**Good Leaver Reasons**") then options will continue to be exercisable within the exercise period as determined by the Remuneration Committee.

If a participant dies whilst he is an employee or director, an option will continue to be exercisable for a period of 12 months after his death and, if not exercised, shall lapse at the end of that period.

10.8.3. Corporate events

On a takeover by way of general offer, a compulsory acquisition, if any person obtains control of the Company as a result of a compromise or arrangement sanctioned by the Court or on the winding up of the Company, an option may be exercised within one month of such event, but to the extent that the option is not exercised within that period it shall lapse.

10.8.4. Adjustment of options

On any variation in the Company's share capital, the Company paying a capital dividend, any change to the official currency of the Republic of Ireland, or in any other circumstances similarly affecting options granted under the 2000 Plan, the Remuneration Committee may make any adjustments as it considers appropriate. The Remuneration Committee may adjust, as it considers appropriate, (i) the number of shares under option, (ii) the price payable on an option's exercise, and (iii) where an option has been exercised but no shares have been allotted or transferred after such exercise, the number of shares which may be so allotted or transferred and the price at which they may be acquired.

10.8.5. Alterations to the plan

The Board may, at any time, amend the plan in any respect, provided that prior shareholder approval is obtained for any alterations which are to the advantage of participants. The requirement to obtain prior shareholder approval will not apply to any minor alteration made to benefit the administration of the Plan, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for any company in the Group.

PART 11

ADDITIONAL INFORMATION

1. Responsibility

The Directors, whose names appear in paragraph 1 of Part 10 of this Prospectus, and Tullow accept responsibility for the information contained in this document. To the best of the knowledge and belief of Tullow and the Directors (who have each taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. General

The Company was incorporated and registered in England and Wales on 4 February 2000 with the name DMWSL 291 plc and is a public company limited by shares, with registered number 03919249. DMWSL 291 plc changed its name to Tullow Oil plc on 28 April 2000. The principal legislation under which the Company operates is the Companies Act (and the regulations from time to time made thereunder). The Company is domiciled in the United Kingdom. Its registered office and principal place of business is at 9 Chiswick Park, 566 Chiswick High Road, London W4 5XT (telephone number: +44 (0) 20 3249 9000).

The names of the Directors, their respective functions and business addresses are set out in Part 10 of this Prospectus.

3. Information on the share capital

3.1. Issued share capital

The issued and fully paid share capital of Tullow as at the Latest Practicable Date consists of:

Issued and fully paid	Amount of nominal share capital
915,174,420 Ordinary Shares	£91,517,442.00

Tullow held no shares in treasury as at the Latest Practicable Date.

As at the Latest Practicable Date, in addition to the 1,413,192 Ordinary Shares held pursuant to the SIP, Tullow had 44,256,596 Ordinary Shares, in aggregate, under option pursuant to the other Tullow Share Schemes.

As at the Latest Practicable Date, the holders of the Convertible Bonds had conversion rights in respect of, in aggregate, 85,227,272 Ordinary Shares.

The issued and fully paid share capital of Tullow immediately following completion of the Rights Issue is expected to be:

Issued and fully paid	Amount of nominal share capital
1,382,100,144 Ordinary Shares	£138,210,014.40

Note:

Assuming no further Ordinary Shares are issued by the Company between the Latest Practicable Date (including pursuant to the exercise of any options or awards under any Tullow Share Scheme or the conversion of any Convertible Bonds) and completion of the Rights Issue other than New Ordinary Shares.

3.2. Share capital history

As at 1 January 2014 (being the first day covered by the historical information incorporated by reference into this Prospectus), 909,971,941 Ordinary Shares were in issue, fully paid or credited as fully paid.

Between 1 January 2014 and the Latest Practicable Date, Tullow issued 5,202,479 Ordinary Shares in total. The following table shows the movements in the issued and fully paid up share capital between 1 January 2014 and the Latest Practicable Date:

Allotted, issued and fully paid	Number of Ordinary Shares
At 1 January 2014	**909,971,941**
Allotment pursuant to the Executive Share Option Scheme 2000	657,436
Allotment pursuant to the Executive Share Option Scheme 2010	32,254
At 1 January 2015	**910,661,631**
Allotment pursuant to the Executive Share Option Scheme 2000	574,231
Allotment pursuant to Performance Share Plan	185,791
Allotment pursuant to Tullow Employee Share Award Plan	154,957
At 1 January 2016	**911,576,610**
Allotment pursuant to Performance Share Plan	219,909
Allotment pursuant to Tullow Employee Share Award Plan	2,685,441
At 1 January 2017	**914,481,960**
Allotment pursuant to Tullow Employee Share Award Plan	692,460
At the Latest Practicable Date	**915,174,420**

The Company remains subject to the continuing obligations of the Listing Rules, the Irish Listing Rules and the listing rules issued by the Ghana Stock Exchange with regard to the issue of securities for cash and the provisions of section 561 of the 2006 Act (which confers on Shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash) apply to the Company unless disapplied by resolution of the Shareholders.

3.3. Dilution by the Rights Issue

The New Ordinary Shares represent approximately 51.0 per cent. of the Existing Ordinary Shares. A Qualifying Shareholder who does not, or who is not permitted to, take up any of their rights to New Ordinary Shares under the Rights Issue will be diluted by approximately 33.8 per cent. as a result of the Rights Issue. A Qualifying Shareholder who is permitted to and does take up all of their rights to New Ordinary Shares under the Rights Issue will, subject to the rounding down and sale of fractional entitlements, not be diluted as a result of the Rights Issue.

3.4. Information on the New Ordinary Shares

Description of the type and class of securities being offered

The New Ordinary Shares to be issued by Tullow will be ordinary shares with a nominal value of ten pence each, with ISIN GB0001500809 which is the same as the Existing Ordinary Shares. The ISIN for the Nil Paid Rights will be GB00BF0BYM74 and for the Fully Paid Rights will be GB00BF0BYN81. Following completion of the Rights Issue, Tullow will have one class of ordinary shares, the rights of which are set out in the Articles.

Legislation under which the New Ordinary Shares have been created

The New Ordinary Shares will be issued under the Companies Act and regulations made thereunder.

Listing

The Existing Ordinary Shares are currently admitted to the premium listing segment of the Official List of the UK Listing Authority and admitted to trading on the London Stock Exchange's main market for listed securities. The Existing Ordinary Shares are also currently admitted to the secondary listing segment of the Official List of the Irish Stock Exchange and admitted to trading on the Irish Stock Exchange's main market for listed securities. The Existing Ordinary Shares are also admitted to listing and trading on the main market of the Ghana Stock Exchange.

Applications will be made to the UK Listing Authority for the Nil Paid Rights, Fully Paid Rights and New Ordinary Shares to be admitted to the premium listing segment of the Official List of the UK Listing Authority and to the London Stock Exchange for the Nil Paid Rights, Fully Paid Rights and New Ordinary Shares to be admitted to trading on the London Stock Exchange's main market for listed securities. Applications will also be made to the Irish Stock Exchange for the New Ordinary Shares, fully paid, to be admitted to the secondary listing segment of the Official List of the Irish Stock Exchange and to trading on the Irish Stock Exchange's main market for listed securities. Applications will also be made to the

Ghana Stock Exchange and the Ghana SEC for the New Ordinary Shares, fully paid, to be admitted to listing and trading on the main market of the Ghana Stock Exchange. It is expected that Admission of the Ordinary Shares will become effective, and that dealings for normal settlement in the New Ordinary Shares, nil paid, will commence on the London Stock Exchange and the Irish Stock Exchange at or shortly after 8.00 a.m. (London time) on 6 April 2017. It is expected that admission of the New Ordinary Shares, fully paid, will become effective, and that dealings for normal settlement in the New Ordinary Shares, fully paid, will commence on the London Stock Exchange, the Irish Stock Exchange and the Ghana Stock Exchange, at or shortly after 8.00 a.m. (London time) on 25 April 2017.

Form and currency of the New Ordinary Shares

The New Ordinary Shares will, when issued, be in registered form and will be capable of being held in certificated and uncertificated form. The registrar of Tullow is Computershare Investor Services PLC of The Pavilions, Bridgwater Road, Bristol BS13 8AE.

Title to certificated New Ordinary Shares will be evidenced by entry in the register of members of Tullow and title to uncertificated New Ordinary Shares will be evidenced by entry in the operator register maintained by Euroclear which forms part of the register of members of Tullow. If any such shares are converted to be held in certificated form, share certificates will be issued in respect of those shares in accordance with applicable legislation. It is expected that definitive share certificates will be posted to those Shareholders who have applied for the issue of New Ordinary Shares in certificated form by no later than 2 May 2017. The New Ordinary Shares will be denominated in pounds sterling.

Rights and restrictions attached to the New Ordinary Shares

Each New Ordinary Share will rank *pari passu* in all respects with each Existing Ordinary Share and will have the same rights and restrictions as each Existing Ordinary Share. Further details of the rights and restrictions attaching to the Existing Ordinary Shares and the New Ordinary Shares are set out in paragraph 9 of this Part 11.

Authorisations relating to the New Ordinary Shares

Tullow requires Shareholder approval to allot and issue the New Ordinary Shares. The Resolutions seeking the required authorities are set out in the Notice of General Meeting at the end of this document.

Taxation

Please see section 1 of Part 8 of this document for information relating to United Kingdom taxation considerations (including a discussion of UK stamp duty and SDRT which is relevant to holders of Ordinary Shares, irrespective of their tax residence) and section 2 of Part 8 of this document for information relating to certain considerations related to US federal income taxation.

4. Shareholder authorities

As described in paragraph 12 of Part 1 of this Prospectus, at the General Meeting, Shareholders will be asked to consider and vote on the Resolutions. The Resolutions include an ordinary resolution authorising the Board to allot up to 466,925,724 Ordinary Shares, representing 51.0 per cent. of the Company's issued share capital as at the Latest Practicable Date and a special resolution authorising the Board to dis-apply the pre-emption rights contained in the Companies Act in relation to the allotment of those Ordinary Shares. These powers will be limited to the allotment of New Ordinary Shares in connection with the Rights Issue (on the terms and conditions set out in this Prospectus) and, if granted, these authorities will allow the Company to allot sufficient New Ordinary Shares to undertake the Rights Issue. The authorities will expire three months after they are approved by Shareholders. The authorities granted under the Resolutions are in addition to the authority to allot Ordinary Shares and to dis-apply pre-emption rights in respect of such Ordinary Shares which was granted to the Board at the Company's annual general meeting held on 28 April 2016, which the Board has no present intention of exercising, except pursuant to the Tullow Share Schemes and the Convertible Bonds, and which will expire at the conclusion of the Company's next annual general meeting which will be held on 26 April 2017. Accordingly, the New Ordinary Shares to be issued in connection with the Rights Issue will be created, allotted and issued pursuant to the authority to be granted under the Resolutions proposed at the General Meeting.

5. Principal investments

A description of Tullow's principal investments for the 2014 Financial Year is given on page 155 of the Annual Report 2014 (which is incorporated into this Prospectus by reference). A description of Tullow's principal investments for the 2015 Financial Year is given on page 158 of the Annual Report 2015 (which is incorporated into this Prospectus by reference). A description of Tullow's principal investments for the 2016 Financial Year is given on page 154 of the Annual Report 2016 (which is incorporated into this Prospectus by reference).

Tullow has made no further principal investments between 31 December 2016 and the Latest Practicable Date.

6. Organisational structure and principal subsidiaries

Tullow is the ultimate holding company of the Group. The following table contains a list of the significant subsidiaries of Tullow as at the date of this Prospectus (each of which is considered by Tullow to have a significant effect on the assessment of the assets, liabilities, financial position and/or profits and losses of the Group).

Name	Country of incorporation/ registered office	Country of operation	Percentage ownership interest
Directly held			
Tullow Oil SK Limited	England & Wales	United Kingdom	100%
Tullow Oil SPE Limited	England & Wales	United Kingdom	100%
Tullow Group Services Limited	England & Wales	United Kingdom	100%
Tullow Overseas Holdings B.V.	Netherlands	United Kingdom	100%
Tullow Oil Finance Limited	England & Wales	United Kingdom	100%
Tullow Oil (Jersey) Limited	Jersey	United Kingdom	100%
Indirectly held			
Tullow Oil International Limited	Jersey	Netherlands	100%
Tullow Côte d'Ivoire Limited	Jersey	Côte d'Ivoire	100%
Tullow Ghana Limited	Jersey	Ghana	100%
Tullow Kenya B.V.	Netherlands	Kenya	100%
Tullow Exploration & Production Netherlands B.V.	Netherlands	Netherlands	100%
Tullow Guyana B.V.	Netherlands	Guyana	100%
Tullow Suriname B.V.	Netherlands	Suriname	100%
Tullow Congo Limited	Isle of Man	Congo	100%
Tullow Equatorial Guinea Limited	Isle of Man	Equatorial Guinea	100%
Tullow Namibia Limited	Isle of Man	Namibia	100%
Tullow Uganda Limited	Isle of Man	Uganda	100%
Tullow Oil Gabon SA	Gabon	Gabon	100%
Tullow Uganda Operations Pty Ltd	Australia	Uganda	100%
Tullow Mauritania Limited	Isle of Man	Mauritania	100%
Tullow Jamaica Limited	England & Wales	Jamaica	100%
Tullow Uruguay Limited	England & Wales	Uruguay	100%
Tullow Zambia B.V.	Netherlands	Zambia	100%

7. Major Shareholders

As at the Latest Practicable Date, Tullow had been notified in accordance with Rule 5 of the DTRs of the following interests in its Existing Ordinary Shares:

	Interest in Ordinary Shares as at the Latest Practicable Date			% of issued share	Interest in Ordinary Shares immediately after completion of the Rights Issue[1]			% of issued share
Name of Shareholder	Direct	Indirect	Total	capital	Direct	Indirect	Total	capital
The Capital Group Companies, Inc.	—	132,051,991	132,051,991	14.4	—	199,425,455	199,425,455	14.4
Deutsche Bank AG	26,539,552	47,247,153[2]	73,786,705	8.1	40,080,140	71,352,843	111,432,983	8.1
Genesis Asset Managers, LLP	54,857,056	—	54,857,056	6.0	82,845,349	—	82,845,349	6.0
Majedie Asset Management Limited	—	45,815,547	45,815,547	5.0	—	69,190,826	69,190,826	5.0
Oppenheimer Funds, Inc.[3]	—	45,191,459	45,191,459	4.9	—	68,248,325	68,248,325	4.9
First Names Trust Company (previously known, as IFG International Trust Company Ltd.)	38,960,366	—	38,960,366	4.3	58,838,103	—	58,838,103	4.3

Notes:

(1) Assuming the Shareholder does not acquire any further interest in Ordinary Shares and that no further Ordinary Shares are issued by the Company between the Latest Practicable Date (including pursuant to the exercise of any options or awards under any Tullow Share Scheme or the conversion of any Convertible Bonds) and completion of the Rights Issue other than the New Ordinary Shares.

(2) Comprising qualifying financial instruments and financial instruments with similar economic effect to qualifying financial instruments.

(3) Following requests under section 793 of the 2006 Act, the Company understands that the percentage of its issued share capital held by Oppenheimer Funds, Inc. as at the Latest Practicable Date was nil. No further notifications under DTR5 have been received from Oppenheimer Funds, Inc. during the period ending with the Latest Practicable Date.

As at the Latest Practicable Date, save as disclosed in this paragraph 7, the Company has not been notified of any interest (within the meaning of the DTRs) which is notifiable under the DTRs. The Company is not aware of any person or persons who, directly or indirectly, acting alone or jointly with others, exercises or could exercise control over the Company. The Company is not aware of any arrangements, the operation of which may, at a subsequent date, result in a change of control of the Company.

None of the Company's major Shareholders has now, or will following the Rights Issue have, different voting rights from other holders of Ordinary Shares.

The Company is not aware of any person who immediately following completion of the Rights Issue, directly or indirectly, jointly or severally, will own or could exercise control over the Company.

8. Related party transactions

Other than as disclosed in the financial information incorporated by reference into this Prospectus for the years ended 31 December 2014, 2015 and 2016, there are no related party transactions by Tullow or members of the Group that were entered into during the years ended 31 December 2014, 2015 and 2016. In particular, further detail regarding related party transactions can be found on pages 151, 153 and 149 of the Annual Report 2014, Annual Report 2015 and Annual Report 2016, respectively. There have been no related party transactions by any of Tullow, its subsidiaries or subsidiary undertakings that were entered into during the period between 31 December 2016 and the Latest Practicable Date.

9. Summary of the Articles

The Articles were adopted by way of special resolution passed on 12 May 2010. The Articles are available for inspection at the address specified in paragraph 2 of this Part 11. The Articles contain provisions, among others, to the following effect:

9.1. Objects

The objects of the Company are unrestricted.

9.2. Limited liability

The liability of the Company's members is limited to any unpaid amount on the shares in the Company held by them.

9.3. Change of the Company's name

The Articles allow the Company to change its name by resolution of the Board. This is in addition to the Company's ability to change its name by special resolution under the Companies Act.

