27 March 2020

Tullow Oil plc
Annual Report and Accounts and Notice of Annual General Meeting

Tullow Oil plc ("**Tullow**" or the "**Company**")

Following the release on 12 March 2020 of the Company's preliminary full year results announcement for the year ended 31 December 2019 (the "**Preliminary Announcement**"), the Company announces it has published its Annual Report and Accounts for this period (the "**Annual Report and Accounts**").

The Company's 2020 Annual General Meeting ("**AGM**") will be held at the Company's registered address at 9 Chiswick Park, 566 Chiswick High Road, London W4 5XT on Thursday 23 April 2020 at 12 noon.

A copy of the Annual Reports and Accounts and the Notice of 2020 AGM are available to view on the Company's website: www.tullowoil.com

In accordance with Disclosure Guidance and Transparency Rule 6.3.5(2)(b), additional information is set out in the appendices to this announcement. This information is extracted in full unedited text from the Annual Report and Accounts.

The Preliminary Announcement included a set of condensed financial statements and a fair review of the development and performance of the business and position of the Company and its group.

In accordance with Listing Rule 9.6.1, a copy of each of the Annual Report and Accounts, the Notice of 2020 AGM and the Form of Proxy in relation to the 2020 AGM have been submitted to the Financial Conduct Authority via the National Storage Mechanism and will be available for viewing shortly at http://www.morningstar.co.uk/uk/nsm.

In addition, all of the above documents have been submitted to Euronext Dublin and the Ghana Stock Exchange, and therefore will shortly be available for inspection at Euronext Dublin (Exchange Buildings, Foster Place, Dublin 2) and will be available to shareholders located in Ghana by contacting the Company's registrar: Central Securities Depository (GH) Limited, 4th Floor, Cedi House, PMB CT 465 Cantonments, Accra, Ghana (Telephone: +233 (0)302 906 576).

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Appendices

Appendix A: **Directors' responsibility statement**

The following directors' responsibility statement is extracted from the Annual Report and Accounts (page 85).

Directors' responsibility statement required by DTR 4.1.12R

We confirm that to the best of our knowledge:

- the Financial Statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;

- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and

- the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

By order of the Board

Dorothy Thompson
Executive Chair

11 March 2020

Les Wood
Chief Financial Officer

11 March 2020

Appendix B: A description of the principal risks and uncertainties that the Company faces

The following description of the principal risks and uncertainties that the Company faces is extracted from the Annual Report and Accounts (pages 33 to 36)

Risk appetite

The Board sets Tullow's risk appetite and acceptable risk tolerance levels for each of the eight principal risk categories and has reviewed the strategies devised by the Management Team to mitigate them. In considering Tullow's risk appetite, the Board has reviewed the risk process, the assessment of enterprise-level risks and the existing controls and mitigating actions that drive towards residual risk. During this process, the Board articulated which risks Tullow should not tolerate, which should be managed to an acceptable level and which should be accepted in order to deliver our business strategy.

The risk appetites are embedded into the Tullow IMS to ensure they are available to the whole organisation and can be used in development of all IMS policies and standards and in business decision making. Risks continue to be managed or monitored by senior management, with oversight by the Management Team. The risk appetite is reviewed at least annually by the Board to ensure that it reflects the current external and market conditions.

Integrated assurance planning

Coordinated assurance activities are planned on an annual basis between Internal Audit, Heads of functions and Business leadership to align with key risks and to ensure the right level of assurance across Tullow. Heads of functions coordinate the assurance requirements for their respective functions, based on their key risks, internal/external changes, control failures and historical issues.

Responsibility for assurance activities are clearly articulated for each of the three lines of defence illustrated opposite. Business leadership act as the first line of defence and are responsible for ensuring their key risks are being managed effectively and that adequate controls are in place to manage those risks. This is done primarily through self-assessment reviews and focused assurance.

