News Release

Tullow agrees sale of its entire stake in the Lake Albert Development Project in Uganda to Total for US$575 million in cash plus post first oil contingent payments

23 April 2020 - Tullow Oil plc (Tullow) is pleased to announce that it has agreed the sale of its assets in Uganda to Total with an effective date of 1 January 2020.

- Cash payments of US$500 million on deal completion and US$75 million at Final Investment Decision (FID)
- Contingent payments linked to oil price to be paid after production commences
- Principles on tax treatment of the Transaction agreed with Uganda Revenue Authority (URA)
- Transaction marks first step in portfolio management programme to raise in excess of US$1 billion
- Proceeds to be used to reduce Tullow's net debt, strengthening the balance sheet and moving Tullow towards a more conservative capital structure
- Completion subject to a number of conditions, including approval by Tullow's shareholders, entering into a binding tax agreement with the Government of Uganda and the URA that reflects the agreed tax principles and customary government and other approvals; completion of the Transaction is expected in the second half of 2020

Tullow and Total E&P Uganda B.V. (Total Uganda) have signed a Sale and Purchase Agreement (SPA), with an effective date of 1 January 2020 (the Effective Date), in which Tullow has agreed to transfer its entire interests in Blocks 1, 1A, 2 and 3A in Uganda and the proposed East African Crude Oil Pipeline (EACOP) System (the Uganda Interests) to Total Uganda for cash consideration of US$575 million (the Cash Consideration) plus potential contingent payments after first oil (the Transaction). Tullow is currently the operator of Block 2. Total Uganda is currently operator of Block 1 and Block 1A and CNOOC Uganda Limited (CNOOC) is operator of Block 3A.

The Cash Consideration consists of US$500 million payable at completion and US$75 million payable following FID of the Lake Albert Development Project. Additional cash consideration may be received by Tullow in the form of contingent payments which will be payable on upstream revenues from the Lake Albert Development Project, depending on the average annual Brent price once production commences.

Tullow and Total have had supportive discussions with the Government of Uganda and the URA in recent weeks, including to agree the principles of the tax treatment of the Transaction. This includes the position on Ugandan tax on capital gains, which is to be remitted by Total Uganda on behalf of Tullow Uganda, and which is expected to be US$14.6 million in respect of the Cash Consideration. Tullow Uganda and Total Uganda now intend to sign a binding tax agreement with the Government of Uganda and the URA that reflects these principles which will enable the Transaction to complete.

CNOOC has rights of pre-emption to acquire 50% of the Uganda Interests on the same terms and conditions as Total Uganda.

The Transaction will strengthen Tullow's balance sheet as part of its financial strategy to move to a more conservative capital structure. Tullow's capital expenditure in respect of the Uganda Interests between the Effective Date and completion of the Transaction will be recovered through the SPA completion adjustments. The Transaction will remove all future capital expenditure associated with the Lake Albert Development Project whilst retaining exposure via contingent consideration linked to production and the oil price through the contingent cash payments described above.

Under the UK Listing Rules, this is a Class 1 transaction and is therefore conditional on approval by Tullow's shareholders, by a simple majority of voting rights in favour. Tullow has consulted with shareholders holding approximately 27.5 % in aggregate of Tullow's issued share capital and is pleased to report that they have indicated their support for the Transaction.

Tullow will host a conference call at 9am UK time on 23 April 2020. The dial-in details can be found at the end of this release.

Dorothy Thompson, Executive Chair, commented today:
"Tullow has been a pioneering explorer in Uganda over many years and we are very proud of the role we have played in the founding and development of Uganda's oil industry. We wish all Ugandans and our joint venture partners well as they take this important project forward.

"This deal is important for Tullow and forms the first step of our programme of portfolio management. It represents an excellent start towards our previously announced target of raising in excess of US$1 billion to strengthen the balance sheet and secure a more conservative capital structure.

We have already made good progress with the Government of Uganda and the Uganda Revenue Authority in moving this Transaction forward, including by agreeing the principles on tax treatment, and we will work closely with the Government, Total and CNOOC over the coming months to reach completion as quickly as possible. We have also received strong support from our leading shareholders and look forward to receiving formal approval of this deal."

Background to and reasons for the Transaction

Since Tullow's 9 December 2019 announcement, Tullow has been focused on delivering reliable production, lowering its cost base and managing its portfolio to reduce net debt and strengthen its balance sheet. The Transaction represents the first significant step in portfolio management towards raising in excess of US$1 billion of proceeds.