9.4. Votes of members

9.4.1. Votes on a show of hands

Subject to any special terms as to voting upon which any shares may be issued or may for the time being be held and to any other provisions of the Articles or the Companies Act, on a vote on a show of hands at a general meeting of the Company every Shareholder present in person, every person appointed as proxy of a Shareholder who is present and every duly authorised corporate representative who is present shall have one vote. If a proxy has been duly appointed by more than one Shareholder entitled to vote on the resolution and the proxy has been instructed by one or more of those Shareholders to vote for the resolution and by one or more other of those Shareholders to vote against it then the proxy shall have one vote for and one vote against the resolution. If a proxy has been duly appointed by more than one Shareholder entitled to vote on the resolution and has been granted both discretionary authority to vote on behalf of one or more of those Shareholders and firm voting instructions on behalf of one or more other Shareholders, the proxy shall not be restricted by the firm voting instructions in casting a second vote in any manner he so chooses under the discretionary authority conferred upon him.

9.4.2. Votes on a poll

Subject to any special terms as to voting upon which any shares may be issued or may for the time being be held and to any other provisions of the Articles or the Companies Act, on a vote on a resolution on a poll at a general meeting of the Company every Shareholder present in person or by proxy shall have one vote for every share held by him and every person appointed as proxy of a Shareholder who is present shall have one vote for every share in respect of which he is appointed as a proxy provided always that where a Shareholder appoints more than one proxy, this does not authorise the exercise by such proxies taken together of more extensive voting rights than could be exercised by the Shareholder in person and every duly authorised corporate representative who is present may exercise all the powers on behalf of the company which authorised him to act as its representative and shall have one vote for every share in respect of which he is appointed the corporate representative.

9.5. Dividends and return of capital

Subject to the provisions of the Companies Act, the Company may by ordinary resolution from time to time declare dividends in accordance with the respective rights of Shareholders, but no dividend shall exceed the amount recommended by the Board. If the Company shall be wound up (whether the liquidation is voluntary or by the court) the liquidator may, with the authority of a special resolution passed at a general meeting of the Company, divide among the Shareholders in specie or in kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and may for such purposes set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the Shareholders or different classes of Shareholders. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of Shareholders as the liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no Shareholder shall be compelled to accept any shares or other property in respect of which there is a liability.

9.6. Unclaimed dividends

Any dividend unclaimed after a period of 12 years from the date when it was declared or became due for payment shall be forfeited and shall revert to the Company.

9.7. Transfer of shares

Any Shareholder may transfer all or any of his uncertificated shares by means of a relevant system in such manner provided for, and subject as provided, in the CREST Regulations and the rules of any relevant system.

Any Shareholder may transfer all or any of his certificated shares by an instrument of transfer in any usual form or in any other form which the Board may approve. The instrument of transfer shall be executed by or on behalf of the transferor and (in the case of a partly paid share) the transferee, and the transferor shall be deemed to remain the holder of the share concerned until the name of the transferee is entered in the register in respect of it. All instruments of transfer, when registered, may be retained by the Company.

Subject to the provisions of the Companies Act, the Board may, in its absolute discretion, decline to register any transfer of any share which is not a fully paid share provided that where such a share is a member of a class of share admitted to the Official Lists, such discretion may not be exercised in such a way as to prevent dealings in shares of that class from taking place on an open and proper basis. The Board may only decline to register a transfer of an uncertificated share in the circumstances set out in the CREST Regulations, and where, in the case of a transfer to joint holders, the number of joint holders to whom the uncertificated share is to be transferred exceeds four.

The Board may decline to register any transfer of a certificated share unless:

(a) the instrument of transfer is left at the registered office of the Company or such other place as the Board may from time to time determine, accompanied (save in the case of a transfer by a person to whom the Company is not required by law to issue a certificate and to whom a certificate has not been issued) by the certificate for the share to which it relates and such other evidence as the Board may reasonably require to show the right of the person executing the instrument of transfer to make the transfer;

(b) (if stamp duty is generally chargeable on transfers of certificated shares) the instrument of transfer is duly stamped or adjudged or certified as not chargeable to stamp duty;

(c) the instrument of transfer is in respect of only one class of share; and

(d) in the case of a transfer to joint holders, the number of joint holders to whom the share is to be transferred does not exceed four.

9.8. Restrictions on shares

Where the holder of any shares in the Company, or any other person appearing to be interested in those shares, fails to comply within the relevant period (as defined below) with any notice under section 793 of the Companies Act in respect of those shares (a "**statutory notice**"), the Company may give the holder of those shares a further notice (a "**restriction notice**") to the effect that from the service of the restriction notice those shares shall be subject to some or all of the relevant restrictions (as described below), and from service of the restriction notice those shares shall be subject to those relevant restrictions accordingly.

If after the service of a restriction notice in respect of any shares the Board is satisfied that all information required by any statutory notice relating to those shares or any of them from their holder or any other person appearing to be interested in the shares the subject of the restriction notice has been supplied, the Company shall, within seven days, cancel the restriction notice. The Company may at any time at its discretion cancel any restriction notice or exclude any shares from it. A restriction notice shall automatically cease to have effect in respect of any shares transferred where the transfer is pursuant to an arm's length sale (as defined in the Articles) of those shares.

Where any restriction notice is cancelled or ceases to have effect in relation to any shares, any moneys relating to those shares which were withheld by reason of that notice shall be paid without interest to the person who would but for the notice have been entitled to them or as he may direct.

Any new shares in the Company issued in respect of any shares subject to a restriction notice shall also be subject to the restriction notice, and the Board may make any right to an allotment of the new shares subject to restrictions corresponding to those which will apply to those shares by reason of the restriction notice when such shares are issued.

The relevant period referred to in this paragraph is the period of 14 days following service of a statutory notice.

The relevant restrictions referred to in this paragraph are, in the case of a restriction notice served on a person having an interest in shares in the Company which comprise in total at least 0.25 per cent. in

number or nominal value of the shares of the Company (calculated exclusive of any treasury shares), or of any class of such shares, that:

(a) the shares shall not confer on the holder any right to attend or vote either personally or by proxy at any general meeting of the Company or at any separate general meeting of the holders of any class of shares in the Company or to exercise any other right conferred by membership in relation to attending general meetings and voting;

(b) the Board may withhold payment of all or any part of any dividends (including shares issued in lieu of dividends) payable in respect of the shares; and

(c) the Board may (subject to the requirements of the CREST Regulations) decline to register a transfer of the shares or any of them unless such a transfer is pursuant to an arm's length sale, and in any other case means only the restriction specified in paragraph (a) above.

9.9. Variation of rights attaching to shares

Subject to the provisions of the Companies Act, all or any of the rights for the time being attached to any class of shares for the time being issued may from time to time (whether or not the Company is being wound up) be varied either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class (excluding any shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate general meeting of the holders of those shares.

9.10. Conditions governing the manner in which annual general meetings and general meetings are called

The Board shall convene and the Company shall hold general meetings as annual general meetings in accordance with the requirements of the Companies Act. The Board may convene a general meeting whenever it thinks fit.

An annual general meeting shall be convened by not less than twenty-one clear days' notice in writing.

Subject to the Companies Act, all other general meetings shall be convened by not less than fourteen clear days' notice in writing. However, a meeting can be properly convened on a shorter notice period if it is so agreed:

(a) in the case of an annual general meeting, by all the Shareholders entitled to attend and vote at the meeting; and

(b) in the case of any other meeting, by a majority in number of the Shareholders having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent. in nominal value of the shares giving the right.

Notice of every general meeting shall be given to all Shareholders other than any who, under the provisions of the Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company. Notice of every general meeting must also be given to the Company's auditors. Before a general meeting carries out business, there must be a quorum present. Unless the Articles state otherwise in relation to a particular situation, a quorum for all purposes is two Shareholders present in person or by proxy or by a duly authorised corporate representative and entitled to vote.

9.11. Notices to Shareholders

Any notice or document (including a share certificate) may be served on or delivered to any Shareholder with a registered address in the UK or Ireland by the Company either personally or by sending it through the post addressed to the Shareholder at his registered address or by leaving it at that address addressed to the Shareholder or by means of a relevant system or, where appropriate, by sending it in electronic form to an address for the time being notified by the Shareholder concerned to the Company for that purpose, or by publication on a website in accordance with the Companies Act or by any other means authorised in writing by the Shareholder concerned. In the case of joint holders of a share, service or delivery of any notice or document on or to one of the joint holders shall for all purposes be deemed a sufficient service on or delivery to all the joint holders.

9.12. Directors

Unless otherwise determined by ordinary resolution of the Company, the number of directors (disregarding alternate directors) shall not be less than two nor more than fifteen. Each director shall retire from office at the third annual general meeting after the annual general meeting at which he was

elected or re-elected (as the case may be). The Company may by ordinary resolution appoint any person who is willing to act to be a director, either to fill a vacancy or as an addition to the existing Board. Without prejudice to this power the Board may appoint any person who is willing to act to be a director, either to fill a vacancy or as an addition to the existing Board. Any director so appointed shall hold office only until the next annual general meeting and shall then be eligible for election. Only the following people can be elected as directors at a general meeting:

(a) a director who is retiring at the annual general meeting;

(b) a person who is recommended by the Board; or

(c) a person who has been proposed for election or re-election by way of notice signed by a Shareholder qualified to vote at the meeting (not being the person to be proposed) and also signed by the person to be proposed indicating his willingness to be appointed or reappointed (such notice having been given to the Company Secretary not less than seven and not more than forty-two days in advance of the meeting date).

In addition to any powers of removal conferred by the Companies Act, the Company may by special resolution remove any director before the expiration of his period of office and may (subject to the Articles) by ordinary resolution, appoint another person who is willing to act in his place.

The directors shall be paid out of the funds of the Company by way of fees for their services as directors, such sums (if any) and such benefits in kind as the Board may from time to time determine and such remuneration shall be divided between the directors as the Board shall agree or, failing agreement, equally. Such remuneration shall be deemed to accrue from day to day.

Any director who is appointed to any executive office or who performs services which in the opinion of the Board or any committee authorised by the Board go beyond the ordinary duties of a director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board or any committee authorised by the Board may in its discretion decide.

The Board or any committee authorised by the Board may exercise all the powers of the Company to provide benefits, either by the payment of gratuities or pensions or by insurance or in any other manner whether similar to the foregoing or not, for any director or former director or the relations, connections or dependants of any director or former director provided that no benefits (except such as may be provided for by any other Article) may be granted to or in respect of a director or former director who has not been employed by, or held an executive office or place of profit under, the Company or any body corporate which is or has been its subsidiary undertaking or any predecessor in business of the Company or any such body corporate without the approval of an ordinary resolution of the Company.

Save as otherwise provided in the Articles, a director shall not vote on, or be counted in the quorum in relation to, any resolution of the Board in respect of any actual or proposed transaction or arrangement with the Company in which he has an interest which (taken together with any interest of any person connected with him) is to his knowledge an interest of which he is aware, or ought reasonably to be aware, does conflict, or can reasonably be regarded as likely to give rise to a conflict, with the interests of the Company and, if he shall do so, his vote shall not be counted, but this prohibition shall not apply to any resolution where that material interest arises only from one or more of the following matters:

(a) the giving to him of any guarantee, indemnity or security in respect of money lent or obligations undertaken by him or by any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings;

(b) the giving to a third party of any guarantee, indemnity or security in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;

(c) where the Company or any of its subsidiary undertakings is offering securities in which offer the director is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which the director is to participate;

(d) any contract in which he is interested by virtue of his interest in shares or debentures or other securities of the Company or by reason of any other interest in or through the Company;

(e) any contract concerning any other company (not being a company in which the director owns one per cent. or more) in which he is interested directly or indirectly whether as an officer, shareholder, creditor or otherwise howsoever;

(f) any contract concerning the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to directors and employees of the Company

or of any of its subsidiary undertakings and does not provide in respect of any director as such any privilege or advantage not accorded to the employees to which the fund or scheme relates;

(g) any contract for the benefit of the employees of the Company or of any of its subsidiary undertakings under which he benefits in a similar manner to the employees and which does not accord to any director as such any privilege or advantage not accorded to the employees to whom the contract relates; and

(h) any contract for the purchase or maintenance of insurance against any liability for, or for the benefit of, any director or directors or for, or for the benefit of, persons who include directors.

If any question arises at any meeting of the Board as to whether the interest of a director gives rise to a conflict, or could reasonably be regarded as likely to give rise to a conflict, with the interests of the Company or as to the entitlement of any director to vote or be counted in the quorum and the question is not resolved by him voluntarily agreeing to abstain from voting or not to be counted in the quorum, the question shall be decided by a resolution of the Board (for which purpose the director in question shall not be counted in the quorum and provided that the resolution was agreed to without the director in question voting or would have been agreed if their votes had not been counted) and the resolution shall be conclusive except in a case where the nature or extent of the interest of the director (so far it as is known to him) has not been fairly disclosed to the Board.

A director who is in any way, whether directly or indirectly, interested in an actual or proposed transaction or arrangement with the Company shall declare the nature and extent of his interest at the meeting of the Board at which the question of entering into the contract is first taken into consideration, if he knows his interest then exists, or in any other case at the first meeting of the Board after he knows that he is or has become so interested. A general notice to the Board by a director to the effect that: (a) he is a member of a specified company or firm and is to be regarded as interested in any contract which may after the date of the notice be made with that company or firm; or (b) he is to be regarded as interested in any contract which may after the date of the notice be made with a specified person who is connected with him, shall be deemed to be a sufficient declaration of interest in relation to any such contract, provided that no such notice shall be effective unless either it is given at a meeting of the Board or the director takes reasonable steps to secure that it is brought up and read at the next Board meeting after it is given.

9.13. Indemnity of directors

To the extent permitted by the Companies Act, the Company may indemnify any director or former director of the Company or of any associated company directly or indirectly (including by funding only expenditure incurred or to be incurred by him) against any liability and may purchase and maintain for any director or former director of the Company or of any associated company insurance against any liability.

9.14. Borrowing powers

Subject to the provisions of the Companies Act, the Board may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital, and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

The Board shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries so as to secure that the aggregate amount for the time being remaining undischarged of all moneys borrowed by the Group (exclusive of borrowings owing by one member of the Group to another member of the Group) shall not at any time without the previous sanction of an ordinary resolution of the Company exceed an amount equal to four times the aggregate from time to time of the Company's adjusted capital and reserves (as defined in the Articles).

10. Material contracts of the Group

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company or another member of the Group within the two years immediately preceding the date of this Prospectus and are, or may be, material or have been entered into at any time by the Company or any member of the Group and contain provisions under which the Company or any member of the Group has an obligation or entitlement which is, or may be, material to the Company or any member of the Group as at the date of this Prospectus. A summary of the material contracts relating to the assets of the Group is contained on pages 157 to 170 of Part 4 of this Prospectus.

10.1. Underwriting Agreement

On 17 March 2017, the Company entered into an agreement with the Underwriters and the Irish Sponsor pursuant to which the Underwriters agreed, on the terms and subject to the conditions referred to in the Underwriting Agreement, to act as underwriters to the Company in connection with the Rights Issue, acting severally and not jointly (or jointly and severally). The Joint Bookrunners (on behalf of the Underwriters) shall use their respective reasonable endeavours to procure subscribers for the New Ordinary Shares to the extent not taken up by Qualifying Shareholders under the Rights Issue, failing which the Underwriters agree to subscribe themselves for such New Ordinary Shares at the Issue Price.

In consideration of their services under the Underwriting Agreement, and subject to their obligations under the Underwriting Agreement not having been terminated, the Company has agreed to pay to the Underwriters aggregate commissions of 2.25 per cent. of the gross proceeds from the Rights Issue. The Company may also, in its absolute discretion, pay an incentive fee of up to 0.25 per cent. of the gross proceeds of the Rights Issue to the Joint Global Coordinators (in such proportions as the Company in its absolute discretion may determine). Under the Underwriting Agreement the Joint Sponsors are appointed to act as sponsors to the Company in connection with the Rights Issue and the Irish Sponsor is appointed to act as sponsor to the Company in Ireland in connection with the Rights Issue. In consideration of their services as sponsors to the Company in respect of the Rights Issue, the Company has agreed to pay to each of the Joint Sponsors a sponsorship fee of $500,000, and to the Irish Sponsor a sponsorship fee of €150,000.

Tullow shall bear all costs and expenses relating to the Rights Issue, including (but not limited to) the fees and expenses of its professional advisers, the cost of preparation, advertising, printing and distribution of this Prospectus and all other documents connected with the Rights Issue, the Registrar's fees, all listing fees in connection with the Rights Issue, any charges by CREST and the fees of the London Stock Exchange, the Irish Stock Exchange and the Ghana Stock Exchange.

The Underwriting Agreement is conditional upon certain requirements being satisfied and obligations not being breached including, among others: (i) the passing of the Resolutions at the General Meeting without material amendment; (ii) Admission becoming effective by no later than 8.00 a.m. on 6 April 2017 (or such later time and/or date as the Company and the Joint Global Coordinators may agree); (iii) the warranties of Tullow under the Underwriting Agreement remaining true and accurate up to and at the time of Admission; (iv) Tullow having complied with its obligations under the Underwriting Agreement; (v) no material adverse change having occurred in respect of Tullow prior to Admission; and (vi) no matter requiring a supplement to this Prospectus having arisen between the time of publication of this Prospectus and Admission and no such supplement being published by Tullow before Admission.

