

# Tullow Oil plc - AGM Trading Update

**23 April 2020** - Tullow Oil plc (Tullow), issues the following update ahead of its Annual General Meeting which is being held via an audio cast at 12pm today. Details of how shareholders can join the Group's AGM can be found at the end of this update and on [www.tullowoil.com/AGM](http://www.tullowoil.com/AGM). **This morning Tullow has issued a second press release detailing the sale of its Uganda interests to Total.**

## **Dorothy Thompson, Executive Chair, Tullow Oil plc, commented today:**

*"I am very pleased with the material progress Tullow has made in the first quarter of this year given the challenges facing the Group after our performance in 2019, the COVID-19 pandemic and recent very low oil prices. This week, we have announced two significant milestones with the agreement to sell our Uganda interests to Total for \$575 million in cash and the appointment of our new CEO, Rahul Dhir. The sale of our Uganda assets is an excellent first step towards our target of raising over \$1 billion of proceeds to reduce net debt, strengthen the balance sheet and secure a more conservative capital structure.*

*"Operationally, we are delivering well against our production targets following improvements put in place by our asset team in Ghana and we have made significant changes to the structure and cost base of our organisation. Finally, the recent successful redetermination of our Reserves Based Lending facility (RBL) has underpinned Tullow's liquidity and the strength of our assets.*

*"I would also like to thank Steve Lucas, who retires from Tullow today at the end of the AGM. Steve has served on Tullow's Board for eight years and has provided great insight, support and expertise as a Non-Executive Director and as Chair of the Audit Committee."*

## **Trading update**

### **Highlights**

- Sale of Uganda interests to Total for \$575 million in cash announced this morning; first step in raising >\$1 billion in proceeds
- Appointment of new Chief Executive Officer, Rahul Dhir, who will join Tullow from Delonex in July 2020
- Group production delivering in line with expectations in the first quarter of 2020
- Successful redetermination of RBL facility confirming headroom of c.\$700 million at start of second quarter
- Thorough business review completed resulting in a smaller, more efficient organisation and reduced cost base

### **Operational**

- Group production in the first quarter of 2020 averaged 75,800 bopd, in line with expectations; Tullow's full year guidance remains 70,000 - 80,000 bopd
- Gross production from the Jubilee field averaged 79,200 bopd (net: 28,100 bopd) in the first quarter of 2020. The field continues to perform well with improved uptime and reliable gas offtake allowing recent rates above 90,000 bopd gross
- Gross production from the TEN fields averaged 51,700 bopd (net: 24,400 bopd) in the first quarter of 2020. Work on the Ntomme-9 production well continues and the well is expected to come on stream in June
- Production from the Group's non-operated portfolio averaged 23,300 bopd in the first quarter of 2020, in line with expectations and taking into account planned shut downs at Espoir in Côte d'Ivoire and Ruche in Gabon
- In exploration, Tullow continues to pursue potential farm downs of its exploration licences to reduce equity interests ahead of drilling and further reduce costs

### **COVID-19**

Tullow continues to manage its operations carefully in light of COVID-19 and the Group is adhering to procedures and restrictions put in place by its host countries:

- Production operations in West Africa have so far not been affected. In Ghana, Government exemptions have been made to allow charter flights for oil and gas workers into the country, enabling crew changes to occur. Tullow is then requiring all personnel to self-isolate in Ghana for two weeks before transferring to its FPSOs to ensure that the risk of a COVID-19 outbreak offshore is minimised

- In Kenya, a number of key workstreams have been suspended due to COVID-19 restrictions and while focus remains on the critical activities required for a Final Investment Decision (FID), Tullow will continue to monitor the impact these restrictions may have on the FID target
- In exploration, seismic acquisition continues in Argentina but the seismic programme in Côte d'Ivoire has been interrupted after Force Majeure was declared by the service provider in light of COVID-19 restrictions

### **Financial**

- Tullow has agreed to sell its entire stake in the Lake Albert Development Project in Uganda to Total for \$575 million in cash plus post first oil contingent payments (see separate announcement released this morning)
- Successfully completed RBL facility redetermination, confirming \$1.9 billion of debt capacity and headroom of c.\$700 million at start of second quarter
- Further \$85 million of cash savings identified to reduce capex to c.\$300 million and decommissioning spend to c.\$65 million
- 60% of 2020 sales revenue hedged with a floor of c.\$57/bbl and 40% of 2021 sales revenue hedged with a floor of c.\$53/bbl
- First quarter 2020 realised oil price of c.\$56/bbl including the benefit of c.\$27 million of net hedge receipts during the period
- Completion of sale of Uganda assets will be the first step towards raising in excess of \$1 billion proceeds through portfolio management; continued focus on progressing options to achieve this target

### **Board & Management**

- Appointment of Rahul Dhir as Chief Executive Officer and an Executive Director of the Group from 1 July 2020. Rahul joins Tullow from Delonex Energy, where he was CEO of the Africa-focused oil and gas company. Prior to Delonex, Rahul served as Managing Director and CEO of Cairn India
- Steve Lucas will step down from the Board following today's AGM and Martin Greenslade will take over as Chair of the Audit Committee

## **AGM AUDIO CAST**

### **12:00pm (BST)**

In light of the mandatory social distancing measures aimed at reducing the transmission of the COVID-19 virus in the UK, please note that attendance in person at the AGM is no longer possible and shareholders should vote in advance by proxy. Continued shareholder engagement is very important to us and therefore we have arranged a live audio-cast of the AGM. Shareholders can listen to the meeting and ask questions throughout via audiocasting, using your smartphone, tablet or computer.

**Instructions to join:** Join by either downloading the dedicated "Lumi AGM" app or by accessing the AGM website, <http://web.lumiagm.com>. Whether you use the app or the website, **you will be asked to enter a meeting ID which is 124-998-799**. You will then be prompted to enter your unique Shareholder Reference Number (SRN) and PIN. Your PIN and your Shareholder Reference Number, which starts with a C or G and is 10 digits long, is available on the email broadcast sent to you if you are an online user or on the Form of Proxy if you elected for hard copy mailing. Access to the meeting via the app or website, and the ability to submit questions, will be available from 11am on 23 April 2020. The meeting will formally start at 12 noon.

**Downloading the app:** Download the latest version of the Lumi AGM app onto your smartphone from the Google Play Store™ or the Apple® App Store. We recommend that you do this in advance of the AGM. Please note that the app is not compatible with certain older devices.

**Guest access:** Non-shareholders can listen to the audio cast of the AGM as guests using the link and meeting ID above. Guests will not be able to ask questions.

**Download all AGM documents and audio cast guide:** [www.tulloil.com/agm](http://www.tulloil.com/agm)

### **About Tullow Oil plc**

Tullow is a leading independent oil & gas, exploration and production group, quoted on the London, Irish and Ghanaian stock exchanges (symbol: TLW). The Group has interests in 80 exploration and production licences across 15 countries which are managed as three business delivery teams: West Africa, East Africa and New Ventures.

### **FOR FURTHER INFORMATION, CONTACT:**

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