Completion of the Transaction will enable Tullow to realise value from the Lake Albert Development Project in Uganda, following the expiry of its previous farm-down agreement with Total and CNOOC in August 2019. Having evaluated alternatives for the project and discussed the future of the project with both of Tullow's Joint Venture Partners and the Government of Uganda, Tullow's Board and senior management believe the Transaction represents an attractive outcome for the Tullow group (the Group).

Summary of the terms of the Transaction

A Sale and Purchase Agreement (the SPA) with an Effective Date of 1 January 2020 has been signed in which Tullow Uganda Limited and Tullow Uganda Operations Pty Ltd. (together, Tullow Uganda) have agreed to transfer to Total Uganda for cash consideration the entirety of Tullow's 33.3334% interests in each of the assets comprising the Lake Albert Development Project, being (i) the production sharing agreements for each of Blocks 1, 1A, 2 and 3A and the licences in Uganda and certain other contracts related thereto (the Upstream Segment) and (ii) the proposed East African Crude Oil Pipeline System (the Midstream Segment).

The SPA is based on the transfer of interests from Tullow Uganda to Total Uganda in exchange for cash at completion, deferred consideration to be paid as and when the Upstream Segment and Midstream Segment of the Lake Albert Development Project reach FID and contingent payments determined on the basis of future oil prices. The total consideration for the Transaction is structured as follows:

- US$575 million in cash, consisting of US$500 million on completion of the Transaction and US$75 million at FID of the Upstream and Midstream Segments.
- Contingent annual payments to be paid on upstream revenues from the Uganda Interests (reduced to 28.3334% following exercise by Uganda National Oil Company (UNOC) of its back-in rights - see below) calculated as follows: (i) no payment if the average annual Brent price is less than or equal to US$62 per barrel, (ii) 1.25% (net of tax) if the average annual Brent price is greater than US$62 per barrel or (iii) 2.5% (net of tax) if the average annual Brent price is greater than US$70 per barrel.
- The reimbursement of joint venture costs incurred and paid by Tullow Uganda from the Effective Date to completion of the Transaction in respect of the Uganda Interests.

Use of proceeds and financial effects of the Transaction; gross assets and profits attributable to Uganda Interests

Net proceeds from the Transaction will be used to reduce net debt, strengthening Tullow's balance sheet, reducing ongoing financing costs and moving Tullow towards a more conservative capital structure.

As previously announced, the business is now targeting capital expenditure of approximately US$300 million in 2020 (down from approximately US$350 million) and decommissioning expenditure of approximately US$65 million (down from approximately US$100 million). Once the Transaction completes, capital expenditure will reduce by a further c.US$15 million for 2020 and the exit from the Lake Albert Development Project will remove all future capital expenditure associated with the Uganda Interests.

There will be no impact on the Group's gross profit as a result of the Transaction, with there being no gross profits attributable to the Uganda Interests for the year ended 31 December 2019. Following completion of the Transaction, the Group's gross assets will, before receipt of cash proceeds, reduce by US$992.2 million, being the gross asset amount of the Uganda Interests as at 31 December 2019. The financial information set out in this paragraph has been extracted without material adjustment from the consolidated schedules that underlie Tullow's audited consolidated financial statements as at and for the year ended 31 December 2019.

Going concern

Tullow announced its full year results for the year ended 31 December 2019 on 12 March 2020. In these results the Directors assessed that the Group was a going concern for twelve months from approval of the Annual Report and Accounts. However, at the time of issuing the Annual Report and Accounts there were unprecedented market conditions relating to COVID-19 and the oil price. Therefore, this increased the risk that the Group may not be able to sufficiently progress any planned portfolio management activities, as a result of which its lenders may not approve the bi-annual RBL redetermination liquidity assessments or covenant amendment if subsequently required. Therefore, the Directors concluded that there is a material uncertainty, that may cast significant doubt, that the Group will be able to operate as a going concern. Although this material uncertainty remains in place, this Transaction represents part of the mitigating actions available to the Group and the Directors recognise that further portfolio management beyond this Transaction will be required to remove this material uncertainty.

Current trading and prospects

As announced on 3 April 2020, Tullow completed the bi-annual redetermination of its RBL credit facility with
US$1.9 billion of debt capacity approved by the lending syndicate. As a result, Tullow had c.US$700 million liquidity headroom of undrawn facilities and free cash at the start of the second quarter of the year.