Certain of the conditions may be waived by the Joint Global Coordinators at their discretion. The Joint Global Coordinators may terminate the Underwriting Agreement in its entirety in certain circumstances including where there has been a material adverse change in relation to Tullow, where there has been a breach of warranty or breach of other obligations under the Underwriting Agreement or where information disclosed by Tullow in this Prospectus is or has become untrue or misleading or omits information which should have been disclosed (and which the Joint Global Coordinators (on behalf of the Underwriters and the Irish Sponsor) acting in good faith consider to be material in the context of the Rights Issue, Admission or the underwriting of the Rights Issue), but in each case only prior to Admission.

Tullow has given certain customary representations, warranties and indemnities in favour of the Underwriters pursuant to the Underwriting Agreement and Tullow has also provided certain undertakings to the Underwriters relating, among other things, to the provision of information and consultation, and has agreed not to issue any Ordinary Shares during a period of 180 days from the date of Admission without the prior written consent of the Joint Global Coordinators, other than pursuant to the Rights Issue, the exercise of options under share option schemes or pursuant to a transaction approved by the Company in general meeting.

10.2. RBL Facilities

The Group is party to three reserves-based credit facilities, namely the Senior Secured Revolving Credit Facility, the IFC Senior Secured Revolving Credit Facility and the Junior Secured Revolving Credit Facility, that reference the same borrowing base, each of which is summarised in paragraphs 10.2.1 to 10.2.3 of this Part 11. The borrowing base for these facilities include assets in Ghana (the Group's interests in the Jubilee field and the TEN fields), Gabon (including the Group's interests in the Tchatamba fields), Congo (Brazzaville) (the Group's interests in the M'Boundi field), Equatorial Guinea

(the Group's interests in the Ceiba field and Okume Complex fields) and Côte d'Ivoire (the Group's interests in the Espoir field).

The RBL Facilities are known as net present value facilities, with the borrowing base amounts thereunder based on the expected present value of future cash flows from producing assets, taking into account, amongst other things, the Group's reserves, production and capital and operating expenditure. The borrowing base amount is redetermined every six months.

10.2.1. Senior Secured Revolving Credit Facility Agreement

On 22 August 2005, the Company and certain of its subsidiaries entered into a senior secured revolving credit facility, as amended and restated pursuant to amendment and restatement agreements dated 6 March 2009, 29 May 2009, 4 May 2010, 7 April 2011, 12 October 2011 and 31 October 2012 (the "**ARAs**") and as amended and restated or acceded to, from time to time, with, among others, Bank of America N.A., Barclays Bank PLC, BNP Paribas, Crédit Agricole Corporate and Investment Bank, Deutsche Bank AG, Amsterdam Branch, DNB Bank ASA, HSBC Bank plc, ING Bank N.V., Lloyds TSB Bank plc, Natixis, Nedbank Limited, London Branch, Société Générale, London Branch, Sumitomo Mitsui Banking Corporation, Standard Chartered Bank and The Royal Bank of Scotland plc as mandated lead arrangers, with Lloyds TSB Bank plc as global modeling bank, global technical bank and coordinating technical bank, BNP Paribas as agent, global senior agent, security trustee, fronting bank and global technical bank, and Crédit Agricole Corporate and Investment Bank and Standard Chartered Bank each as a global technical bank (the "**Senior Secured Revolving Credit Facility Agreement**").

The Senior Secured Revolving Credit Facility Agreement currently provides for a senior multicurrency revolving facility of $2,854 million (the "**Senior Secured Revolving Credit Facility**") for the purposes of meeting liabilities under the Senior Secured Revolving Credit Facility Agreement in relation to any letter of credit in respect of which demands have been made, funding the capital expenditure programme approved by the global technical banks and for general corporate purposes (including acquisitions) and, in the case of any letter of credit issued under the Senior Secured Revolving Credit Facility Agreement, towards providing security, credit enhancement or financial assurance for the performance of (i) any of the Group's exploration, development or production obligations; or (ii) any of the Group's obligations under any production sharing, joint operating or similar agreement.

The Senior Secured Revolving Credit Facility Agreement is secured by English law share charges, English law debentures, Gabonese law share pledges, Isle of Man law share charges, Australian law share charges, British Virgin Islands law share charges, Jersey law security interest agreements, certain Dutch law security agreements and certain French law bank account pledge agreements.

Repayment and maturity

The Company has obtained additional commitments from lenders, which will take effect in April 2017, by exercising the accordion facility under the Senior Secured Revolving Credit Facility Agreement for an amount of $345 million. A large part of these additional commitments will be used (once available) to offset the amortisation payment under the Senior Secured Revolving Credit Facility which will become due in April 2017 and the remainder of these commitments will be used to offset a part of the amortisation payment which will become due in April 2017 under the IFC Senior Secured Revolving Credit Facility.

Following the exercise of the accordion facility, the total commitments under the Senior Secured Revolving Credit Facility will reduce by approximately $36 million on 1 April 2017; by approximately $434 million on each of 1 October 2017, 1 April 2018 and 1 October 2018; and by approximately $325 million on each of 1 April 2019 and 1 October 2019. Total commitments will fall to $nil on the final maturity date.

The final maturity date of the Senior Secured Revolving Credit Facility Agreement is the earlier of (i) 31 October 2019; and (ii) 31 March or 30 September (whichever is later) immediately preceding the first date on which the aggregate commercial reserves for all the relevant borrowing base assets to which the Senior Secured Revolving Credit Facility is referable are projected to be 20 per cent. (or less) of the aggregate of initial reserves for all such borrowing base assets.

Interest and fees

The rate of interest payable on loans under the Senior Secured Revolving Credit Facility is the rate per annum equal to the aggregate of the applicable margin plus LIBOR (in the case of loans in US dollars or pounds sterling) or EURIBOR (in the case of loans in euros) and the mandatory cost (if any). The applicable margin varies based on a field life cover ratio, the ratio of consolidated total net borrowings to consolidated EBITDA and the date on which the loan is outstanding. Default interest is also payable, at a

rate of 2 per cent. per annum higher than the standard rate of interest payable on loans under the Senior Secured Revolving Credit Facility, on overdue amounts. The borrowers are required to pay a commitment fee, quarterly in arrears, based on:

(a) the daily amount (if any) by which the aggregate commitments under the Senior Secured Revolving Credit Facility and the IFC Senior Secured Revolving Credit Facility (the "**Global Commitments**") exceed the amount which is the lower of (i) the sum of the applicable borrowing base amount applicable on that day and $350 million; and (ii) the Global Commitments applicable on that day (such lower amount being the "**Maximum Available Amount**"), at a percentage rate per annum calculated by multiplying the then applicable margin by a set rate; and

(b) the daily amount (if any) by which the Maximum Available Amount exceeds the sum of the outstanding loans under the Senior Secured Revolving Credit Facility and the IFC Senior Secured Revolving Credit Facility, at a percentage rate per annum calculated by multiplying the then applicable margin by a set rate.

Each borrower that has requested a letter of credit under the Senior Secured Revolving Credit Facility is also required to pay a commission quarterly in arrears based on:

(a) the daily amount (if any) by which the exposure under each letter of credit (being the daily difference between the face value of each letter of credit and the aggregate amount of all claims thereunder that have been paid, the "**LC Exposure**") exceeds the amount of approved cash cover provided for that letter of credit, at a percentage rate per annum calculated by multiplying the then applicable margin by a set number; and

(b) the daily amount of the LC Exposure under each letter of credit in respect of which approved cash cover has been provided, at a set rate per annum.

Representations, warranties, covenants and events of default

The Senior Secured Revolving Credit Facility Agreement contains customary representations, information undertakings, general undertakings and events of default, in each case subject to certain exceptions and materiality qualifications. Among other things, the general undertakings contain restrictions on Tullow and certain members of the Group in relation to disposals, acquisitions, change of business, incurrence of financial indebtedness and the provision of security. As well as the customary events of default, the occurrence of the following shall constitute an event of default: any subsidiary (other than Tulipe Oil SA) holding an interest in borrowing base assets or obligor ceasing to be wholly owned by the Group; the nationalisation or expropriation (or an announcement of intent in respect thereof) of all or part of any borrowing base asset or any oil and gas or revenues derived therefrom in a manner which would result in a material adverse change; an abandonment of any borrowing base asset that contributes in excess of $100 million to the then net applicable net present value (as described therein); and the making of any judgement or award in litigation, arbitration or administrative proceedings against an obligor or other key subsidiary which, after deducting amounts receivable under insurances, is equal to or exceeds $300 million.

The Senior Secured Revolving Credit Facility requires Tullow to comply with certain ratios of consolidated total net borrowings to consolidated EBITDA. These financial terms are defined in the Senior Secured Revolving Credit Facility Agreement and may not correspond to similarly titled metrics in the Group's consolidated financial statements or this Prospectus. The applicable ratio is tested bi-annually with respect to the most recent financial statements delivered pursuant to the Senior Secured Revolving Credit Facility Agreement. In the event of non compliance with the applicable ratio, the Senior Secured Revolving Credit Facility Agreement (subject to certain limitations) allows Tullow to procure a cure of such non-compliance by a cash subscription for Ordinary Shares and/or receipt of an injection of cash by way of certain subordinated debt such that the relevant ratio is satisfied by reducing consolidated total net borrowings accordingly. No more than one such equity cure can be made within a 12 month period and no more than two equity cures may be made during the period from 16 March 2009 to the final maturity date of the Senior Secured Revolving Credit Facility.

Prepayment

The Senior Secured Revolving Credit Facility is to be prepaid in full immediately upon the occurrence of certain events, including a change of control of Tullow.

10.2.2. IFC Senior Secured Revolving Credit Facility Agreement

On 29 May 2009 the Company and certain of its subsidiaries entered into a finance contract in respect of a senior secured revolving credit facility, as amended, restated or acceded to from time to time, with International Finance Corporation ("**IFC**") as original lender and agent (the "**IFC Senior Secured Revolving Credit Facility Agreement**").

The IFC Senior Secured Revolving Credit Facility Agreement currently provides for a multicurrency revolving facility of $146 million (the "**IFC Senior Secured Revolving Credit Facility**") for the purposes of funding the capital expenditure program approved by the global technical banks and for general corporate purposes (including acquisitions).

The IFC Senior Secured Revolving Credit Facility is secured by the same security that secures the Senior Secured Revolving Credit Facility and the Junior Secured Revolving Credit Facility.

Repayment and maturity

The total commitments under the IFC Senior Secured Revolving Credit Facility reduce by approximately $19 million on each of 1 April 2017, 1 October 2017, 1 April 2018 and 1 October 2018 and by approximately $15 million on each of 1 April 2019 and 1 October 2019, with the total commitments falling to $nil on the final maturity date.

The final maturity date of the IFC Senior Secured Revolving Credit Facility Agreement is the earlier of (i) 31 October 2019; and (ii) 31 March or 30 September (whichever is later) immediately preceding the first date on which the aggregate commercial reserves for all the relevant borrowing base assets to which the IFC Senior Secured Revolving Credit Facility is referable are projected to be 20 per cent. (or less) of the aggregate of initial reserves for all such borrowing base assets.

Interest

The rate of interest payable on the loans under the IFC Senior Secured Revolving Credit Facility is calculated following the same formula used to determine interest under the Senior Secured Revolving Credit Facility.

Representations, warranties, covenants and events of default

The IFC Senior Secured Revolving Credit Facility Agreement includes representations and warranties similar to those in the Senior Secured Revolving Credit Facility Agreement (subject to similar exceptions and materiality qualifications). In addition, the IFC Senior Secured Revolving Credit Facility Agreement also includes certain other representations and warranties relating to specific environmental matters and sanctionable practices.

The IFC Senior Secured Revolving Credit Facility Agreement contains negative and positive covenants applicable to each borrower and each guarantor (and in certain cases, certain other key companies that are neither borrowers nor guarantors) similar to, and subject to similar exceptions as, those under the Senior Secured Revolving Credit Facility Agreement. In addition, the IFC Senior Secured Revolving Credit Facility Agreement requires each borrower and each guarantor (and in certain cases, certain other key companies that are neither borrowers nor guarantors) to observe additional covenants, subject to certain exceptions, relating to the development of the Jubilee and TEN fields in Ghana. These covenants include, but are not limited to:

- compliance with an environmental and social action plan agreed between the Group and IFC and other specified environmental, social, safety and health standards and implementation of related risk assessment and risk management measures;
- prohibition on corrupt, fraudulent, coercive, collusive or obstructive practices; and
- publicly disclosing the aggregate amount of national, regional and local payments (in respect of taxes, royalties, bonus and signature payments and all other material payments that are in the nature of taxes, profit share, production share or for rights to access resources) made to the Ghanaian public authorities in each financial year.

The IFC Senior Secured Revolving Credit Facility Agreement sets out certain events of default, the occurrence of which would allow the senior lenders (if a two thirds majority of the senior lenders so directs) to cancel their commitments and/or declare that all or part of the loans, together with accrued interest and other amounts outstanding are immediately due and payable and/or payable immediately on demand. These events of default, including in certain cases grace periods, thresholds and other qualifications, are similar to those in the Senior Secured Revolving Credit Facility Agreement.

The IFC Senior Secured Revolving Credit Facility requires Tullow to comply with the same ratio of consolidated total net borrowings to consolidated EBITDA as that in the Senior Secured Revolving Credit Facility and provides for the same equity cure options. These financial terms are defined in the IFC Senior Secured Revolving Credit Facility Agreement and may not correspond to similarly titled metrics in the Group's consolidated financial statements or this Prospectus.

Prepayment

The IFC Senior Secured Revolving Credit Facility is to be prepaid in full immediately upon the occurrence of certain events, including a change of control of Tullow.

10.2.3. Junior Secured Revolving Credit Facility Agreement

On 22 August 2005 the Company and certain of its subsidiaries entered into a junior secured revolving credit facility, as amended and restated pursuant to the ARAs, and as amended, restated or acceded to from time to time, with, among others, Bank of America, N.A., Barclays Bank PLC, BNP Paribas, Crédit Agricole Corporate and Investment Bank, Deutsche Bank AG, Amsterdam Branch, DNB Bank ASA, HSBC Bank plc, ING Bank N.V., Lloyds TSB Bank plc, Natixis, Nedbank Limited, London Branch, Standard Chartered Bank, The Royal Bank of Scotland plc and The Standard Bank of South Africa Limited (acting through its corporate and investment banking division, Standard Bank of South Africa Limited) as mandated lead arrangers, Lloyds TSB Bank plc as modeling bank, a technical bank and coordinating technical bank, BNP Paribas as agent, security trustee and a technical bank, and Crédit Agricole Corporate and Investment Bank and Standard Chartered Bank each as a technical bank (the "**Junior Secured Revolving Credit Facility Agreement**").

The Junior Secured Revolving Credit Facility Agreement currently provides for a multicurrency revolving facility of $255 million (the "**Junior Secured Revolving Credit Facility**") for the purposes of meeting liabilities under the Senior Secured Revolving Credit Facility Agreement in relation to any letter of credit in respect of which demands have been made, funding the capital expenditure program approved by the global technical banks and for general corporate purposes (including acquisitions).

The Junior Secured Revolving Credit Facility is secured by the same security that secures the Senior Secured Revolving Credit Facility and the IFC Senior Secured Revolving Credit Facility.

Repayment and maturity

The total commitments under the Junior Secured Revolving Credit Facility will reduce by $45 million on 1 April 2017 and by $60 million on 1 October 2017, with no further step-downs thereafter and with the total commitments falling to $nil on the final maturity date.

The final maturity date of the Junior Secured Revolving Credit Facility Agreement is the earlier of (i) 31 October 2019; and (ii) 31 March or 30 September (whichever is later) immediately preceding the first date on which the aggregate commercial reserves for all the relevant borrowing base assets to which the Junior Secured Revolving Credit Facility is referable are projected to be 20 per cent. (or less) of the aggregate of initial reserves for all such borrowing base assets.

Interest

The rate of interest payable on the loans under the Junior Secured Revolving Credit Facility is calculated following the same formula used to determine interest under the Senior Secured Revolving Credit Facility. The applicable margin is equal to a base rate per annum plus the margin applicable to the outstanding loans on such day under the Senior Secured Revolving Credit Facility or the IFC Senior Secured Revolving Credit Facility (or if no loans are outstanding, that would be applicable to a $10 million loan under either of those facilities).

The borrowers are also required to pay a commitment fee, quarterly in arrears, based on:

(a) the daily amount (if any) by which the aggregate commitments under the Junior Secured Revolving Credit Facility exceed the amount which is the lower of the junior borrowing base amount on that day and the aggregate commitments applicable on such day (such lower amount being the "**Junior Maximum Available Amount**"), at a percentage rate per annum which is the lower of: (i) the percentage rate per annum calculated by multiplying the then applicable margin by a set rate; and (ii) a set floor; and

(b) the daily amount (if any) by which the Junior Maximum Available Amount exceeds the sum of the outstanding loans under the Junior Secured Revolving Credit Facility, at a percentage rate per

annum which is the lower of: (i) the percentage rate per annum calculated by multiplying the then applicable margin by a set rate; and (ii) a set floor.

