

## Guyana update

**10 August 2023** – Tullow Oil Plc (“**Tullow**”) is pleased to announce that it has agreed to sell its total interest in Tullow Guyana B.V. (“**TGBV**”), which includes the Orinduik licence (Tullow 60% operated equity) in Guyana to Eco Guyana Oil and Gas (Barbados) Limited (“**Eco**”) (the “**Transaction**”) in exchange for a combination of upfront cash and contingent consideration.

Tullow’s decision to exit the Orinduik licence is in line with its strategy to focus on its high return production assets in Africa and infrastructure-led exploration around producing hubs and delivers its objective to unlock value in emerging basins. In 2019, Tullow drilled two exploration wells on the Orinduik licence which yielded uncommercial oil discoveries. Nonetheless, Tullow recognises the material oil resource potential remaining in the Orinduik licence and as such, the terms of the Transaction allow Tullow to retain exposure to any potential future success in the region.

### Transaction summary:

- US\$700,000 cash payment upon transfer of TGBV’s 60% equity and operatorship of the Orinduik licence to Eco, to be paid to Tullow Overseas Holdings B.V. (“**TOHBV**”) on completion of the Transaction (the “**Initial Consideration**”).
- Contingent consideration is payable to TOHBV, which is linked to a series of potential future milestones and triggered as follows:
  - o US\$4 million in the event of a commercial discovery
  - o US\$10 million payment upon the issuance of a production licence from the Government of Guyana
  - o Royalty payments on future production – 1.75% of the 60% working interest entitlement revenue net of capital expenditure and lifting costs
- Transaction and payment of the Initial Consideration outlined above is subject to certain market-standard conditions precedent, including Government and JV approvals.
- Proceeds from this transaction will be put towards general corporate purposes.
- Completion is expected to occur in the second half of 2023.

### Jean-Medard Madama, Director Exploration, Non-Operated Assets and Decommissioning, commented today:

*“This transaction is in line with our strategy to optimise our portfolio through opportunities to unlock value from our emerging basin licences, whilst focusing our capital expenditure on our high return producing assets and growth opportunities around existing infrastructure.”*

## CONTACTS

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## Transaction Structure

TOHBV has signed a sale and purchase agreement (the "SPA") with Eco for the transfer of its entire interest in the Orinduik licence via the corporate sale of TGBV to Eco in exchange for a mix of cash and a series of contingent payments based on future milestones.

Pursuant to the SPA, TOHBV has agreed to transfer to Eco for cash consideration TOHBV's entire shareholding in TGBV. TGBV holds an undivided 60% participating interest and Operatorship in and under (i) a petroleum agreement between the Minister responsible for Petroleum representing the Government of the Co-operative Republic of Guyana, Eco (Atlantic) Guyana Inc. and TGBV dated 14 January 2016 (as amended from time to time) (the "PA") and (ii) the joint operating agreement dated between TGBV, Eco (Atlantic) Guyana Inc., and TOQAP dated 18 January 2016 (as amended from time to time).

Additional cash consideration may be received by TOHBV from Eco and any successors, in the form of contingent payments, which will be payable on upstream revenues in the form of royalty payments will become due and payable to TOHBV once upstream revenues from the Orinduik licence commences.

Subject to the satisfaction of certain market standard conditions precedent, including Government and JV approvals, the Transaction is expected to complete in the second half of 2023.

## Additional information

The Transaction is classified as a Class 2 transaction as defined by Chapter 10 of the Listing Rules and is therefore not conditional on the approval of Tullow's shareholders.

On 31 December 2022, the gross asset value attributable to the Transferred Interests subject to the Transaction amounted to \$1.5 million as per the audited TGBV financial statements. As of 31 December 2022, the gross 2C resource attributable to the Transferred Interests amounted to 47.7mmbbls.

## NOTES TO EDITORS

Tullow is an independent oil & gas, exploration and production group which is quoted on the London and Ghanaian stock exchanges (symbol: TLW). The Group has interests in over 30 licences across eight countries. In March 2021, Tullow committed to becoming Net Zero on its Scope 1 and 2 emissions by 2030. For further information, please refer to our website at [www.tulloil.com](http://www.tulloil.com).

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