Heads of functions act as a second line of defence and as well as setting functional standards are responsible for ensuring compliance with them. They obtain assurance through periodic reporting and focused assurance reviews. They are also responsible for identifying and managing risks that fall under their remit.

Internal Audit acts as the third line of defence and is responsible for providing independent assurance through its risk-based internal audit programme.

Tullow's risk management and assurance processes provide the Board and the Management Team with reasonable, but not absolute, assurance that our assets and reputation are protected.

Strategy risk	**Link to KPI/scorecard – Pursuing our vision, growing our business and business delivery**
Risk of inability to make new significant oil discoveries and replenish exploration and subsurface portfolio	***Risk owner: Mark MacFarlane***
Risk details	Risk mitigation and 2019 outcomes
• Tullow owns exploration prospects and seeks to replenish its exploration portfolio in Africa and South America. • Factors that influence access to new acreage and successful exploration include obtaining accurate drilling and seismic data, maturity of the oil industry in the countries in which it wishes to invest, and developing good relationships with key stakeholders. • Failure to make new significant oil discoveries and replenish our exploration and subsurface portfolio will reduce our ability to grow the business and could ultimately result in significant exploration and capital write-offs.	• High grading of our exploration portfolio. • Disciplined capital allocation model and financial risk sharing with our Joint Venture Partners. • Focus on exploration prospects with clear and short-term routes to commercialisation. • The Jethro-1 and Joe-1 Guyana wells were executed within budget, however are not commercial discoveries. • Geophysical operations were conducted on time and to budget in Africa and South America. • Risk sharing was actioned in Suriname and Côte d'Ivoire. • New acreage was added in Peru, Argentina and Namibia. • Exits were actioned in Zambia, Mauritania, Jamaica and Uruguay.
Risk of failure to deliver commercially attractive and timely development projects	***Risk owner: Mark MacFarlane***
Risk details	Risk mitigation and 2019 outcomes
• Tullow has progressed the Kenya project into the Define stage, which precedes the Final Investment Decision (FID). The work done so far through the Early Oil Pilot Scheme (EOPS) and the earlier appraisal programme has significantly reduced the risk to the project. • Factors that influence the successful delivery of the Kenya project and reaching FID by end of 2020 are dependent on government support to deliver access to land, water and the offloading berth currently being built at Lamu Port and successful EPC tenders for the upstream facilities and pipeline. Failure to achieve this may result in higher than anticipated costs leading to the project not being economically viable at current oil prices.	**Kenya** • EOPS has de-risked reservoir performance and has demonstrated the ability of Kenya to export oil with the first oil cargo sold in 2019. • Focused community, national and county government engagement. • Midstream ESIA submitted in Q4 2019, Upstream ESIA to be submitted in Q1 2020. • Heads of Terms that define the Commercial Framework signed by the Government in Q3 2019. • Long Form Agreements submitted to the Government in Q4 2019. • Land acquisition process started by the Government in Q4 2019.

- Failure of the Ugandan Sale and Purchase Agreement to Total and CNOOC to close due to unacceptable tax interpretation from the Government has delayed a farm-down of the Uganda asset.

- Equity sell down process started in Q4 2019.
- Ongoing discussions with key stakeholders to align on key FID milestones and prerequisites.

Uganda

- The farm-down in Uganda to Total and CNOOC lapsed in August 2019 following the expiry of the SPA due to unacceptable tax interpretation from the Government.
- Alternative sales process to commence in 2020.
- Renewed engagements with Joint Venture Partners to commercially and legally de-risk the project before further significant capex is spent.

Stakeholder risk

Link to KPI/scorecard – Growing our business, business delivery and shared prosperity

Risk of disruption to business due to political/regulatory influence in Ghana

Risk owner: Mark MacFarlane

Risk details

- Tullow has invested material amounts of capital in Jubilee and TEN assets in Ghana and continues to invest in the ongoing operations and new growth.
- However, the value of our investments may be eroded by factors such as the regular fiscal demands from governments which contradict the existing tax legislation and/or Petroleum Agreements.