Representations, warranties, covenants and events of default

The Junior Secured Revolving Credit Facility Agreement includes certain representations and warranties similar to those in the Senior Secured Revolving Credit Facility Agreement, negative and positive covenants similar to, and subject to similar exceptions as, those under the Senior Secured Revolving Credit Facility Agreement, the same financial covenants and equity cure options as that in the Senior Secured Revolving Credit Facility Agreement and events of default, including certain grace periods, thresholds and other qualifications that are similar to those in the Senior Secured Revolving Credit Facility Agreement.

Prepayment

The Junior Secured Revolving Credit Facility is to be prepaid in full immediately upon the occurrence of certain events, including a change of control of Tullow.

10.3. Corporate Facility

On 14 December 2009 the Company and certain of its subsidiaries entered into a secured revolving credit facility, as amended, restated or acceded to from time to time, with, among others, Bank of America Merrill Lynch International Limited, BNP Paribas, Crédit Agricole Corporate and Investment Bank, HSBC Bank plc, ING Bank N.V., Natixis, Société Générale, Standard Chartered Bank, The Royal Bank of Scotland plc and The Standard Bank of South Africa Limited, as mandated lead arrangers, BNP Paribas as agent and security trustee and Crédit Agricole Corporate and Investment Bank as technical bank (the "**Corporate Facility Agreement**").

The Corporate Facility Agreement provides for a multicurrency revolving facility of $1,000 million (the "**Corporate Facility**") for the purposes of funding oil and gas related expenditure of the Company and its subsidiaries from time to time and for general corporate purposes (including acquisitions). From 5 April 2017 to 30 September 2017, the Company may, upon written notice to the lenders and the security trustee, increase the size of the Corporate Facility (subject to certain conditions). The increased commitment is limited to an aggregate amount no greater than the difference between (i) the total commitments for the period commencing 5 April 2017; and (ii) $1,000 million, and can be entered into with either the existing lenders who are willing to assume an increased commitment or a new financial entity meeting the minimum rating criteria set out in the Corporate Facility Agreement. The Company cannot give more than three notices requesting such an increase.

Following maturity extensions agreed in April 2016 and February 2017, subject to the Company increasing the size of the Corporate Facility from 5 April 2017 (as described above), the Corporate Facility provides for current commitments of $1,000 million which will reduce to $800 million from April 2017, $600 million from January 2018, $500 million from April 2018 and $400 million from October 2018.

The amount available for drawing by the Company under the Corporate Facility is the lower of the aggregate commitments made available under that facility (currently $1,000 million) and the debt capacity amount calculated thereunder using an agreed formula (currently $1,195 million). The debt capacity amount is redetermined every six months, and is calculated by reference to the Group's contingent resources.

The Corporate Facility is secured by way of an Isle of Man law share charge, a Western Australia law share charge, a Jersey law share charge and a Dutch law share charge.

Repayment and maturity

The total commitments under the Corporate Facility Agreement reduce to $nil by 4 April 2019.

Interest

The rate of interest payable on the loans under the Corporate Facility Agreement is the rate per annum equal to the aggregate of a margin plus LIBOR (in the case of loans in US dollars or pounds sterling) or EURIBOR (in the case of loans in euros) and the mandatory cost (if any). The applicable margin varies based on the ratio of consolidated total net borrowings to consolidated EBITDA and the level of utilisation of the Corporate Facility. Default interest is also payable, at a rate of 2 per cent. per annum higher than the standard rate of interest payable on loans under the Corporate Facility, on overdue amounts.

The Company is required to pay a commitment fee on available but unutilised commitments under the Corporate Facility, quarterly in arrears at a rate equal to a percentage of the applicable margin.

Representations, warranties, covenants and events of default

The Corporate Facility Agreement contains certain customary representations and warranties, subject to certain exceptions and appropriate materiality qualifications. The Corporate Facility Agreement contains negative and positive covenants similar, and subject to similar exceptions, to those under the Senior Secured Revolving Credit Facility Agreement and events of default, including in certain cases grace periods, thresholds and other qualifications, which are similar to those in the Senior Secured Revolving Credit Facility Agreement.

The Corporate Facility Agreement requires Tullow to comply with certain ratios of consolidated total net borrowings to consolidated EBITDA. These financial terms are defined in the Corporate Facility Agreement and may not correspond to similarly titled metrics in the Group's consolidated financial statements or this Prospectus. The applicable ratio is tested bi-annually with respect to the most recent financial statements delivered pursuant to the Corporate Facility Agreement. In the event of non-compliance with the applicable ratios, the Corporate Facility Agreement provides for an equity cure option similar to that in the Senior Secured Revolving Credit Facility Agreement.

Prepayment

The Corporate Facility is to be prepaid in full immediately upon the occurrence of certain events, including a change of control of Tullow.

10.4. Norwegian Facility

On 12 June 2014 the Company's subsidiaries Tullow Oil Norge AS and Tullow Oil (Bream) Norge AS (the "**Norwegian Subsidiaries**") entered into a secured revolving exploration finance facility agreement, as amended and restated on 17 November 2014, with, among others, DNB Markets, a part of DNB Bank ASA and Merchant Banking, Skandinaviska Enskilda Banken AB (publ) as coordinating banks, mandated lead arrangers and bookrunners and Merchant Banking, Skandinaviska Enskilda Banken AB (publ) as agent, as amended and restated pursuant to an amendment and restatement agreement dated 7 November 2014 and as amended and restated from time to time (the "**Norwegian Facility**") for the purposes of financing certain costs incurred by those subsidiaries that are eligible for an annual tax refund in Norway (the "**Eligible Costs**") and repaying in full all amounts outstanding under a NOK 2,000 million revolving exploration finance facility which was existing at that time. The Norwegian Facility specifically prohibits the use of drawings under it to finance the acquisition of shares in other companies.

As at 31 December 2016, the total commitments under the Norwegian Facility were NOK 1,000 million (approximately $115.7 million). The borrowers cannot incur under the Norwegian Facility an aggregate amount of borrowings that exceeds 95 per cent. of the tax value of Eligible Costs which have not already been refunded by the tax authorities. The Norwegian Facility contains an accordion option permitting Tullow Oil Norge AS to request an increase in total commitments by a minimum amount of NOK 250 million and a maximum amount of NOK 1,000 million. The Directors do not intend to exercise the accordion option to increase the Norwegian Facility.

The Norwegian Facility is secured only by certain assets of the Norwegian Subsidiaries, including bank account charges, assignments of insurance and tax refund proceeds and, if requested by the agent (acting reasonably) pledges of the borrowers' monetary claims under or in respect of any sale and purchase agreement in respect of an exploration and production licence granted by the relevant Norwegian authorities in respect of oil and gas resources on the Norwegian continental shelf.

Maturity

The Norwegian Facility has a maturity date of the earlier of: (i) the date on which the 2017 tax reimbursement claims are received by the borrowers (expected to be 22 December 2018); and (ii) 31 December 2018.

Interest

The rate of interest payable on the Norwegian Facility is equal to a margin plus NIBOR plus mandatory cost (if any).

Representations, warranties, covenants and events of default

The Norwegian Facility includes certain representations and warranties usual for facilities of this type subject to exceptions and appropriate materiality qualifications. It also contains customary positive and negative covenants, subject to agreed exceptions. The Norwegian Facility sets out certain customary events of default subject to certain grace periods, thresholds and other qualifications, the occurrence of which would allow the agent and/or a two thirds majority of the lenders to cancel their commitments and/or declare that all or part of any loan and other amounts outstanding are immediately payable on demand.

Prepayment

The Norwegian Facility is to be prepaid in full immediately upon the occurrence of certain events, including a change of control of Tullow or Tullow ceasing to be listed on the London Stock Exchange.

10.5. RBL Lender Intercreditor Agreement

On 22 August 2005 the Company and certain of its subsidiaries entered into an intercreditor agreement in connection with the RBL Facilities with, among others, the borrowers and guarantors of the RBL Facilities (together with the Company, the "**Obligors**"), the lenders under the RBL Facilities and BNP Paribas as security trustee (the "**RBL Lender Intercreditor Agreement**"). The RBL Lender Intercreditor Agreement has been amended and restated pursuant to the ARAs. The lenders under the RBL Facilities are the only creditors party to the RBL Lender Intercreditor Agreement.

The RBL Lender Intercreditor Agreement provides that liabilities owed by the Obligors to the lenders under the Senior Secured Revolving Credit Facility and the IFC Senior Secured Revolving Credit Facility (collectively, the "**Senior Debt Agreements**"), certain banks that act as counterparties to certain secured hedging agreements entered into in accordance with, variously, the RBL Lender Intercreditor Agreement and the RBL Facilities (the "**Hedging Agreements**"), certain providers of secured letters of credit not provided under the RBL Facilities (the "**Non-Facility LC Agreements**") and lenders under the Junior Secured Revolving Credit Facility (together with the lenders under the Senior Debt Agreements, the banks acting as counterparties to the Hedging Agreements and the providers of the Non-Facility LC Agreements, the "**Secured Creditors**") shall rank in the following order: (i) first, liabilities owed under the Senior Debt Agreements, Hedging Agreements and Non-Facility LC Agreements, pari passu and without preference as between any such liabilities (the "**Senior Bank Liabilities**"); and (ii) second, liabilities owed under the Junior Revolving Credit Facility (the "**Junior Bank Liabilities**"). The RBL Lender Intercreditor Agreement provides that security provided by the Obligors for the Senior Bank Liabilities shall secure such liabilities in priority to the Junior Bank Liabilities. The Senior Secured Revolving Credit Facility and IFC Senior Secured Revolving Credit Facility shall rank pari passu at all times and the security documents securing the Senior Debt Agreements shall at all times secure the Senior Secured Revolving Credit Facility and IFC Senior Secured Revolving Credit Facility pari passu.

10.6. 2020 Senior Notes

On 6 November 2013 the Company issued $650 million in aggregate principal amount of 6 per cent. Senior Notes (the "**2020 Senior Notes**"). The 2020 Senior Notes mature on 1 November 2020. The 2020 Senior Notes are guaranteed on a senior subordinated basis by certain subsidiaries of the Company (the "**2020 Senior Notes Guarantees**").

The Company may redeem all or part of the 2020 Senior Notes at any time at a price equal to par plus 50 per cent. of the applicable coupon, declining to par plus 25 per cent. of the applicable coupon on 1 November 2017 and at par from and after 1 November 2018. Upon the occurrence of certain specified change of control events, the holders of the 2020 Senior Notes will have the right to require the Company to offer to repurchase the 2020 Senior Notes at a purchase price equal to 101 per cent. of their principal amount, plus accrued and unpaid interest, if any, to the date of purchase.

The 2020 Senior Notes Indenture limits, among other things, the ability of the Company and its restricted subsidiaries to make certain payments, including dividends and other distributions, with respect to outstanding share capital, sell, lease or transfer certain assets, including shares of any of the Company's restricted subsidiaries, to make certain investments or loans and to incur additional financial indebtedness. These limitations are, however, subject to a number of important qualifications and exceptions. The 2020 Senior Notes Indenture also contains customary events of default.

10.7. 2022 Senior Notes

On 8 April 2014 the Company issued $650 million in aggregate principal amount of 6.25 per cent. Senior Notes (the "**2022 Senior Notes**"). The 2022 Senior Notes mature on 15 April 2022. The 2022 Senior Notes are guaranteed on a senior subordinated basis by certain subsidiaries of the Company (the "**2022 Senior Notes Guarantees**").

The Company may redeem all or part of the 2022 Senior Notes at any time on or after 15 April 2017 at a price equal to par plus 75 per cent. of the applicable coupon, declining to par plus 50 per cent. of the applicable coupon on 15 April 2018, declining to par plus 25 per cent. of the applicable coupon on 15 April 2019 and at par from and after 15 April 2020. At any time prior to 15 April 2017, the Company may redeem all or part of the 2022 Senior Notes at a redemption price equal to 100 per cent. of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of redemption plus a "make whole" premium. At any time prior to 15 April 2017, the Company may on one or more occasions redeem up to 35 per cent. of the aggregate principal amount of the 2022 Senior Notes, using the net proceeds from certain equity offerings at a redemption price equal to 106.250 per cent. of the principal amount of the 2022 Senior Notes, plus accrued and unpaid interest, if any, to the date of redemption; provided that at least 65 per cent. of the aggregate principal amount of the 2022 Senior Notes remain outstanding after the redemption. Upon the occurrence of certain specified change of control events, the holders of the 2022 Senior Notes will have the right to require the Company to offer to repurchase the 2022 Senior Notes at a purchase price equal to 101 per cent. of their principal amount, plus accrued and unpaid interest, if any, to the date of purchase.

The 2022 Senior Notes Indenture limits, among other things, the ability of the Company and its restricted subsidiaries to make certain payments, including dividends and other distributions, with respect to outstanding share capital, sell, lease or transfer certain assets, including shares of any of the Company's restricted subsidiaries, to make certain investments or loans and to incur additional financial indebtedness. These limitations are, however, subject to a number of important qualifications and exceptions. The 2022 Senior Notes Indenture also contains customary events of default.

10.8. Convertible Bonds

The Group is party to seven convertible bond contracts, namely the Convertible Bond Trust Deed, the Convertible Bond Terms and Conditions, the Convertible Bond Agency Agreement, the Convertible Bond Calculation Agency Agreement, the Convertible Bond Subscription Agreement, the Convertible Bond Subordination Agreement and the Convertible Bond Deed Poll, each of which is summarised in paragraphs 10.8.1 to 10.8.7 of this Part 11.

10.8.1. The Convertible Bond Trust Deed

On 12 July 2016, Tullow Oil (Jersey) Limited (the "**Issuer**"), Tullow Oil plc (the "**Parent Guarantor**"), various subsidiary guarantors listed therein (the "**Subsidiary Guarantors**" and together with the Parent Guarantor, the "**Guarantors"**) and Deutsche Trustee Company Limited (the "**Trustee**") entered into a trust deed constituting $300 million 6.625 per cent. guaranteed convertible bonds due 2021 (the "**Convertible Bond Trust Deed**"), listed on the Official List of the Channel Islands Securities Exchange Authority Limited and admitted to trading on the market of the Channel Islands Securities Exchange (the "**Convertible Bonds**").

The Convertible Bond Trust Deed provides that the Trustee will act as trustee of the Convertible Bond Trust Deed and that the Guarantors will provide certain guarantees. The Parent Guarantor guarantees all payments due from, and the delivery of Preference Shares by, the Issuer under the Convertible Bond Trust Deed and the terms and conditions of the Convertible Bonds (the "**Convertible Bond Terms and Conditions**"). Each Subsidiary Guarantor jointly and severally guarantees on a senior subordinated basis all payments due from the Issuer under the Convertible Bond Trust Deed and the Convertible Bond Terms and Conditions and all payments due from the Parent Guarantor in respect of the same (the "**Subordinated Guarantee**"). The Subsidiary Guarantors do not guarantee the Parent Guarantors' guarantee of the Issuer's obligations in respect of delivering preference shares. Any claims of bondholders under the Subordinated Guarantee will rank subordinate in right and priority of payment to such Subsidiary Guarantor's obligations under certain senior financing agreements in accordance with the terms of the Convertible Bond Subordination Agreement (as defined in paragraph 10.8.6 of this Part 11).

The Guarantors' obligations are continuing and remain in full force and effect until no sum remains payable under the Convertible Bond Trust Deed or the Convertible Bond Terms and Conditions. The Guarantors also each provide an indemnity for the benefit of bondholders.

The Convertible Bond Trust Deed contains covenants from the Issuer, the Parent Guarantor and the Subsidiary Guarantors (including the Issuer's covenant to pay) for the benefit of the Trustee and bondholders and governs the Trustee's role and conditions of engagement. The Trustee is granted the ability to waive default, consent to amendments and consent to substitution of the Issuer in certain limited circumstances. The Trustee can retire on giving notice or be removed by an extraordinary resolution of bondholders but such retirement or removal will not be effective unless a successor trustee has been appointed, subject to certain conditions.

The Convertible Bond Trust Deed incorporates the Convertible Bond Terms and Conditions.

10.8.2. The Convertible Bond Terms and Conditions

The Convertible Bond Terms and Conditions provide that each $200,000 principal amount of a Bond is convertible into preference shares of the Issuer (the "**Preference Shares**") and each Preference Share will be allotted at a price equal to the paid up value of $200,000 (a "**Conversion Right**"). This Conversion Right may be exercised at the option of a bondholder from 22 August 2016 to the close of business on the date falling seven days prior to 12 July 2021 or any other relevant maturity date, subject to certain conditions and exceptions. All Preference Shares issued will be automatically and mandatorily transferred to the Parent Guarantor who will issue or transfer and deliver shares in the Parent Guarantor (the "**Ordinary Shares**") to the bondholder in consideration for the receipt of Preference Shares. The calculation agent will determine the number of Ordinary Shares allotted by reference to an exchange price which may be adjusted in accordance with the Convertible Bond Terms and Conditions. The initial exchange price was $3.52 per Ordinary Share.