Tullow's business remains solid, supported by material underlying reserves and resources and a strong production base in West Africa generating strong cash flow; an onshore development project in Kenya where Tullow is working with partners to progress field development, though a number of key workstreams have been suspended due to COVID-19 and Tullow continues to monitor the impact these restrictions may have on the FID target; and a high-quality exploration portfolio with important near-term catalysts.

With Group production in the first quarter of 2020 averaging 75,800 bopd, Tullow continues to produce from its West African operations in line with its full year production forecasts which have not been affected by the COVID-19 pandemic so far. Tullow has a Business Continuity team in place with mitigation plans to deal with the consequences of the pandemic. 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 minimise the risk of a COVID-19 outbreak offshore.

Tullow is also benefitting from its hedging programme which has 60% of its 2020 sales revenue hedged with a floor of c.US$57/barrel and 40% of 2021 sales revenue hedged with a floor of c.US$53/bbl. Tullow's realised oil price in the first quarter 2020 was c.US$56/bbl including the benefit of c.US$27 million of net hedge receipts during the period.

As announced on 21 April 2020, Rahul Dhir has been appointed 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.

Approvals, consents and termination rights

The Transaction is classified as a Class 1 transaction as defined by Chapter 10 of the UK Listing Rules. As such, it is conditional upon approval by Tullow's shareholders, by a simple majority of voting rights in favour.

Completion of the Transaction is also subject to a number of other conditions, including:

- the Government of Uganda and the URA entering into a binding tax agreement with Total Uganda and Tullow Uganda that reflects the agreed principles on the tax treatment of the Transaction;
- the approval of the Minister of Energy and Mineral Development of the Republic of Uganda in respect of the Transaction and the transfer of operatorship in Block 2 to Total Uganda; and
- CNOOC having declined to exercise its pre-emption rights under the relevant joint operating agreements applicable to the Uganda Interests or, where CNOOC has exercised any pre-emption rights, the parties (each acting reasonably) having agreed amendments to the SPA and other arrangements to reflect such exercise, including, if relevant, in relation to the transfer of operatorship arrangements for Block 2.

Total will be entitled to terminate the SPA in certain circumstances, including if there is (a) a material adverse event (excluding certain macro-events, such as changes in hydrocarbon prices, market conditions and COVID-19) or breach of a fundamental warranty, in each case resulting in a reduction of value of the Uganda Interests in excess of US$86.25 million or (b) an insolvency event.

Total and Tullow have had supportive discussions with the Government of Uganda and the URA in recent weeks, including to agree the principles of the tax treatment of the Transaction. This includes the position on Ugandan tax on capital gains, which is to be remitted by Total Uganda on behalf of Tullow Uganda, and which is expected to be US$14.6 million in respect of the Cash Consideration. Tullow Uganda and Total Uganda now intend to sign a binding tax agreement with the Government of Uganda and the URA that reflects these principles to enable the Transaction to complete. Total Uganda and Tullow Uganda have certain SPA termination rights in the event that the tax agreement, once entered into, is challenged or revoked or there is a threat to do so.

A circular setting out further details of the Transaction will be issued in due course. Shareholder approval for the Transaction is intended to be sought either via a General Meeting, to be convened via notice in the circular with proxy voting available or, in consultation with the Financial Conduct Authority (the FCA), via any alternative procedure that may be available in respect of the Transaction. On 8 April 2020, the FCA announced certain temporary modifications to the UK Listing Rules during the COVID-19 crisis that the FCA will apply on a case by case basis. These modifications permit companies requiring shareholder approval for a Class 1 transaction to apply for a conditional dispensation from the requirement to hold a general meeting. The dispensation may be granted by the FCA in circumstances where a company has or will obtain a sufficient number of written undertakings from shareholders that they approve a proposed transaction and would vote in favour of any resolution to that effect at a general meeting were it to be held, to meet the relevant threshold for obtaining shareholder approval.

Subject to the satisfaction of the conditions to the Transaction, the Transaction is expected to complete in the second half of 2020.

Information on the Uganda Interests

The Uganda Interests that Tullow Uganda has agreed to transfer to Total Uganda comprise Tullow Uganda's entire interests in Blocks 1, 1A, 2 and 3A in Uganda and the proposed East African Crude Oil Pipeline System - the Upstream and Midstream Segments of the Lake Albert Development Project.

