

Achieving high standards

The role of the Board is to provide strategic leadership, guidance and perspective to the business on behalf of the shareholders and to ensure that the risks and rewards of the business are properly managed through different phases of the industry's cycle.



Pat Plunkett, Chairman

2008 Achievements

Successful appointments

Ian Springett, Chief Financial Officer
Ann Grant, non-executive Director

Board evaluation

Addressed 2007 issues and conducted 2008 review

Senior executive remuneration

Group's remuneration policy reviewed to ensure continued close alignment of the long-term interests of shareholders with those of executives

Business Conduct

Revised Code of Business Conduct, incorporating Ethics and Integrity Policy, adopted

2009 Challenges

Ensure that the Group stays on target with its key 2009 strategic priorities

Review Board Committee composition and processes

Define and progress succession planning

Undertake key risk reporting, mitigation and progress evaluation

Enhance Board meeting administration systems

2008 was a busy and successful year for Tullow and the Board. The Group delivered a very strong operational performance and is positioned for a further significant step change in size and scale. While it is a very exciting time for Tullow, it is and has been a very challenging time for world economies and stock markets, and it is against this backdrop that the governance and stewardship obligations of company boards have come into sharp focus across all industries. I am happy to report that the Tullow Board, I believe, continues to operate very effectively.

Strategic review

As Tullow's business has grown and become more complex it is important that the Board continuously reviews and evaluates the Group's strategy. In 2008, a detailed strategic review undertaken by the Board in the second half of the year re-confirmed the Group's vision and strategy, which is set out on page 15 of this report. However, a more challenging strategic objective was agreed in the context of the Group's exceptional performance in recent years and Tullow is now targeting a TSR performance in the top quintile for the industry.

In addition, elements of our strategy have been re-calibrated in light of the current economic backdrop. Liquidity and capital management have been addressed through a very disciplined

Board composition

Board member	Year appointed	Executive Director	Non-Executive Director
Pat Plunkett	1998		x
Aidan Heavey	1985	x	
David Bamford	2004		x
Ann Grant	2008		x
Angus McCoss	2006	x	
Paul McDade	2006	x	
Steven McTiernan	2002		x
Graham Martin	1997	x	
Clare Spottiswoode	2002		x
Ian Springett	2008	x	
David Williams	2006		x

“Our Board composition and the skills and experience of our Directors means that we are well structured to meet the challenges of the next phase of growth.”

budgetary and capital allocation process that was undertaken across the business. Maintaining financial flexibility has also been addressed with a successful equity placing and bank financing executed in early 2009.

Enhanced risk management

Risk management and risk factors were also reviewed as part of the strategic review and details of these are outlined in the risk management and risk factors section on pages 44 to 47. Key risks for strategic delivery have now been assigned with a Board level sponsor and are being incorporated in Board reporting on a quarterly basis.

Rebalanced Board

The composition of the Board is a key factor in ensuring that the right mix of skills and experience are in place to lead the Group. One of the Board objectives for 2008 was to rebalance the Board in favour of non-executive Directors and this was successfully achieved during the year. Tullow now has 11 Directors comprising six non-executive Directors and five Executive Directors.

Successful management transition

The appointment of Ian Springett as Chief Financial Officer demonstrates the ability of Tullow to attract high-quality individuals to the Group and is a credit to the Nominations Committee. However, the Board recognises that more focus needs to be given to succession planning across the Group and this is incorporated in Board objectives for 2009. In my Chairman's statement on pages 8 and 9, I have summarised the Board and management changes during 2008.

Performing to the highest level

The Board will continue to keep its work and governance principles under review and to review Board performance annually to ensure that Board members are continually challenged to perform to the highest level.

We always welcome shareholder feedback and if you have any comments or observations about this report please feel free to email me at chairman@tullowoil.com.



Pat Plunkett, Chairman

Board of Directors

The Tullow Board recognises the importance of good corporate governance and is committed to business integrity and high ethical values across the Group's activities, which it views as an integral part of doing business.

Board members

There are 11 members of Tullow's Board, five Executive Directors and six non-executive Directors. There is clear separation of the roles of the Chairman and the Chief Executive Officer to ensure an appropriate balance of responsibility and accountability.

Chairman

The Chairman, Pat Plunkett, is responsible for the effective running of the Board, ensuring that the Board plays a full and constructive part in the development and determination of the Group's strategy, and acts as guardian and facilitator of the Board's decision-making process.

Senior Independent Director

In this role, Steven McTiernan is available to shareholders who have concerns that cannot be resolved through discussion with the Chairman, Chief Executive Officer or Chief Financial Officer.

Chief Executive Officer

The Chief Executive Officer, Aidan Heavey, is responsible for managing the Group's business, proposing and developing the Group's strategy and overall commercial objectives in consultation with the Board and, as leader of the executive team, implementing the decisions of the Board and its Committees. In addition, the Chief Executive Officer is responsible for maintaining regular dialogue with shareholders as part of the Group's overall investor relations programme.