The Issuer and the Parent Guarantor give various undertakings in favour of the bondholders. With regard to redemption, the Issuer has the option to redeem all outstanding bonds at their principal amount plus accrued and unpaid interest at any time after 29 July 2019 (if a volume weighted average price threshold is met) or if 85 per cent. or more of the Convertible Bonds have been converted. Bondholders can redeem on a change of control of the Parent Guarantor or release and no replacement of all of the Subsidiary Guarantors. The events of default in the Convertible Bond Terms and Conditions include non-payment, breach of obligations, cross-default, non-compliance with a judgment, unenforceable guarantees, various insolvency events and the Issuer ceasing to be a wholly owned subsidiary.

10.8.3. The Convertible Bond Agency Agreement

On 12 July 2016, the Issuer, the Parent Guarantor, the Subsidiary Guarantors, Deutsche Bank AG, London Branch as principal paying and conversion agent (the "**Paying Agent**"), Deutsche Bank Luxembourg S.A. as registrar and transfer agent (the "**Registrar**" and together with the Paying Agent, the "**Agents**"), and the Trustee entered into a paying, transfer and conversion agency agreement (the "**Convertible Bond Agency Agreement**") pursuant to which the Issuer and each Guarantor appoint the Agents as their agents in respect of the Convertible Bonds and each Agent accepts their appointment to severally perform their roles.

The Convertible Bond Agency Agreement provides for, amongst other things, payment of principal and interest in respect of the Convertible Bonds and the exercise of bondholder's Conversion Rights. The Issuer and the Guarantors, subject to obtaining required approvals, the prior written approval of the Trustee and giving valid notice, can appoint additional agents and vary or terminate the appointment of an Agent. Agents can also resign at any time giving valid notice and are subject to certain automatic termination triggers such as being the subject of insolvency proceedings. In most cases, the resignation or removal of an Agent will not be effective until a successor agent is appointed.

10.8.4. The Convertible Bond Calculation Agency Agreement

The Issuer, the Parent Guarantor and Con-Ex Advisors Limited as calculation agent (the "**Calculation Agent**") entered into a calculation agency agreement dated 12 July 2016 (the "**Convertible Bond Calculation Agency Agreement**") pursuant to which the Calculation Agent is appointed by the Issuer and the Parent Guarantor to act as calculation agent in relation to the Convertible Bonds and the Calculation Agent accepts such appointment.

Following notification by the Issuer (failing whom the Parent Guarantor), the Calculation Agent agrees, subject to certain conditions, to make promptly such determinations, calculations or adjustments required and notify the Issuer, Parent Guarantor and the Calculation Agent of the results which will be final and binding (in the absence of bad faith and manifest error). Subject to certain conditions, the Calculation Agent can resign or be removed at any time, in each case upon giving or receiving valid notice. Such resignation or removal will only become effective upon the appointment of a successor

calculation agent by the Issuer and Parent Guarantor. The Calculation Agent is also subject to limited automatic termination provisions.

10.8.5. The Convertible Bond Subscription Agreement

On 6 July 2016, the Issuer, the Parent Guarantor, the Subsidiary Guarantors, the Global Co-ordinators, the Joint Bookrunners and the Managers (each as named therein) entered into a subscription agreement (the "**Convertible Bond Subscription Agreement**") pursuant to which the Issuer agreed to issue the Convertible Bonds on 12 July 2016 to the Managers and the Managers severally agreed to procure subscribers for the Convertible Bonds or subscribe and pay for an agreed portion of the aggregate principal amount of the Convertible Bonds, subject to certain conditions and the satisfaction of agreed conditions precedent.

The Managers are the beneficiaries of certain representations, warranties, and undertakings of indemnification from the Issuer, the Parent Guarantor and the Subsidiary Guarantors. The Issuer and the Parent Guarantor also provide separate undertakings. The Global Co-ordinators (on behalf of the Managers) are entitled to terminate on certain conditions including breach of representations or warranties, non-satisfaction of any conditions precedent and macro-economic events.

10.8.6. The Convertible Bond Subordination Agreement

The guarantee subordination agreement between the Parent Guarantor and the Trustee, among others, dated 6 November 2013, as amended and restated on 12 July 2016 (the "**Convertible Bond Subordination Agreement**") provides for the postponement and subordination of the Subordinated Guarantee (and other subordinated guarantees given by certain group companies in respect of other outstanding bonds issued by the Parent Guarantor) to the Subsidiary Guarantors' obligations owed to certain senior creditors under certain senior financing agreements until such senior liabilities are fully and finally discharged (the "**Senior Discharge Date**").

The Convertible Bond Subordination Agreement does not purport to rank the senior liabilities or Subordinated Guarantees between themselves but does subordinate the Subordinated Guarantee Subsidiary Guarantors' obligations to future and re-financed senior liabilities. The Subsidiary Guarantors are permitted to make payments under the Subordinated Guarantee before the Senior Discharge Date in limited circumstances including if consent is given by the relevant senior creditors or if the payment is in respect of the principal amount of the Convertible Bond liabilities on or after the final maturity date, among other things.

10.8.7. The Convertible Bond Deed Poll

The conversion and exchange rights of convertible bondholders are guaranteed by the Parent Guarantor on a senior basis pursuant to a deed poll dated 12 July 2016 entered into by the Parent Guarantor in favour of the holders of Preference Shares (the "**Convertible Bond Deed Poll**"). The Convertible Bond Deed Poll provides for an undertaking to be given by the Parent Guarantor to each holder of Preference Shares (a "**Preference Shareholder**") to make due and punctual payment of the aggregate paid-up value of the Preference Shares, dividends and other amounts expressed to be payable, subject to certain conditions. The Parent Guarantor further undertakes that after the exercise of a Conversion Right, it will issue or transfer and deliver Ordinary Shares in accordance with the Convertible Bond Terms and Conditions. The obligations of the Parent Guarantor under the Convertible Bond Deed Poll are not subordinated.

The Convertible Bond Deed Poll is a continuing guarantee and will remain in full force and effect until all amounts payable in respect of the Preference Shares have been paid in full at which point it will cease to have effect. The release of the Parent Guarantor is accordingly limited. The terms of the Convertible Bond Deed Poll provide that the Parent Guarantor shall be liable to Preference Shareholders as if it were the principal debtor and subrogated to all or any rights of the Preference Shareholders against the Issuer. The Convertible Bond Deed Poll can only be amended by deed poll.

10.9. The Senior Corporate Facility

On 9 March 2017 Tullow, Tullow Uganda Limited, Tullow Uganda Operations Pty Ltd and Tullow Kenya B.V. entered into a senior revolving credit facility with Barclays Bank PLC, JPMorgan Chase Bank, N.A., London Branch (as original lenders), J.P. Morgan Limited (as mandated lead arrangers) and J.P. Morgan Europe Limited (as agent) (the "**Senior Corporate Facility Agreement**").

The Senior Corporate Facility Agreement provides for a revolving facility of $25 million (the "**Senior Corporate Facility**") for the purposes of funding oil and gas related expenditure of the Company and its subsidiaries from time to time and for general corporate purposes.

The Senior Corporate Facility is initially unsecured but will become secured, replicating the security provided in relation to the Corporate Facility, as soon as reasonably practicable following the date on which the Corporate Facility is discharged in full. In addition, the Senior Corporate Facility Agreement includes an undertaking from the Company that it shall, with effect from the date falling three months after financial close thereunder, start the process to procure the consents required (i) from the lenders under the RBL Facilities, (ii) from the lenders under the Corporate Facility and (iii) under certain project documents (or any of them), in each case to permit the granting of share security over certain of the companies which have interests in the Group's South American portfolio.

Maturity

The final maturity date of the Senior Corporate Facility will be the date falling thirteen months after financial close as defined in the Senior Corporate Facility Agreement.

Interest and fees

The rate of interest payable on the loans under the Senior Corporate Facility is the rate equal to the aggregate of a margin plus LIBOR (in respect of loans in US dollars or pound sterling) or EURIBOR (in respect of loans in euro). The applicable margin varies based on the ratio of consolidated total net borrowings to consolidated EBITDA and the level of utilisation of the Senior Corporate Facility. Default interest is also payable, at a rate of two per cent. per annum higher than the standard rate of interest payable on loans under the Senior Corporate Facility, on overdue amounts.

The Company is required to pay a commitment fee on available but unutilised commitments under the Senior Corporate Facility, quarterly in arrears, at a rate equal to a percentage of the applicable margin.

Representations, warranties, covenants and events of default

The Senior Corporate Facility Agreement contains certain customary representations and warranties, subject to certain exceptions and appropriate materiality qualifications. The Senior Corporate Facility Agreement contains negative and positive covenants which are similar, and subject to similar exceptions, to those under the Senior Secured Revolving Credit Facility Agreement and events of default, including in certain cases grace periods, thresholds and other qualifications, which are similar to those in the Senior Secured Revolving Credit Facility Agreement.

The Senior Corporate Facility Agreement requires the Company to comply with certain ratios of consolidated total net borrowings to consolidated EBITDA. These financial terms are defined in the Senior Corporate Facility Agreement and may not correspond to similarly titled metrics in the Group's consolidated financial statements or this Prospectus. The applicable ratio is tested bi-annually with respect to the most recent financial statements delivered pursuant to the Senior Corporate Facility Agreement. In the event of non-compliance with the applicable ratios, the Senior Corporate Facility Agreement provides for an equity cure option similar to that in the Senior Secured Revolving Credit Facility Agreement.

Prepayment

The Senior Corporate Facility is to be prepaid in full immediately upon the occurrence of certain events, including a change of control of the Company, the refinancing of the Corporate Facility or one or more RBL Facilities with a tenor extending beyond the current final maturity date, an equity capital raising or capital markets raising within certain parameters and the disposal of certain petroleum assets.

10.10. Guarantee Subordination Agreement

In connection with the issuance of the 2020 Senior Notes, the Company entered into a subordination agreement (the "**Guarantee Subordination Agreement**") on 6 November 2013. In connection with the issuance of the 2022 Senior Notes, the trustee for the 2022 Senior Notes acceded to the Guarantee Subordination Agreement on 8 April 2014. The Guarantee Subordination Agreement governs the relationships and relative priorities among: (i) the creditors of the RBL Facilities (the "**RBL Creditors**"); (ii) the creditors of the Corporate Facility (the "**Corporate Creditors**"); (iii) certain banks that act as counterparties to hedging agreements (the "**Hedging Banks**"); (iv) certain providers of secured letters of credit under the Non-Facility LC Agreements (the "**LC Providers**" and together with the RBL Creditors, the Corporate Creditors and the Hedging Banks, the "**Senior Creditors**"); and (v) the trustee for the

2020 Senior Notes and the 2022 Senior Notes on its own behalf and on behalf of the Noteholders (the "**Notes Creditors**").

The Guarantee Subordination Agreement provides that the liabilities owed by the Debtors to the Senior Creditors under the Senior Finance Documents (the "**Senior Liabilities**") and the liabilities owed by the Guarantors to the Notes Creditors under the Notes Documents (the "**Notes Guarantee Liabilities**") will rank in right and priority of payment (i) first, the Senior Liabilities pari passu and without any preference between them; and (ii) second, the Notes Guarantee Liabilities pari passu and without any preference between them. The parties to the Guarantee Subordination Agreement agree that the liabilities owed by the Company (or certain of the Company's direct and indirect subsidiaries which may in the future issue notes and on-lend the proceeds of such issuance to the Company) to the Notes Creditors under the Notes Documents, certain amounts owed to the trustee under the Notes Documents and certain Notes security enforcement and preservation costs (if any) are senior obligations (and are therefore not Notes Guarantee Liabilities) and the Guarantee Subordination Agreement does not purport to rank, postpone and/or subordinate any of them in relation to the other liabilities. The Guarantee Subordination Agreement does not purport to rank any of the Senior Liabilities as between themselves or any of the Notes Guarantee Liabilities as between themselves. In addition, the Guarantee Subordination Agreement does not purport to rank any of the liabilities of the Company (or certain of the Company's direct and indirect subsidiaries which may in the future issue notes and on-lend the proceeds of such issuance to the Company).

10.11. Hedging arrangements

The Group maintains certain commodity hedges to manage its exposure to movements in oil and gas prices. In addition, the Group holds a small portfolio of interest rate derivatives. In connection with these activities, the Group has entered into International Swaps and Derivatives Association master agreements with several hedging partners. A summary of the Group's current hedging arrangements is set out in paragraphs 3.8 and 10.3 to 10.5 of Part 7 of this Prospectus.

10.12. TEN FPSO

On 14 August 2013, Tullow Ghana Limited ("**TGL**") entered into an engineering, procurement, installation, commissioning and bareboat charter agreement (the "**TEN FPSO Contract**") with T.E.N. Ghana MV25 B.V. (the "**Contractor**"), a subsidiary of MODEC Inc., in respect of an FPSO for use at the Group's TEN fields (the "**FPSO**"). TGL, as operator of the TEN fields, entered into the agreement on behalf of itself and its commercial partners.

The Contractor agreed to design, procure, construct, install and commission the FPSO. TGL will charter and lease the FPSO from the Contractor for an initial term of 10 years commencing on the date on which the FPSO's offshore completion certificate is issued. Upon the expiration of the initial term, TGL has the option to extend the charter period for ten additional and consecutive one year extension periods, provided it gives six months' written notice to the Contractor prior to the expiration of the initial term or any extension thereto (as the case may be). TGL is responsible for paying the hire cost during the charter period (which costs include a mobilisation fee, compensation for demobilisation and a specified daily rate).

TGL may terminate the TEN FPSO Contract on not less than 30 days' written notice to the Contractor, provided TGL pays the Contractor hire costs up to the date of termination and, if applicable, interest rate hedging unwinding costs. If the termination occurs during the initial 10 year charter period, TGL will also be required to pay demobilisation costs and an early termination fee which will be equal to the value of the remaining initial hire period (less five per cent. Ghanaian withholding tax) discounted using a discount rate of 6.5% per annum on a 360 days per year basis grossed up by 25% in relation to Ghanaian corporate income tax. An early termination payment is also due by TGL in the event that there is an unauthorised requisitioning or taking of the FPSO or TGL terminates the agreement for continuing force majeure. No early termination fee is incurred in the event that termination occurs as a result of other conditions, including the actual or constructive total loss of the FPSO or breach of the Contractor's material obligations under the TEN FPSO Contract. The Contractor is also entitled to terminate the contract during the construction period under certain circumstances, including a material breach of TGL's obligations under the TEN FPSO Contract.

TGL has the option to purchase the FPSO at any time during the charter period, provided that 180 days' written notice is given to the Contractor. In addition, if the Contractor wishes to sell the FPSO to a non-affiliated third party during the charter period, TGL has a right of first refusal to purchase the FPSO at the same price and on substantially the same terms as those offered by such third party, and has

60 days within which to exercise such right. Upon any purchase of the FPSO, the TEN FPSO Contract will terminate automatically. The Contractor may grant a mortgage over the FPSO.

The present value of the future minimum lease payments payable under the TEN FPSO Contract total, in aggregate, $1.6 billion calculated on a gross basis (as TGL has contracted on behalf of its commercial partners). The payments due under the TEN FPSO Contract include a mobilisation fee, compensation for demobilisation and a specified daily rate.

In addition, on 14 August 2013, TGL entered into an operation and maintenance services contract (the "**TEN O&M Contract**") with the Contractor pursuant to which the Contractor will provide certain operation and maintenance services in connection with the FPSO during the initial 10 year charter period (the "**O&M Period**"). Upon the expiration of the O&M Period, TGL has the option to extend the TEN O&M Contract for ten additional and consecutive one year extension periods.

Provided that TGL has terminated the charter of the FPSO, TGL may terminate the TEN O&M Contract for convenience on giving at least 30 days' notice. In such event, TGL must pay the Contractor for the services provided to the date of termination and any other amounts owing under the TEN O&M Contract, together with any other cancellation costs incurred by the Contractor as a result of such termination (including in relation to the demobilisation of personnel and equipment). In addition, the parties to the TEN O&M Contract have termination rights typical for a contract of this nature, including as a result of the occurrence of insolvency events or a material breach by the other party of the terms of the TEN O&M Contract. If the TEN FPSO Contract is terminated, the TEN O&M Contract terminates automatically.

11. Working capital

Tullow is of the opinion that, after taking into account the net proceeds of the Rights Issue and the Existing Finance Agreements, the working capital available to the Group is sufficient for its present requirements, that is for at least the 12 months following the date of publication of this Prospectus.

12. Significant change

There has been no significant change in the trading or financial position of Tullow, its subsidiaries or its subsidiary undertakings from time to time since 31 December 2016 (being the end of the last financial period for which audited financial information in respect of the Group has been published).

13. Litigation

Save as disclosed in paragraphs 13.1 to 13.6 of this Part 11, there are no governmental, legal or arbitration proceedings (including any proceedings which are pending or threatened of which Tullow is aware) which have been or have had in the recent past (covering the 12 months immediately preceding the date of this Prospectus) a significant effect on Tullow's and/or the Group's financial position or profitability or may have such an effect.

13.1. The ITLOS Dispute

The Governments of Ghana and Côte d'Ivoire are currently disputing the demarcation of their maritime boundaries. All of the TEN fields are located within a triangular area between Ghana and Côte d'Ivoire's respective interpretations of the correct maritime boundary ("**Disputed Area**"). The Group is not a party to the ITLOS Dispute.

