

## Focused on our responsibilities

2008 has been another successful year for Tullow's EHS and operational teams, with the Group delivering an excellent EHS performance and meeting the majority of its challenging EHS performance targets.

### How we've progressed

**0.49 LTIFR** (Group KPI)

Excellent safety performance in top industry quartile

**6.15**

Million hours worked across the Group in 2008

**US\$1.8 million**

Doubled our expenditure on voluntary social investment

**Eight**

2008 Objectives achieved out of 11 in total

### 2009 Challenges

Achieve LTIFR of 0.5 or less

Achieve ISO14001 certification of Ugandan operations

Re-issue and enhance EHS leadership commitment statements across the Group

Develop crisis management team (CMT) training for in-country teams in conjunction with Group CMT training



Students at the Half Assini Secondary School Science Laboratory which has been refurbished by Tullow.

At Tullow we are very focused on our responsibilities and we recognise, monitor and manage our environmental and social impacts, including the health and safety of our employees and local communities.

Our disciplined approach to CSR supports our licence to operate, generating reputational benefits with key stakeholders, and obtaining long-term competitive advantage. We are proud of our track record of ensuring safe operations with minimal impact on our surroundings whilst developing local infrastructure and communities.

### Strong EHS leadership

In 2008, we achieved great success in managing EHS, principally through the commitment and leadership shown by Tullow people across our organisation. The Group has a strong culture of individual responsibility and empowerment with every single Tullow employee and contractor having the authority and the obligation to stop any activity that could be unsafe. This is complemented by a strong EHS Leadership Team, comprising managers from around the Group.

We recognised that it was very important to provide individuals with key tools to keep EHS at the top of their daily agenda. A dedicated EHS consultant was recruited to specifically engage and support leadership. An example of this proactive support was the preparation of individual commitment statements where 11 EHS leaders each documented their planned EHS personal commitments for the year. They then rolled out these commitments to their operational teams. As well as contributing to a great EHS record for the year, we were delighted that this innovative process was recognised by the UK oil and gas industry 'Step Change' website as a best practice example of leadership engagement and support for improving EHS performance.

The EHS Leadership Team has also developed a focused EHS and CSR training matrix to ensure we continue to develop our leadership team's expertise in key areas.

### Glossary

CMT	Crisis Management Team
CSR	Corporate Social Responsibility
EHS	Environment, Health and Safety
HIPO	High Potential Incident

ISO	International Organization for Standardization
LTIFR	Lost Time Incident Frequency Rate
TRI	Total Recordable Incidents
TRIFR	Total Recordable Incident Frequency Rate



For more information on our CSR activities visit [www.tulloil.com/corporatesocialresponsibility](http://www.tulloil.com/corporatesocialresponsibility); going live summer 2009