Risk mitigation and 2019 outcomes

- Stabilisation clauses in all our Petroleum Agreements.
- Non-technical risk standard sets minimum stakeholder management requirements.
- Tax advice taken and regular engagement with key senior Government personnel (e.g. HE The President, Minister of Energy, Minister of Finance) and institutions (Petroleum Commission, GNPC) to align on business and shared prosperity outcomes.
- Ongoing engagement with newly formed Upstream Petroleum Chamber and Government to understand changes to oil industry regulations.

Climate change risk

Link to KPI/scorecard – Pursuing our vision and sustainability

Risk of failure to manage impact of climate change arising from evolving policy, regulation and carbon taxes

Risk owner: Dorothy Thompson

Risk details

- Failure to manage the impact of climate change arising from evolving policies and increased volatility and downside risk in oil prices could affect the commerciality of our portfolio, lead to loss of licence to operate and result in limited access to/increased cost of capital.
- Factors that will help to address climate change risks may include changes to strategy to align with the energy transition and changes to policies to accommodate global shift in demand for renewable sources of energy.
- Risk mitigation could include a more aggressive and dynamic approach to hedging oil price risk.

Risk mitigation and 2019 outcomes

- Cross-functional team established to address recommendations of TCFD and identify opportunities to reduce carbon emissions across our operations and/or investment in nature-based carbon sinks to offset emissions impact.
- Enhanced climate disclosure in our Annual Report.
- Alignment with and support for host government's Nationally Determined Contributions.
- Regular stress testing on portfolio to ensure resilience to IEA's Sustainable Development Scenario (see Chief Financial Officer's statement page 17).
- Target top-quartile ESG performance vs peer group.

EHS or security risk

Link to KPI/scorecard – Business delivery

Risk of major process safety, EHS incident or production failure on KNK (Jubilee and TEN FPSOs)

Risk owner: Mark MacFarlane

Risk details

- Due to the nature of our operations, there is always the risk of a major incident resulting in fatalities, and/or extensive damage to facilities, the environment or communities.
- Factors that contribute to such risks arise from poor maintenance of safety-critical equipment on board our Jubilee/TEN FPSOs,

Risk mitigation and 2019 outcomes

- Independently verified safety cases to demonstrate risks reduced to As Low As Reasonably Practicable and to ensure Tullow maintains an excellent EHS track record.
- Asset and well integrity maintenance with regular assurance over FPSO systems and asset integrity.

EHS or security risk | **Link to KPI/scorecard – Business delivery**

ineffective EHS procedures, competence of personnel and/or lack of training.

- Comprehensive all-risk insurance in place.
- Jubilee safety case re-issued.
- TEN FPSO shut down for maintenance and inspections.
- Jubilee asset integrity programme Phase 1 completed.
- Comprehensive assurance over computerised maintenance management system project initiated.
- Re-aligned responsibilities and accountabilities over FPSO operatorship with MODEC.

Financial risk | **Link to KPI/scorecard – Business delivery**

Risk of insufficient liquidity and funding capacity | ***Risk owner: Les Wood***

Risk details

- Tullow remains exposed to erosion of its balance sheet and revenues due to oil price volatility, unexpected costs arising from operational incidents, failure to complete portfolio options or inability to refinance (refer to Going Concern disclosure on page 20 and Viability Statement disclosure on pages 36–37).

Risk mitigation and 2019 outcomes

- Operations reset to be viable in a low oil price environment.
- Board approved two-year oil hedge programme with downside protection and access to upside.
- Range of high-quality assets that could be sold as part of portfolio management to unlock capital and pay down debt.
- Comprehensive insurance programme in place.
- Leverage targets and minimum headroom policy approved by the Board.
- 2019 year-end undrawn facility headroom and free cash of $1.2 billion; net debt of $2.8 billion; and net debt/EBITDAX of 2.0 times.
- c.60 per cent of 2020 oil entitlement hedged at an average floor price of $57/bbl (refer to viability statement disclosure).
- Consideration of Going Concern and Viability Statement provided on pages 20, 36–37 respectively.

Organisation risk | **Link to KPI/scorecard – Business delivery and progressive organisation**

Risk that the organisational model, people strategy and culture do not support strategy | ***Risk owner: Ian Cloke***

Risk details

- Tullow's success depends on the quality of talent it can attract and retain, a strong ethically minded and performance-focused culture and a clear fit-for-purpose organisational model, which enables the delivery of Tullow's strategy.
- Tullow may be unable to maintain or improve operational performance and pursue growth if the Company is unable to maintain, evolve and sustain its organisational capabilities, particularly at a time of significant organisational change.

Risk mitigation and 2019 outcomes

- Regular review of organisational model to support delivery of strategic objectives. A review of the business is currently ongoing.
- Smart working rolled out and embedded.
- Enhanced talent identification process through people forum process.
- Diversity targets introduced and being monitored.
- Total compensation benchmarking review considering gender and equal pay.

Conduct risk | **Link to KPI/scorecard – Business delivery**

Risk of major breach of business conduct standards | ***Risk owner: Les Wood***

Risk details

- Tullow operates in high-risk geographies defined by the Transparency International Corruption Index map and is required to comply with applicable regulation and legislation across a range of jurisdictions. Tullow maintains high ethical standards across its business, without which the Company could be exposed to increased risk of non-compliance with bribery and corruption

Risk mitigation and 2019 outcomes

- Annual employee eLearning and code certification process.
- Due diligence standard and processes in place.
- Misconduct and loss reporting standard and associated procedures reviewed and updated.

legislation along with other applicable business conduct legislation and regulation and associated prosecutions and fines.	• Developed a positive approach to GDPR investigations in alignment with the DPO. • Recorded and investigated 87 concerns raised, of which 76 cases are closed. Appropriate actions have been taken including employee dismissal (for serious breaches).

Cyber risk	**Link to KPI/scorecard – Business delivery**
Risk of major cyber or information security incident	***Risk owner: Ian Cloke***
Risk details	Risk mitigation and 2019 outcomes
• External cyber-attacks resulting in network compromise, network or industrial control system disruption and/or internal theft/loss of confidential information is an ongoing risk and continuously evolving.	• Advanced security operations centre in place providing 24/7 network and device monitoring. • Security awareness programme in place. • Joint Tullow/MODEC industrial control system security programme in place and progressing. • Corporate security programme in place and progressing. • Annual mandatory security and GDPR awareness training. • Staff susceptibility to phishing regularly tested.

Appendix C: Related party transactions

The following related party transactions are extracted from the Annual Report and Accounts (page 132).

The Directors of Tullow Oil plc are considered to be the only key management personnel as defined by IAS 24 Related Party Disclosures.

	2019 $m	**2018 $m**
Short-term employee benefits	3.1	5.7
Post-employment benefits	0.5	0.5
Amounts awarded under long-term incentive schemes	-	3.0
Share-based payments	3.2	2.2
	6.8	11.4

Short-term employee benefits

These amounts comprise fees paid to the Directors in respect of salary and benefits earned during the relevant financial year, plus bonuses awarded for the year.

Post-employment benefits

These amounts comprise amounts paid into the pension schemes of the Directors.

Amounts awarded under long-term incentive schemes

These amounts relate to the shares granted under the annual bonus scheme that is deferred for three years under the Deferred Share Bonus Plan (DSBP) and Tullow Incentive Plan (TIP).

Share-based payments

This is the cost to the Group of Directors' participation in share-based payment plans, as measured by the fair value of options and shares granted, accounted for in accordance with IFRS 2 Share-based Payments.

There are no other related party transactions. Further details regarding transactions with the Directors of Tullow Oil plc are disclosed in the Remuneration Report on pages 58 to 79.

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