In September 2014, the Government of Ghana submitted the dispute to arbitration at ITLOS in Hamburg, Germany. In February 2015, Côte d'Ivoire requested that ITLOS order certain provisional measures, including the suspension of all ongoing exploration and development operations in the Disputed Area pending a final decision from ITLOS. In April 2015, ITLOS issued a provisional measures order which included, amongst other measures, the requirement that no new drilling take place in the Disputed Area until a final determination on the boundary dispute (the "**ITLOS PMO**"). However, the Government of Ghana's interpretation of the ITLOS PMO did not prevent all other ongoing exploration and development operations in the Disputed Area from continuing. In accordance with the ITLOS PMO, Ghana ordered Tullow Ghana Limited (being the relevant wholly owned subsidiary of the Company) ("**TGL**") not to undertake any new drilling in the Disputed Area ("**ITLOS Instruction**") and TGL has complied with this instruction.

The hearing of the ITLOS Dispute was held between 6 February 2017 and 16 February 2017 and the Company expects that ITLOS will deliver its final decision in September 2017. As a result, the Group expects (and has budgeted for) no new drilling in the Disputed Area before January 2018.

The Group is unable to predict what the impact to its operations would be in the event that ITLOS determines that all or part of the Disputed Area is on the Côte d'Ivoire's side of the maritime boundary or if that result is obtained through a negotiated settlement between Ghana and Côte d'Ivoire or otherwise. In the event a decision, or the interpretation of a decision, has a negative impact on the Group, the Group may seek to raise appropriate claims under the contractual arrangements under which it operates the TEN fields.

13.2. Contractual dispute with Seadrill Ghana Operations Limited

In November 2012, TGL entered into a contract with Seadrill Ghana Operations Limited ("**Seadrill**") to provide the West Leo drilling unit (the "**West Leo Contract**") for TGL's drilling operations in Ghana, primarily at the TEN fields. As a result of the ITLOS Instruction's effect on the TEN fields as well as the Government of Ghana not yet having approved the Greater Jubilee Full Field Development Plan, TGL is subject to a drilling moratorium in Ghana which took effect from 1 October 2016.

Due to the drilling moratorium, TGL invoked the force majeure provisions in the West Leo Contract. Under the West Leo Contract, where force majeure subsists for 60 consecutive days (the "**FM Period**") TGL has the option to terminate the contract. On 1 December 2016, TGL terminated the West Leo Contract and believes that it has no further liability to Seadrill under the West Leo Contract following the date of termination.

In October 2016, Seadrill filed a claim in the Commercial Court in London, seeking (amongst other matters) a declaration that there has been no force majeure under the West Leo Contract and that TGL was not entitled to terminate the contract for force majeure.

In January 2017, Seadrill amended its claim to seek various reliefs from TGL which include a claim for approximately $277 million (before costs and interest). Additionally, Seadrill is also seeking a further declaration that should Seadrill re-let the West Leo drilling unit for a daily rate lower than the daily operating rate under the West Leo Contract (the "**West Leo Re-let Rate**"), TGL should be responsible for the difference between the daily operating rate under the West Leo Contract and the West Leo Re-let Rate for each day the West Leo drilling unit is re-let until 7 June 2018, being the date on which Seadrill assert the West Leo Contract would otherwise have terminated.

TGL has engaged external counsel to assist it on this dispute and submitted its defence to Seadrill's claim in December 2016. However, in light of Seadrill's amended claim, TGL has amended its defence to respond to Seadrill's new monetary claims.

Should TGL be unsuccessful in defending Seadrill's claim, TGL's current estimate of the potential gross liability is approximately $230 million (before costs and interests), which includes the amount which TGL would have paid had it terminated the contract on 1 December 2016 for its convenience.

Under the Deepwater Tano Joint Operating Agreement ("**DWT JOA**"), any liability for Seadrill's claim is shared amongst the joint venture partners in proportion to their interests under the DWT JOA (subject to the arbitration described at paragraph 13.3 of this Part 11). The DWT JOA is summarised at "*Information about the Tullow Group—Material Agreements relating to the Group's assets—Ghana—Deepwater Tano*" in Part 4.

Following a case management conference held in February 2017, the Group expects the trial in relation to this dispute to take place in May 2018.

13.3. Kosmos ICC arbitration in relation to the West Leo Contract

In June 2016, Kosmos Energy Ghana HC ("**Kosmos**") commenced an arbitration against TGL with the International Chamber of Commerce ("**ICC**") to resolve a dispute relating to the approval of certain extensions to the West Leo Contract. The arbitration will take place in London and the underlying contract, the DWT JOA, is governed by English law.

Kosmos believes that in 2012 TGL did not obtain the correct permissions from its DWT JOA joint venture partners to enter into certain extensions of the West Leo Contract. Consequently, Kosmos has claimed that it is not responsible for its share (being, approximately 20 per cent.) of any costs related to the use of the West Leo drilling unit beyond the approved work programme and budget for 2016. TGL disputes this claim on the basis that since it extended the West Leo Contract in 2012 from a three year to a five year contract, it has kept Kosmos fully informed of the extended term of the West Leo Contract, the applicable rig rate and its intended use for the West Leo drilling unit.

In accordance with the terms of the DWT JOA, Kosmos has stated that it will continue to pay its participating interest share of costs relating to the West Leo Contract pending the outcome of this arbitration.

If TGL is unsuccessful in defending the Kosmos arbitration and is also unsuccessful in defending the Seadrill claim (described in paragraph 13.2 of this Part 11), then TGL's estimated liability to Kosmos would be approximately $49 million (assuming the DWT JOA joint venture partners' gross liability in respect of the Seadrill dispute is approximately $230 million). This amount includes demobilisation and FM Period rig rate costs relating to the West Leo Contract that TGL believes Kosmos is liable for under the DWT JOA. Anadarko and Petro SA (being the other DWT JOA joint venture partners) have not brought the same or similar claims against TGL nor have they notified the Group of an intention to do so.

TGL has engaged external counsel to assist it and the hearing in relation to this dispute is expected to take place in January 2018.

13.4. Contractual dispute with Stena Oilfield Services Limited

TGL was a party to a drilling contract with Stena Oilfield Services Limited ("**Stena**") that was the subject of a dispute regarding the applicable day rate of the Stena DrillMAX drillship and the related amounts due. In July 2016, Stena commenced proceedings against TGL in the English High Court. However, In December 2016, TGL entered into a settlement agreement with Stena in full and final settlement of this claim and an appropriate provision has been made in the 2016 Financial Statements.

13.5. Equatorial Guinea tax conciliation

Tullow Equatorial Guinea Limited ("**TEGL"**) has an ongoing tax dispute with the Government of Equatorial Guinea which dates back to 2012 and relates to the amount of tax assessed for the 2007 and 2008 financial years. The Government of Equatorial Guinea is seeking $135 million from TEGL in relation to a change in statutory tax rates from those imposed at the time of the relevant production sharing agreement. Although the International Centre for Settlement of Investment Disputes ("**ICSID**") conciliation proceedings relating to this dispute commenced in March 2012, these proceedings were suspended in July 2012 (with a view to reaching a negotiated settlement) and remain suspended. The ICSID proceedings are governed by the law of Equatorial Guinea and generally accepted principles of international law.

In mid-2016, TEGL received letters from the Equatorial Guinea tax authorities demanding payment of the disputed amount. TEGL believes that, by applying the stabilisation provisions in the relevant production sharing agreement (which aim to ensure that TEGL is made whole by the host country for any loss suffered as a result of changes in tax rates or other fiscal changes), TEGL is not required to pay any amounts to the Government of Equatorial Guinea.

More recently, TEGL and other industry participants facing the same issue have engaged in discussions with the Government of Equatorial Guinea in an effort to try and reach an amicable settlement on this issue.

Negotiations remain ongoing and if a settlement cannot be reached with the Government of Equatorial Guinea by the time the current suspension of proceedings expires on 31 March 2017, it is expected that the Group and its commercial partners will seek to have the suspension extended for a further period to allow negotiations to continue. If the Group is unable to reach a negotiated settlement, the Group intends to defend vigorously any claim.

13.6. Potential High Court Dispute and ICC Arbitration with Vallourec

On behalf of itself and the Jubilee field joint venture partners, TGL is claiming losses from Vallourec Oil and Gas France ("**Vallourec**") arising from its supply of damaged oil country tubular goods in 2009. The contracts under which the tubular goods were supplied were governed by English and French law. TGL issued a pre-action protocol letter in respect of each respective contract. In October 2015, TGL and Vallourec entered into standstill agreements which provide that neither party will proceed with a claim unless a party gives the other 28 days' notice to terminate the applicable standstill agreement.

14. Mandatory bids, squeeze-out and sell-out rules

14.1. Mandatory bids

As a company incorporated in England and Wales with shares admitted to trading on the main market for listed securities of the London Stock Exchange, the Company is subject to the provisions of the Takeover Code. Under Rule 9 of the Takeover Code, any person or group of persons acting in concert

with each other which, taken together with shares already held by that person or group of persons, acquires 30 per cent. or more of the voting rights of a public company which is subject to the Takeover Code or holds not less than 30 per cent. but not more than 50 per cent. of the voting rights exercisable at a general meeting and acquires additional shares which increase the percentage of their voting rights, would normally be required to make a general offer in cash at the highest price paid within the preceding 12 months for all the remaining equity share capital of the Company.

Under Rule 37 of the Takeover Code, when a company purchases its own voting shares, a resulting increase in the percentage of voting rights carried by the shareholdings of any person or group of persons acting in concert will be treated as an acquisition for the purposes of Rule 9. A shareholder who is neither a director or acting in concert with a director will not normally incur an obligation to make an offer under Rule 9. However, under note 2 to Rule 37, where a shareholder has acquired shares at a time when it had reason to believe that a purchase by the company of its own voting shares may take place, an obligation to make a mandatory bid under Rule 9 may arise in certain circumstances. The buyback by the Company of Ordinary Shares could, therefore, have implications for Shareholders with significant shareholdings.

14.2. Squeeze-out rules

Under the Companies Act, if an offeror were to acquire, or unconditionally contract to acquire, not less than 90 per cent. in value of the share in Tullow to which the offer relates (the "**Offer Shares**") and not less than 90 per cent. of the voting rights attached to the Offer Shares, within three months of the last day on which its offer can be accepted, it could acquire compulsorily the remaining 10 per cent. of the shares in Tullow. It would do so by sending a notice to outstanding shareholders telling them that it will compulsorily acquire their shares and then, six weeks later, it would execute a transfer of the outstanding shares in its favour and pay the consideration to Tullow, which would hold the consideration on trust for outstanding shareholders. The consideration offered to the shareholders whose shares are compulsorily acquired under the Companies Act must, in general, be the same as the consideration that was available under the takeover offer.

14.3. Sell-out rules

The Companies Act also gives minority shareholders a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer related to all the Ordinary Shares and at any time before the end of the period within which the offer could be accepted the offeror held or had agreed to acquire not less than 90 per cent. of the Ordinary Shares to which the offer relates, any holder of Ordinary Shares to which the offer related who had not accepted the offer could, by a written communication to the offeror, require it to acquire those Ordinary Shares.

The offeror is required to give any shareholder notice of his right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of the minority shareholders to be bought out, but that period cannot end less that three months after the end of the acceptance period. If a shareholder exercises his or her rights, the offeror is bound to acquire those Ordinary Shares on the terms of the offer or on such other terms as may be agreed.

15. Takeover bids

No public takeover bid has been made in relation to Tullow during the last financial year or the current financial year.

16. General

Barclays has given and not withdrawn its written consent to the issue of this document and the inclusion herein of its name and the reference to it in the form and context in which they appear.

J.P. Morgan Cazenove has given and not withdrawn its written consent to the issue of this document and the inclusion herein of its name and the reference to it in the form and context in which they appear.

Morgan Stanley has given and not withdrawn its written consent to the issue of this document and the inclusion herein of its name and the reference to it in the form and context in which they appear.

Davy has given and not withdrawn its written consent to the issue of this document and the inclusion herein of its name and the reference to it in the form and context in which they appear.

The auditors and reporting accountants of Tullow are Deloitte LLP, whose address is 2 New Street Square, London EC4A 3BZ. Deloitte is a member of the Institute of Chartered Accountants of England and Wales.

The financial information concerning Tullow contained in this Prospectus does not constitute statutory accounts within the meaning of section 434(3) of the Companies Act. Statutory accounts for the 2014 Financial Year, 2015 Financial Year and the 2016 Financial Year have been delivered to the Registrar of Companies and each include an unqualified audit report

The Existing Ordinary Shares are in registered form, are capable of being held in uncertificated form and are admitted to the premium listing segment of the Official List of the UK Listing Authority and are traded on the main market for listed securities of the London Stock Exchange. The Existing Ordinary Shares are also currently admitted to the secondary listing segment of the Official List of the Irish Stock Exchange and admitted to trading on the Irish Stock Exchange's main market for listed securities. The Existing Ordinary Shares are also admitted to listing and trading on the main market of the Ghana Stock Exchange.

The New Ordinary Shares will be in registered form and will be capable of being held in uncertificated form and title to such shares made be transferred by means of a relevant system (as defined in the CREST Regulations). Where New Ordinary Shares are held in certificated form, share certificates will be sent to registered members by first-class post. Where New Ordinary Shares are held in CREST, the relevant CREST stock account of the registered members will be credited.

The Issue Price represents a premium of 120 pence over the nominal value of 10 pence for each New Ordinary Share.

Tullow will make (an) appropriate announcement(s) to a Regulatory Information Service giving details of the results of the Rights Issue.

The aggregate costs and expenses of the Rights Issue payable by Tullow are estimated to be approximately £22 million (net of tax) (equivalent to $27 million at an exchange rate of £1.00 = $1.2363 on 16 March 2017). The net proceeds of the Rights Issue are expected to amount to approximately £586 million (equivalent to $724 million at an exchange rate of £1.00 = $1.2363 on 16 March 2017).

17. Documents available for inspection

Copies of the following documents are available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the offices of Dickson Minto W.S., Broadgate Tower, 20 Primrose Street, London EC2A 2EW until close of business on 6 April 2017:

17.1. the Company's memorandum of association and Articles;

17.2. Annual Report 2014, Annual Report 2015 and Annual Report 2016;

17.3. the Directors' service contracts and letters of appointment referred to in paragraphs 4 and 5 of Part 10 of this Prospectus;

17.4. the written consents referred to in paragraph 16 of this Part 11; and

17.5. this Prospectus.

18. Availability of the Prospectus

In addition, copies of this document are available free of charge from the registered office of the Company. Copies of this document are also available for access via the National Storage Mechanism at http://www.morningstar.co.uk/uk/NSM.