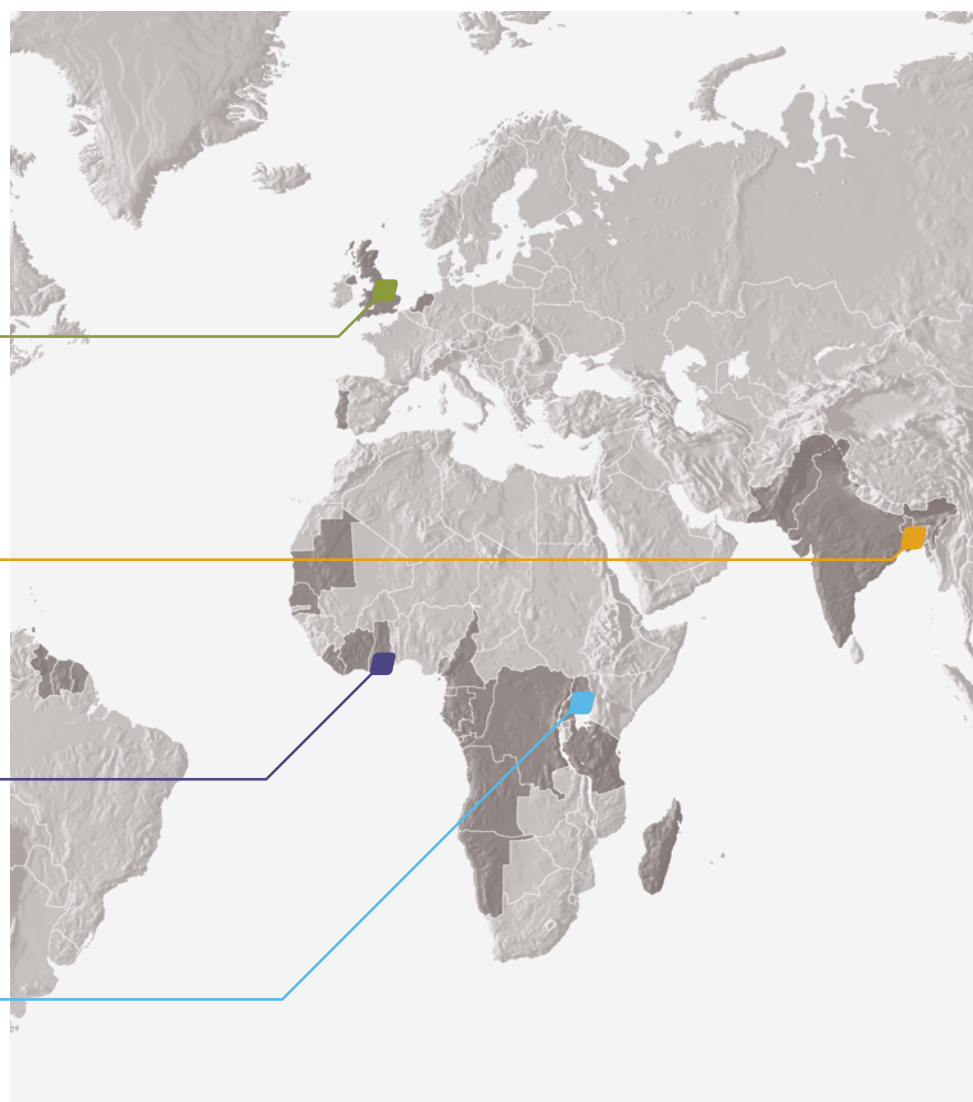
**11**  
**EHS commitment statements**  
 developed across the Group to support and improve EHS performance.

**27%**  
**Reduction in emissions**  
 from UK operations under the European Union Emissions Trading Scheme.

**967**  
**LTI-free days**  
 at the Bangora production facility in Bangladesh.

**77%**  
**Local staff**  
 at Tullow's Accra office and the Takoradi operational base in Ghana.

**1,104**  
**Children immunised**  
 against eight common childhood diseases in Uganda.



## Key EHS metrics

	2008*	2007	2006	
<b>Group-wide</b>				
Lost Time Incident (LTI)	3	10	5	✓
Lost Time Incident Frequency Rate (LTIFR)	0.49	1.95	0.81	✓
High Potential Incident (HIPO)	24	29	3	✓
Total Recordable Incidents (TRI)	28	65	74	✓
Total Recordable Incident Frequency Rate (TRIFR)	4.55	12.7	12.1	✓
Hours worked (millions)	6.15	5.1	6.1	▲
Oil and chemical spills	6	1	2	▲
<b>UK only</b>				
EUETS CO <sub>2</sub> emissions (tonnes)	171,702	190,464	215,407	✓
UK produced water quantity (m <sup>3</sup> )	8,889.7	6,920.1	9,725.4	▲
UK total oil in produced water (tonnes)	0.25	0.21	0.16	▲
Water abstraction (m <sup>3</sup> ) – Bacton only	30,639	31,899	18,678	✓
<b>Group figures</b>				
Water usage (m <sup>3</sup> ) – all production sites, utilised in process	62,380	39,496		▲
All production emissions (tonnes CO <sub>2</sub> )	165,543	199,198		✓
All drilling emissions (tonnes CO <sub>2</sub> )	9,645	23,597		✓
All well test emissions (tonnes CO <sub>2</sub> )	2,632	11,667		✓

\* All 2008 data is preliminary and may be subject to change following completion of assurance work being undertaken by Deloitte LLP.



Libreville, Gabon.



Gert-Jan Smulders visiting the Gopalnagar Primary School, Bangladesh.

### Positive health and safety performance

Tullow achieved its best accident and incident performance to date in 2008 with reported incidents significantly down compared with 2007. