

# The next phase of growth



Pat Plunkett, Chairman

## Dear Shareholder,

This is an important document to notify you that the 2008 Annual Report and Accounts are now available to read or download from <http://ara2008.tullowoil.com>. Please note that this document is not a full summary of the 2008 Annual Report and Accounts and should not be regarded as a substitute for reading them.

## Electronic delivery

You are receiving this 2008 Year in Review as our records indicate that you did not respond to the letter we sent you advising that all shareholder documents would be made available electronically unless you requested to receive them in paper form. As a result, you are deemed to have agreed to view our shareholder communications online. This supports our aim to reduce the impact on the environment of printing, mailing and distributing shareholder documentation.

**You can help reduce the environmental impact further by registering to receive an email notification that shareholder communications are available to view online at [www.etreeuk.com/tullowoilplc](http://www.etreeuk.com/tullowoilplc).**

## Notice of Meeting and Proxy

The Notice of Annual General Meeting (AGM) and Proxy Form are also enclosed. The Notice of AGM contains information on resolutions to be put to the AGM, which is important information for you to read and consider before voting. You may vote in

person at the meeting, by completing and returning the Proxy Form to our registrars in the envelope provided or you may electronically register the appointment of a proxy through the internet by going to [www.eproxyappointment.com](http://www.eproxyappointment.com). We have mailed paper copies of the Notice of AGM and Proxy Form this year, but may reconsider the position and decide to only make these available online in future.

## Annual General Meeting

The Annual General Meeting will be held at 12 noon on 12 May 2009 at Haberdashers' Hall, 18 West Smithfield, London, EC1A 9HQ. If you wish to attend please bring your attendance card which detaches from the Proxy Form.

## Delivering shareholder value

In 2008, share prices across all sectors were affected by the unprecedented turmoil in global financial markets and economies. As a consequence, Tullow delivered Total Shareholder Return (TSR) of 2% for 2008. However, the Group significantly outperformed the FTSE 100 where TSR was minus 28%. The Group achieved the 9th best share performance in the Index for the year. Over a five-year period since 2004, Tullow has consistently outperformed the market and has delivered TSR of more than 700%.

## Dividend

In light of the current economic uncertainty and the requirement for major capital investment in Ghana and Uganda, the Board

feels that it is prudent to maintain the 2008 final dividend at the 2007 level. Consequently, the Board has proposed a final dividend of 4.0 pence per share (2007: 4.0 pence per share). This brings the total payout in respect of 2008 to 6.0 pence per share (2007: 6.0 pence per share). The dividend will be paid on 21 May 2009 to shareholders on the register on 17 April 2009.

## An outstanding year

2008 was another year of record achievement for Tullow. Exceptional exploration and appraisal results, strong production, profitable portfolio management and the recent successful fund-raising underpin our ability to continue to grow.

## Looking ahead

Given the current economic climate, these will be challenging times for the oil and gas sector but Tullow is well positioned following an outstanding year in 2008. We are clear on our key priorities – Ghana and Uganda – and have focused our resources, human and capital, on these significant challenges. We are financially strong, entrepreneurial in spirit and well resourced with excellent technical and operational capability. The future for Tullow is very bright.

Pat Plunkett, Chairman

## Key Performance Indicators

Tullow has seven Key Performance Indicators (KPIs) which are closely aligned with the Group's growth strategy. Delivering against these KPIs will ensure strong progress with our strategic objectives and creation of shareholder value.

	2008	2007	2006
Lost Time Incident Frequency Rate (LTIFR)	0.49	1.95	0.81
Staff turnover (%)	2.3	1.5	2.5
Working interest production (boepd)	66,600	73,100	64,720
Reserves and resources replacement (%)	1,232	434	173
Cash operating costs per boe (£)	5.90	5.05	4.74
Operating cash flow before working capital (£ million)	519	474	447
Total Shareholder Return (%)	2	66	49



# Get more online

We are very committed to communicating with all stakeholders. Our policy is to be open, transparent, uniform and timely.

For more information visit <http://ara2008.tullowoil.com>



## eTree initiative

For every shareholder who signs up for electronic communication a donation is made to the eTree initiative run by Woodland Trust.

## E-communication

Opt for electronic communications and receive an email alert when shareholder information becomes available. Register at: [www.etreeuk.com/tullowoilplc](http://www.etreeuk.com/tullowoilplc).

## 2008 Annual Report and Accounts

Access the online Annual Report at: <http://ara2008.tullowoil.com>.

## AGM voting

Cast your proxy vote electronically at: [www.eproxyappointment.com](http://www.eproxyappointment.com).

## No special software required

All documents are available via software that is on the Group's website.

## 2009 Relaunching our corporate website

We are undertaking a major upgrade of our corporate website, which will go live on a phased basis starting in summer 2009. We are incorporating lots of additional features, more interactivity and new content across the site. Come and visit us at:

[www.tullowoil.com](http://www.tullowoil.com)



## 2008 CSR Report

The 2008 CSR Report will be published in May 2009 and a pdf format will be available online. Our new website will have a significantly enhanced CSR section to provide additional information on how Tullow approaches and undertakes its responsibilities.

Visit the Reports & Presentations section at:

[www.tullowoil.com/tlw/ir](http://www.tullowoil.com/tlw/ir)



## 2009 Fact Books

We publish a Fact Book twice a year, in March and August, to coincide with the Group's full and half-yearly results. These contain a lot of additional, mainly operational, information to complement results announcements and presentations.

Visit the Reports & Presentations section at:

[www.tullowoil.com/tlw/ir](http://www.tullowoil.com/tlw/ir)



Paper copies of the 2008 Annual Report and Accounts can be obtained by contacting Computershare Investor Services from the UK on 0870 703 6242, from Ireland on 01 2163744 or from any other country on +44 870 703 6242.