PART 12

DEFINITIONS

The following definitions apply throughout this document unless the context otherwise requires:

"**2006 Act**" or "**Companies Act**"	the Companies Act 2006, as amended;
"**2013 Financial Year**"	the financial year of the Company ended 31 December 2013;
"**2014 Financial Year**"	the financial year of the Company ended 31 December 2014;
"**2015 Financial Year**"	the financial year of the Company ended 31 December 2015;
"**2016 Financial Statements**"	the audited consolidated financial statements of the Group for the 2016 Financial Year;
"**2016 Financial Year**"	the financial year of the Company ended 31 December 2016;
"**2020 Senior Notes**"	the $650.0 million aggregate principal amount of 6.0 per cent. senior notes due 2020 issued by the Group on 6 November 2013;
"**2022 Senior Notes**"	the $650.0 million aggregate principal amount of 6¼ per cent. senior notes due 2022 issued by the Group on 8 April 2014;
"**Admission**"	admission of the New Ordinary Shares (i) to the premium listing segment of the Official List of the UK Listing Authority in accordance with the Listing Rules, (ii) to the secondary listing segment of the Official List of the Irish Stock Exchange in accordance with the Irish Listing Rules, (iii) to trading, nil paid, on the London Stock Exchange's main market for listed securities in accordance with the Admission and Disclosure Standards, and (iv) to trading, nil paid, on the Irish Stock Exchange's main market for listed securities in accordance with the Irish Admission to Trading Rules;
"**Admission and Disclosure Standards**"	the requirements contained in the publication ''Admission and Disclosure Standards'' containing, amongst other things, the admission requirements to be observed by companies seeking admission to trading on the London Stock Exchange's main market for listed securities;
"**Annual Report 2013**"	the annual report and accounts of the Company for the 2013 Financial Year;
"**Annual Report 2014**"	the annual report and accounts of the Company for the 2014 Financial Year;
"**Annual Report 2015**"	the annual report and accounts of the Company for the 2015 Financial Year;
"**Annual Report 2016**"	the annual report and accounts of the Company for the 2016 Financial Year;
"**Articles"**	the articles of association of the Company, and reference to an "**Article**" is a reference to a specific article of the articles of association of the Company;
"**Audit Committee**"	the audit committee of the Board;
"**Auditors**"	Deloitte LLP;
"**BACS**"	the UK BACS system for the electronic processing of financial transactions;
"**Barclays**"	Barclays Bank PLC, acting through its investment bank;
"BNP Paribas"	BNP PARIBAS;
"**Board**" or "**Tullow Board**"	the board of directors of the Company;

"**Business Day**"	a day (excluding Saturdays, Sundays and public holidays) on which banks are open in London for the transaction of normal banking business;
"**Cashless Take-up**"	the sale of such number of Nil Paid Rights as will generate sufficient proceeds to enable the direct or indirect holder thereof to take up all of their remaining Nil Paid Rights (or entitlements thereto);
"**certificated**" or "**in certificated form**"	a share or other security which is not in uncertificated form;
"**CHAPS**"	the UK Clearing House Automated Payment System for the same-day processing of pound sterling and euro fund transfers;
"**Closing Price**"	the closing middle market price of a relevant share as derived from the Daily Official List on any particular day;
"**Co-Bookrunners**"	BNP Paribas, Crédit Agricole CIB and Société Générale, and each a "**Co-Bookrunner**";
"**Co-Lead Managers**"	DNB Markets, ING, Natixis and Nedbank, and each a "**Co-Lead Manager**";
"**Committee**" or "**Committees**"	one or all of the Audit Committee, the Nomination Committee, the Remuneration Committee, the Ethics and Compliance Committee, the Environmental, Health and Safety Committee, the Executive Directors' Committee and any other committees established from time to time by the Board;
"**Computershare**"	Computershare Investor Services PLC, a company incorporated in England and Wales with registered number 3498808 and having its registered office at The Pavilions, Bridgwater Road, Bristol, BS13 8AE;
"**Convertible Bonds**"	$300 million aggregate principal amount of 6.625 per cent. guaranteed convertible bonds due 2021 issued by the Group on 12 July 2016;
"**Corporate Facility**"	has the meaning given to it in paragraph 10.3 of Part 11 of this Prospectus;
"**Corporate Governance Code**"	the corporate governance code issued by the Financial Reporting Council in the United Kingdom from time to time;
"**Corporate Responsibility and Risk Committee**"	the corporate responsibility and risk committee of the Board;
"Crédit Agricole CIB"	Crédit Agricole Corporate and Investment Bank;
"**CREST**" or "**CREST system**"	the relevant system, as defined in the CREST Regulations, for the holding of shares and other securities in uncertificated form in respect of which Euroclear is the operator (as defined in the CREST Regulations);
"**CREST Courier and Sorting Service**" or "**CCSS**"	the CREST courier and sorting service operated by Euroclear to facilitate, *inter alia*, the deposit and withdrawal of securities;
"**CREST Deposit Form**"	the form used to deposit securities into the CREST system;
"**CREST Manual**"	the rules governing the operation of CREST as published by Euroclear;
"**CREST member**"	a person who has been admitted by Euroclear as a system-member (as defined in the CREST Regulations);
"**CREST participant**"	a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations);

"**CREST Proxy Instruction**"	has the meaning ascribed to it in paragraph 5 of the notes to the Notice of General Meeting;
"**CREST Regulations**"	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended;
"**CREST sponsor**"	a CREST participant admitted to CREST as a CREST sponsor;
"**CREST sponsored member**"	a CREST member admitted to CREST as a sponsored member;
"**Daily Official List**"	the daily official list of the London Stock Exchange;
"**Davy**"	J&E Davy;
"**Directors**" or "**Tullow Directors**"	the directors of the Company as at the date of this document, whose names appear in paragraph 1 of Part 10 of this document, or, as the context requires, the directors from time to time of the Company, and "**Director**" shall be construed accordingly;
"DNB Markets"	DNB Markets, a part of DNB Bank ASA;
"**DTR**" or "**Disclosure Guidance and Transparency Rules**"	the disclosure guidance and transparency rules made by the FCA under Part VI of FSMA, as amended;
"**EBITDA**"	earnings before interest, taxation, depreciation and amortisation;
"**EEA**"	the European Economic Area;
"**EEA States**"	the member states of the EEA;
"**Enlarged Issued Share Capital**"	the issued ordinary share capital of the Company as enlarged pursuant to the Rights Issue (assuming that no Ordinary Shares are issued in satisfaction of the exercise or vesting of any options or awards granted under the Tullow Share Schemes or upon the conversion of any Convertible Bonds between the Latest Practicable Date and the completion of the Rights Issue);
"**ERCE**"	ERC Equipoise Limited;
"**ERCE Reports**"	the reports prepared by ERCE assessing the Group's asset base and estimating its commercial reserves and contingent resources as at 31 December 2014, 2015 and 2016 (each an "**ERCE Report**");
"**Ethical Code**"	the Group's Code of Ethical Conduct;
"**EU**"	the European Union;
"**EURIBOR**"	the Euro Interbank Offered Rate;
"**Euroclear**"	Euroclear UK & Ireland Limited, incorporated in England and Wales with registered number 2878738;
"**Exchange Act**"	the US Securities Exchange Act of 1934, as amended;
"**Executive Directors**"	the Directors who hold the position of executive director, and each an "**Executive Director**";
"**Existing Finance Agreements**"	collectively the RBL Facilities, the Corporate Facility, the Norwegian Facility, the 2020 Senior Notes, the 2022 Senior Notes, the Convertible Bonds and the Senior Corporate Facility;
"**Existing Ordinary Shares**"	the Ordinary Shares in issue as at the date of this document;
"**Ex-Rights Date**"	the date on which the Existing Ordinary Shares begin trading without giving the holders of those shares the right to

	participate in the Rights Issue (expected to be 8.00 a.m. on 6 April 2017);
"**FCA**"	the UK Financial Conduct Authority;
"**Form of Proxy**"	the form of proxy for use by Shareholders in connection with the General Meeting;
"**FSMA**"	the UK Financial Services and Markets Act 2000, as amended;
"**Fully Paid Rights**"	rights to subscribe for the New Ordinary Shares, fully paid;
"**GAAP**"	generally accepted accounting principles;
"**GAAS**"	generally accepted auditing standards;
"**General Meeting**"	the general meeting of the Company to be held at 11.00 a.m. on 5 April 2017 (or any adjournment thereof) to approve the Resolutions, notice of which is contained in this document;
"**Ghana SEC**"	the Securities and Exchange Commission of the Republic of Ghana whose registered address is at 30, 3rd Circular Road, Cantonments, P.O. Box CT 6181, Cantonments, Accra, Ghana;
"**Ghana Stock Exchange**"	the Ghana Stock Exchange whose office address is at 5th Floor, Cedi House, Liberia Avenue, PO Box GP 1849, Accra, Ghana;
"**HMRC**"	HM Revenue & Customs, the UK tax authority;
"**IAS**"	International Accounting Standards;
"**IFC Senior Secured Revolving Credit Facility**"	has the meaning given to it in paragraph 10.2.2 of Part 11 of this Prospectus;
"**IFRS**"	International Financial Reporting Standards as adopted by the EU;
"ING"	ING Bank N.V.;
"**Ireland**"	the sovereign state of Ireland (excluding, for the avoidance of doubt, Northern Ireland);
"**Irish Admission to Trading Rules**"	the admission to trading rules issued by the Irish Stock Exchange, containing, amongst other things, the admission requirements to be observed by companies seeking admission to trading on the Irish Stock Exchange's main market for listed securities;
"**Irish Listing Rules**"	the listing rules issued by the Irish Stock Exchange;
"**Irish Sponsor**"	Davy;
"**Irish Stock Exchange**"	The Irish Stock Exchange plc, a company incorporated and registered under the laws of Ireland (company number 539157) whose registered office is at 28 Anglesea Street, Dublin 2, Ireland;
"**IRS**"	the US Internal Revenue Service;
"**ISIN**"	international securities identification number;
"**Issue Price**"	130 pence per New Ordinary Share;
"**ITLOS**"	the Special Chamber of the International Tribunal for the Law of the Sea;
"**ITLOS Dispute**"	the dispute subject to arbitration at ITLOS between the Governments of Ghana and Côte d'Ivoire in respect of the demarcation of their maritime boundaries;

"**J.P. Morgan Cazenove**"	J.P. Morgan Securities plc (which conducts its UK investment banking business as J.P. Morgan Cazenove);
"**Joint Bookrunners**"	Barclays, J.P. Morgan Cazenove and Morgan Stanley, and each a "**Joint Bookrunner**";
"**Joint Global Coordinators**"	Barclays and J.P. Morgan Cazenove, and each a "**Joint Global Coordinator**";
"**Joint Sponsors**"	Barclays and J.P. Morgan Cazenove, and each a "**Joint Sponsor**";
"**Junior Secured Revolving Credit Facility**"	has the meaning given to it in paragraph 10.2.3 of Part 11 of this Prospectus;
"**Latest Practicable Date**"	15 March 2017, being the latest practicable date prior to the publication of this document;
"**LIBOR**"	the London Interbank Offered Rate;
"**Listing Rules**"	the listing rules made by the FCA under Part VI of FSMA, as amended;
"**London Stock Exchange**"	London Stock Exchange plc;
"**MAR**"	Regulation (EU) No 596/2014 on market abuse;
"**member account ID**"	the identification code or number attached to any member account in CREST;
"**Member State**"	a member state of the EEA;
"**Money Laundering Regulations**"	the Money Laundering Regulations 2007 (SI 2007 No. 2157), as amended;
"**Morgan Stanley**"	Morgan Stanley & Co. International plc;
"**MTM Instruction**"	a many-to-many instruction in CREST;
"Nedbank"	Nedbank Limited, acting through its corporate and investment bank;
"**New Ordinary Shares**"	the Ordinary Shares proposed to be issued by the Company pursuant to the Rights Issue;
"**Nil Paid Rights**"	New Ordinary Shares in nil paid form provisionally allotted to Qualifying Shareholders pursuant to the Rights Issue;
"**Nomination Committee**"	the nomination committee of the Board;
"**Non-Core Assets**"	certain assets (including interests in upstream exploration and production licences and/or production sharing contracts) in the UK Southern North Sea, the Dutch Southern North Sea, the Norwegian continental shelf and Uganda which the Group disposed of during the three financial years ended 31 December 2016 and/or with effect from 1 January 2017 (some of which transactions remain to be completed), further details of which are set out in the section headed "*Important Information*" on page 53 of this document;
"**Non-Executive Directors**"	the Directors who hold the position of Chairman of the Board or non-executive director, and each a "**Non-Executive Director**";
"**Northern Ireland**"	means the region of the United Kingdom known by that name comprising the counties of Antrim, Armagh, Derry, Down, Fermanagh and Tyrone, located on the island of Ireland;
"**Norwegian Facility**"	has the meaning given to it in paragraph 10.4 of Part 11 of this Prospectus;
"**Notice of General Meeting**"	the notice of General Meeting which is set out at the end of this document;

"**Official List(s)**"	the Official List of the UK Listing Authority and/or the Official List of the Irish Stock Exchange, as the context may require;
"**Ordinary Shares**"	ordinary shares of ten pence each in the capital of the Company;
"**Overseas Shareholders**"	Qualifying Shareholders with registered addresses in, or who are resident in or citizens or nationals of, jurisdictions outside the United Kingdom;
"**participant ID**"	the identification code or membership number used in CREST to identify a particular CREST member or other system participant (as defined in the CREST Regulations);
"**PCAOB Standards**"	the auditing standards of the US Public Company Accounting Oversight Board;
"**PFIC**"	a passive foreign investment company;
"**PRA**"	the UK Prudential Regulation Authority;
"**Prospectus**"	this document;
"**Prospectus Directive**"	Directive 2003/71/EC (as amended from time to time, including by Directive 2010/73/EC (the "**PD Amending Directive**") to the extent implemented in the relevant EEA State) and includes any relevant implementing measures in each EEA State that has implemented Directive 2003/71/EC;
"**Prospectus Directive Regulation**"	Commission Regulation (EC) No 809/2004;
"**Prospectus Rules**"	the prospectus rules of the UK Listing Authority made pursuant to section 73A of FSMA, as amended;
"**Provisional Allotment Letter(s)**" or "**PAL(s)**"	the renounceable provisional allotment letters relating to the Rights Issue to be issued to Qualifying Non-CREST Shareholders (other than certain Overseas Shareholders as described in Part 3 of this document);
"**QIB**" or "**Qualified Institutional Buyer**"	a qualified institutional buyer within the meaning of Rule 144A;
"**Qualifying CREST Shareholders**"	Qualifying Shareholders holding Existing Ordinary Shares in uncertificated form;
"**Qualifying Non-CREST Shareholders**"	Qualifying Shareholders holding Existing Ordinary Shares in certificated form;
"**Qualifying Shareholders**"	Shareholders on the register of members of the Company at the Record Date;
"**RBL Facilities**"	collectively the Senior Secured Revolving Credit Facility, the IFC Senior Secured Revolving Credit Facility and the Junior Secured Revolving Credit Facility;
"**Receiving Agent**"	Computershare, or any other receiving agent appointed by the Company in relation to the Rights Issue from time to time;
"**Record Date**"	6.00 p.m. on 3 April 2017;
"**Registrar**"	Computershare, or any other registrar appointed by the Company from time to time;
"**Regulation S**"	Regulation S under the Securities Act;
"**regulatory authority**"	any central bank, ministry, governmental, quasi governmental (including the European Union), supranational, statutory, regulatory or investigative body or authority (including any national or supranational anti-trust or merger control authority), national, state, municipal or local government (including any subdivision, court, administrative agency or commission or

	other authority thereof), private body exercising any regulatory, taxing, importing or other authority, trade agency, association, institution or professional or environmental body or any other person or body whatsoever in any relevant jurisdiction, including, for the avoidance of doubt, the UK Takeover Panel, the FCA, the London Stock Exchange, the Irish Stock Exchange and the Ghana Stock Exchange;
"**Regulatory Information Service**" . .	one of the regulatory information services authorised by the FCA to receive, process and disseminate regulatory information in respect of listed companies;
"**Remuneration Committee**"	the remuneration committee of the Board;
"**Resolutions**"	the resolutions to be proposed at the General Meeting (and set out in the Notice of General Meeting) to, among other matters, give the Directors authority to allot the New Ordinary Shares, and "**Resolution**" shall mean any of them;
"**Restricted Territory**" or "**Restricted Territories**"	Canada, Australia, Hong Kong, Japan, New Zealand, Ghana, the People's Republic of China and the Republic of South Africa and (prior to the passporting of this Prospectus into Ireland) Ireland;
"**Rights**"	the Nil Paid Rights and/or the Fully Paid Rights;
"**Rights Issue**"	the proposed issue of the New Ordinary Shares to Qualifying Shareholders (other than certain Overseas Shareholders) by way of Rights on the terms and subject to the conditions set out in this document and, in the case of Qualifying Non-CREST Shareholders only, the Provisional Allotment Letters;
"**RTGS payment mechanism**"	has the meaning given to such term by the CREST Manual;
"**RTGS settlement bank**"	has the meaning given to such term by the CREST Manual;
"**Rule 144A**"	Rule 144A under the Securities Act;
"**SDRT**"	UK stamp duty reserve tax;
"**SEC**"	the US Securities and Exchange Commission;
"**SEC basis**"	the standards of reserves measurement applied by the SEC;
"**Securities Act**"	the US Securities Act of 1933, as amended;
"**SEDOL**"	the London Stock Exchange Daily Official List of share identifiers;
"**Senior Corporate Facility**"	has the meaning given to it in paragraph 10.9 of Part 11 of this Prospectus;
"Senior Corporate Facility Agreement"	has the meaning given to it in paragraph 10.9 of Part 11 of this Prospectus;
"**Senior Secured Revolving Credit Facility**"	has the meaning given to it in paragraph 10.2.1 of Part 11 of this Prospectus;
"**Shareholder**"	any holder of Ordinary Shares;
"**Special Dealing Service**"	the dealing service being made available by Computershare to Qualifying Non-CREST Shareholders who are individuals with a registered address in the United Kingdom or any other EEA State who wish to sell all of their Nil Paid Rights or to effect a Cashless Take-up;
"**Special Dealing Service Terms and Conditions**"	the terms and conditions of the Special Dealing Service;

"**stock account**"	an account within a member account in CREST to which a holding of a particular share or other security in CREST is admitted;
"**subsidiary**" and "**subsidiary undertaking**"	have the meanings given to them in the 2006 Act;
"**Takeover Code**"	the UK City Code on Takeovers and Mergers, as amended;
"**Total Uganda**"	Total E&P Uganda B.V., a subsidiary of Total S.A.;
"**Tullow**" or "**Company**"	Tullow Oil plc, a public limited company incorporated in England and Wales with registered number 03919249 and having its registered office at 9 Chiswick Park, 566 Chiswick High Road, London W4 5XT;
"**Tullow Group**" or "**Group**"	Tullow and its subsidiary undertakings from time to time;
"**Tullow Share Schemes**"	the Tullow Incentive Plan, the Tullow Employee Share Award Plan, the UK Share Incentive Plan, the Tullow Oil 2010 Share Option Plan, the Performance Share Plan, the Deferred Share Bonus Plan and the Tullow Oil 2000 Executive Share Option Scheme, each as described in paragraph 10 of Part 10 of this document;
"**UK Listing Authority**" or "**UKLA**"	the FCA acting in its capacity as the competent authority for listing under Part VI of FSMA;
"**uncertificated**" or "**in uncertificated form**"	a share or other security title to which is recorded in the relevant register of the share or other security concerned as being held in uncertificated form (i.e. in CREST) and title to which may be transferred by using CREST;
"**Underwriters**"	Barclays, J.P. Morgan Cazenove, Morgan Stanley, BNP Paribas, Crédit Agricole CIB and Société Générale, and each an "**Underwriter**";
"**Underwriting Agreement**"	the conditional underwriting agreement dated 17 March 2017 between Tullow, the Underwriters and the Irish Sponsor relating to the Rights Issue, a summary of which is contained in paragraph 10.1 of Part 11 of this Prospectus;
"**United Kingdom**" or "**UK**"	the United Kingdom of Great Britain and Northern Ireland;
"**United States**" or "**US**"	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia;
"**US Code**" or "**Code**"	the US Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder;
"**USE**"	an unmatched stock event;
"**VAT**" or "**value added tax**"	(i) within the EU, any tax imposed by any member state in conformity with the directive of the council of the European Union on the common system of value added tax (2006/112/EC); and (ii) outside the EU, any tax corresponding to, or substantially similar to, the common system of value added tax referred to in paragraph (i) of this definition.