The Upstream Segment includes nine production and two exploration licences in Uganda: (i) three production licences covering the former Block 1 area (covering the Ngiri, Jobi Rii and Gunya Fields), one exploration licence covering the Jobi East and Mpyo discoveries in the former Block 1 area which are subject to production licence applications submitted to the Government of Uganda and one exploration licence covering the Lyec field in Block 1A which is also subject to a production licence application submitted to the Government of Uganda; (ii) five production licences in the former Block 2 area (covering the 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 Block 3A). The oil fields are located along the Lake Albert Rift Basin in Uganda.

On 26 May 2017, the Governments of Uganda and Tanzania signed an inter-governmental agreement to route an oil export pipeline, called the EACOP System, through Tanzania to the port of Tanga. This has secured a harmonised framework for the EACOP System routing and allowed discussions to commence with the Governments of Uganda and Tanzania on the host government agreements and other key commercial agreements. Financing for the Midstream Segment is also under discussion.

Tullow's rights as described above are before any back-in by UNOC in the Upstream Segment. UNOC holds a back-in right of 15% in the production sharing agreements for Blocks 1, 1A, 2 and 3A. Following the exercise by UNOC of its back-in rights, the Uganda Interests reduce to 28.3334% of the

Upstream Segment. UNOC and the Tanzania Petroleum Development Corporation are expected to participate for up to 15% and 5% respectively in the proposed EACOP System. This would result in the Uganda Interests being 26.6667% of the Midstream Segment.

Tullow Uganda is currently the operator of Block 2. Total Uganda is currently operator of Block 1 and Block 1A and CNOOC is operator of Block 3A.

CNOOC has rights of pre-emption to acquire 50% of the Uganda Interests on the same terms and conditions as Total Uganda.

The planned development of Uganda's material oil resources remains at an advanced stage, with the project's major technical aspects completed. All major pre-development technical work for the Upstream Segment and Midstream Segment has been completed. There is no further exploration and appraisal activity planned. The key legal and commercial prerequisites for a final investment decision for the Upstream Segment and the Midstream Segment have been outlined to the Government of Uganda by Tullow and its Joint Venture Partners.

Barclays, J.P. Morgan Cazenove and Robey Warshaw (together, the Financial Advisers) are each acting as joint financial adviser and Barclays and J.P. Morgan Cazenove are each acting as joint sponsor to Tullow on the Transaction.

Conference call - 9am (London time), 23 April 2020

To access the call please dial the appropriate number below shortly before the call and ask for the Tullow Oil conference call.

Participants	+44 (0) 203 0095710
UK free phone	08003767425
Access Code	**3643957**

Conference call replay from 2pm, 23 April 2020

Participants	+44 (0) 3333009785
UK free phone	08082380667
Access Code	**3643957**

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Notes to Editors

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 over 70 exploration and production licences across 15 countries in Africa and South America.

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This announcement includes inside information as defined in Article 7 of the Market Abuse Regulation No. 596/2014 and is being released on behalf of Tullow by Adam Holland, Company Secretary.

Barclays Bank PLC, acting through its investment bank (Barclays), which is authorised in the UK by the Prudential Regulation Authority (the PRA) and regulated in the UK by the FCA and the PRA, is acting as joint financial adviser and joint sponsor exclusively for Tullow and no one else in connection with the Transaction and will not be responsible to anyone other than Tullow for providing the protections afforded to clients of Barclays, nor for providing advice in relation to the Transaction or any other matters or arrangements referred to in this announcement.

J.P. Morgan Securities plc, which conducts its UK investment banking business as J.P. Morgan Cazenove (J.P. Morgan Cazenove), and which is authorised in the UK by the PRA and regulated in the UK by the FCA and the PRA, is acting as joint financial adviser and joint sponsor exclusively for Tullow and no one else in connection with the Transaction and will not regard any other person as its client in relation to the Transaction and will not be responsible to anyone other than Tullow for providing the protections afforded to clients of J.P. Morgan Cazenove or its affiliates, nor for providing advice in relation to the Transaction or any other matters or arrangements referred to in this announcement.

Robey Warshaw LLP (Robey Warshaw), which is authorised and regulated in the UK by the FCA, is acting as joint financial adviser exclusively for Tullow and no one else in connection with the Transaction and will not be responsible to anyone other than Tullow for providing the protections afforded to clients of Robey Warshaw, nor for providing advice in relation to the Transaction or any other matters or arrangements referred to in this announcement.

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This announcement 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 announcement and include statements regarding Tullow's or Tullow's 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 announcement. 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 announcement, those results or developments may not be indicative of results or developments in subsequent periods.

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