A reference to a "**company**" in this Prospectus shall be construed so as to include any company, corporation or other body corporate, wherever and however incorporated or established.

Words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender.

PART 13
GLOSSARY

"2C"	a best estimate scenario of contingent resources. Pursuant to the classifications and definitions provided by the PRMS, 2C resources is that quantity of estimated contingent resources that in the "best estimate" scenario has a probability of at least 50% of equalling or exceeding the amounts actually recovered
"2P"	proved reserves plus probable reserves. Pursuant to the classifications and definitions provided by the PRMS, "proved reserves" is defined as those quantities of oil and gas which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable from a given date forward, from known reservoirs and under defined economic conditions, operating methods, and government regulations, and "probable reserves" is defined as those additional reserves which analysis of geoscience and engineering data indicate are less likely to be recovered than proved reserves but more certain to be recovered than possible reserves
"2D seismic"	a group of lines acquired individually as opposed to the multiple closely spaced lines acquired together that constitute 3D seismic data
"3D seismic"	geophysical data that depicts the subsurface strata in three dimensions
"4D seismic"	geophysical data that involves comparing the results of 3D seismic surveys at different times in the life of an oil and/or gas field
"accumulation"	an individual body of moveable petroleum. A known accumulation (one determined to contain reserves or contingent resources) must have been penetrated by a well
"API"	American Petroleum Institute
"appraisal well"	a well drilled to assess characteristics (such as flow rate or volume) of a proven hydrocarbon accumulation
"barrel" or **"b"** or **"bbl"**	a stock tank barrel, a standard measure of volume for oil, condensate and natural gas liquids, which equals 42 US gallons
"back-in rights"	a reversionary interest in a licence which allows a party a specified share of the working interest when the assignee has recovered specified costs from production
"bcf"	billion standard cubic feet
"Block"	an area of licenced territory comprising one or more licences
"boe"	barrels of oil equivalent
"boepd"	barrels of oil equivalent per day
"bopd"	barrels of oil per day
"Brent"	a particular type of crude oil that is a light, sweet oil produced in the North Sea. Brent is a benchmark oil
"bwpd"	barrels of water per day
"burner tip"	the physical point at which natural gas is consumed

"CALM Buoy"	a catenary anchor leg mooring (CALM) buoy which may be used offshore in deepwater to allow ships to offload or load liquid cargo (e.g. crude oil) without the need for a jetty extension into the deeper water
"CGU"	a cash-generating unit
"CMS"	Caister Murdoch System
"CNOOC"	China National Offshore Oil Corporation
"CNR"	Canadian Natural Resources
"commercial reserves"	those quantities of oil and gas anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions
"contingent resources"	those quantities of oil and gas estimated, as at a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable due to one or more contingencies
"crude oil"	unrefined oil
"Dated Brent"	a cargo of Brent that has been assigned a date when it will be loaded onto a tanker
"E&P"	exploration and production
"EHS"	environmental, health and safety
"exploration well"	a well drilled to find hydrocarbons in an unproved area or to extend significantly a known oil or natural gas reservoir
"farm-in"	to acquire an interest in a licence from another party
"farm-down" or **"farm-out"**	to assign an interest in a licence to another party
"FEED"	front end engineering and design
"FID"	final investment decision
"field"	an area consisting of either a single reservoir or multiple reservoirs, all grouped on or related to the same individual geological structural feature and/or stratigraphic condition
"FOB"	free on board
"formation"	a body of rock that is sufficiently distinctive and continuous that it can be mapped
"FPSO"	a floating production, storage and offloading vessel used for the processing of hydrocarbons and for storage of oil
"FSO"	a floating storage and offloading vessel used only to store and offload oil (and not process it)
"FTG survey"	full tensor gradiometry gravity survey
"Full Tensor Gradiometry"	a method of measuring the density of the subsurface to detect subsurface anomalies, which can then be used to more accurately locate oil, gas and mineral deposits
"GDP"	gross domestic product
"GNPC"	Ghana National Petroleum Corporation and its subsidiary undertakings
"hydrocarbons"	compounds formed primarily from the elements hydrogen and carbon and existing in solid, liquid or gaseous forms

"ICE Brent"	a futures contract for Brent based on delivery with an option to cash settle
"IMS"	integrated management system
"km"	kilometres
"km^2"	square kilometres
"lifting"	the process of loading a tanker with oil
"LTI"	lost time injury
"LTIF"	a frequency rate measured in LTIs per million hours worked
"Major Simplification Project" or "**MSP**"	Tullow's Major Simplification Project
"mcfd"	1,000 standard cubic feet of natural gas per day
"mmbbl"	million barrels of oil
"mmbo"	million barrels of oil
"mmboe"	million barrels of oil equivalent
"mmscfd"	million standard cubic feet per day
"MoU"	memorandum of understanding
"MTA"	Mahogany, Teak and Akasa, satellite fields to the Jubilee field
"OPEC"	Organisation of the Petroleum Exporting Countries
"Opex"	operating expenses
"overlift"	oil lifted at a field by a commercial partner at the balance sheet date that exceeds such partner's working interest in such field
"play"	a project associated with a prospective trend of potential prospects, but which requires more data acquisition and/or evaluation in an effort to define specific leads or prospects
"Petroleum Resources Management System" or **"PRMS"**	definitions for the assessment, classification and categorisation of hydrocarbon resources jointly set out by the SPE, the World Petroleum Council, the American Association of Petroleum Geologists, and the SPEE in March 2007
"possible reserves"	those additional reserves which analysis of geoscience and engineering data indicate are less likely to be recoverable than probable reserves
"probable reserves"	those additional reserves which analysis of geoscience and engineering data indicate are less likely to be recovered than proved reserves but more certain to be recovered than possible reserves
"production"	the cumulative quantity of oil and gas that has been recovered at a given date
"production sharing contract" or **"PSC"**	a contract by which the host government takes a share of production determined by the relevant cost recovery mechanism in the contract
"production well"	a well drilled to obtain production from a proven oil or gas field. Production wells may be used either to extract hydrocarbons from a field or to inject water or gas into a reservoir to improve production
"prospect"	a project associated with a potential accumulation that is sufficiently well defined to represent a viable drilling target

"proved reserves"	those quantities of oil and gas which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable from a given date forward, from known reservoirs and under defined economic conditions, operating methods, and government regulations
"PSA"	a production sharing agreement
"reservoir"	a subsurface body of rock having sufficient porosity and permeability to store and transmit fluids. A reservoir is a critical component of a complete oil and gas system
"S&P"	Standard & Poor's
"seismic survey"	a method by which an image of the earth's subsurface is created through the generation of shockwaves and analysis of their reflection from rock strata. Such surveys can be done in two or three dimensional form. See "3D seismic" and "4D seismic"
"single point mooring"	a loading buoy anchored offshore that serves as a mooring point and interconnect for tankers loading or offloading gas or liquid products
"SPE"	the Society of Petroleum Engineers
"SPEE"	the Society of Petroleum Evaluation Engineers
"**STOIIP**"	stock tank oil initially in place
"**Tchatamba Fields**"	Tchatamba South, Tchatamba Marin and Tchatamba West
"TEN"	Tweneboa-Enyenra-Ntomme
"therm"	a unit of heating value
"TLPs"	tension leg platforms
"TSR"	total shareholder return
"Turret Remediation Project"	the project to identify and resolve an issue with the turret bearing of the FPSO used at the Jubilee field
"underlift"	oil lifted at a field by a commercial partner at the balance sheet date that is less than its working interest in such field
"upstream"	activities related to the exploration, appraisal, development and extraction of crude oil, condensate and gas
"URA"	Ugandan Revenue Authority
"VAT"	value added tax
"VLCCs"	very large crude carriers
"VPSHR"	the Voluntary Principles on Security and Human Rights
"wellhead"	all connections, valves, nozzles, pressure gauges and thermometres, installed at the exits from a production well
"wildcat"	wells drilled outside of and not in the vicinity of known oil or gas fields
"workover"	any kind of oil well intervention involving invasive techniques, such as repairing lines and casing or removing sand build up

NOTICE OF GENERAL MEETING

TULLOW OIL PLC

(Incorporated and registered in England and Wales with registered number 03919249)

NOTICE IS HEREBY GIVEN that a general meeting of Tullow Oil plc (the "**Company**") will be held at the Company's offices at 9 Chiswick Park, 566 Chiswick High Road, London W4 5XT at 11.00 a.m. on 5 April 2017 (the "**General Meeting**") for the purposes of considering and, if thought fit, passing the following resolutions. Resolution 1 and Resolution 2 will be proposed as ordinary resolutions and Resolution 3 will be proposed as a special resolution:

RESOLUTION 1

THAT the proposed issue by way of rights of 466,925,724 new ordinary shares of 10 pence each in the capital of the Company at an issue price of 130 pence per new ordinary share (the ''**Rights Issue**''), as described in the combined prospectus and circular published by the Company on 17 March 2017, be and is hereby approved and the board of directors of the Company (the ''**Board**'') (or any duly appointed committee thereof) be and is hereby directed to implement the Rights Issue and is generally and unconditionally authorised to take all necessary, expedient or desirable steps and to do all necessary, expedient or desirable things to implement or complete, or to procure the implementation or completion of, the Rights Issue and to give effect thereto with such modifications, variations, revisions, waivers or amendments (not being modifications, variations, revisions, waivers or amendments of a material nature) as the Board (or any duly appointed committee thereof) may deem necessary, expedient or desirable in connection with the Rights Issue.

RESOLUTION 2

THAT subject to the passing of resolution 1 set out in the notice of General Meeting of the Company dated 17 March 2017 ("**Resolution 1**") and in addition to all existing authorities, the directors of the Company be and are hereby generally and unconditionally authorised, pursuant to and in accordance with section 551 of the Companies Act 2006, as amended (the "**Act**"), to exercise all the powers of the Company to allot shares and to grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £46,692,572.40 pursuant to or in connection with the Rights Issue (as defined in Resolution 1), such authority to expire on the date falling three months after the passing of this resolution (save that the Company may before such expiry make any offer or agreement which would or might require shares to be allotted or rights to be granted after such expiry and the directors of the Company may allot shares or grant rights to subscribe for or convert any security into shares pursuant to any such offer or agreement as if such authority had not expired).

RESOLUTION 3

THAT subject to the passing of resolution 1 ("**Resolution 1**") and resolution 2 ("**Resolution 2**") set out in the notice of General Meeting of the Company dated 17 March 2017 and in addition to all existing authorities, the directors of the Company be and are hereby empowered, pursuant to section 571 of the Companies Act 2006, as amended (the "**Act**") and the authorities conferred on the directors of the Company by Resolution 1 and Resolution 2, to allot up to 466,925,724 ordinary shares of 10 pence each in the capital of the Company in connection with the Rights Issue (as defined in Resolution 1) for cash as if section 561 of the Act did not apply to such allotment, such authority to expire on the date falling three months after the passing of this resolution (save that the Company may before such expiry make any offer or agreement which would or might require equity securities to be allotted after such expiry and the directors of the Company may allot equity securities pursuant to any such offer or agreement as if the authority had not expired).

By Order of the Board

Kevin Massie
Company Secretary

17 March 2017
Registered office:
9 Chiswick Park
566 Chiswick High Road
London W4 5XT

Notes

1. Attending the General Meeting in person

If you wish to attend the General Meeting in person, you should arrive at the venue for the General Meeting in good time to allow your attendance to be registered. It is advisable to have some form of identification with you as you may be asked to provide evidence of your identity to the Company's registrar, Computershare Investor Services PLC (the "**Registrar**"), prior to being admitted to the General Meeting.

2. Appointment of proxies

Members are entitled to appoint one or more proxies to exercise all or any of their rights to attend, speak and vote at the General Meeting. A proxy need not be a member of the Company but must attend the General Meeting to represent a member. Members can only appoint more than one proxy where each proxy is appointed to exercise rights attached to different shares. Members cannot appoint more than one proxy to exercise the rights attached to the same share(s). If a member wishes to appoint more than one proxy, they should contact the Registrar by telephone on +44 (0)370 703 6242 or by logging on to www.investorcentre.co.uk/contactus.

The appointment of a proxy will not prevent a member from attending the General Meeting and voting in person if they wish.

A person who is not a member of the Company but who has been nominated by a member to enjoy information rights does not have a right to appoint any proxies under the procedures set out in these notes and should read note 9 below.

3. Appointment of a proxy online

As an alternative to appointing a proxy using the Form of Proxy or CREST, members can appoint a proxy online at: www.investorcentre.co.uk/eproxy. In order to appoint a proxy using this website, members will need their Control Number, Shareholder Reference Number and PIN. This information is printed on the Form of Proxy. If for any reason a member does not have this information, they will need to contact the Registrar by telephone on +44 (0)370 703 6242 or by logging on to www.investorcentre.co.uk/contactus. Members must appoint a proxy using the website no later than 48 hours before the time of the General Meeting or any adjournment of that meeting.

4. Appointment of a proxy using a Form of Proxy

A Form of Proxy for use in connection with the General Meeting is enclosed. To be valid, a Form of Proxy or other instrument appointing a proxy, together with any power of attorney or other authority under which it is signed or a certified copy thereof, must be received by post to Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol BS99 6ZY or (during normal business hours only) by hand to The Pavilions, Bridgwater Road, Bristol BS13 8AE no later than 48 hours before the time of the General Meeting or any adjournment of that meeting.

If you do not have a Form of Proxy and believe that you should have one, or you require additional Forms of Proxy, please contact the Registrar.

5. Appointment of a proxy through CREST

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual and by logging on to the following website: www.euroclear.com. CREST personal members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Registrar (ID 3RA50) no later than 48 hours before the time of the General Meeting or any adjournment of that meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the Registrar is able to

retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy instructions.

It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed (a) voting service provider(s), to procure that their CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 (as amended).

6. Appointment of proxy by joint holders

In the case of joint holders, where more than one of the joint holders purports to appoint one or more proxies, only the purported appointment submitted by the most senior holder will be accepted. Seniority shall be determined by the order in which the names of the joint holders stand in the Company's register of members in respect of the joint holding.

7. Corporate representatives

Any corporation which is a member can appoint one or more corporate representatives. Members can only appoint more than one corporate representative where each corporate representative is appointed to exercise rights attached to different shares. Members cannot appoint more than one corporate representative to exercise the rights attached to the same share(s).

8. Entitlement to attend and vote

To be entitled to attend and vote at the General Meeting (and for the purpose of determining the votes they may cast), members must be registered in the Company's register of members at 6.00 p.m. on 3 April 2017 (or, if the General Meeting is adjourned, at 6.00 p.m. on the day two days prior to the adjourned meeting). Changes to the register of members after the relevant deadline will be disregarded in determining the rights of any person to attend and vote at the General Meeting.

9. Nominated persons

Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 (the "**Act**") to enjoy information rights (a "**Nominated Person**") may, under an agreement between them and the member by whom they were nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, they may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights.

10. Votes to be taken by a poll

At the General Meeting all votes will be taken by a poll rather than on a show of hands. It is intended that the results of the poll votes will be announced to the London Stock Exchange, the Irish Stock Exchange and the Ghana Stock Exchange and published on the Company's website by 6.00 p.m. on the day of the General Meeting. Poll cards will be issued on registration to those attending the General Meeting.

11. Website giving information regarding the General Meeting

Information regarding the General Meeting, including information required by section 311A of the Act, and a copy of this notice of General Meeting is available from www.tullowoil.com.

12. Voting rights

As at 15 March 2017 the Company's issued share capital consisted of 915,174,420 ordinary shares, carrying one vote each. No shares are held by the Company in treasury. Therefore, the total voting rights in the Company as at 15 March 2017 were 915,174,420 votes.

13. Further questions and communication

Under section 319A of the Act, the Company must cause to be answered any question relating to the business being dealt with at the General Meeting put by a member attending the meeting unless answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, or the answer has already been given on a website in the form of an answer to a question, or it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

Members who have any queries about the General Meeting should contact the Company Secretary by email TullowCompanySecretary@tullowoil.com.

Members may not use any electronic address or fax number provided in this notice or in any related documents (including the Form of Proxy) to communicate with the Company for any purpose other than those expressly stated.

Merrill Corporation Ltd, London
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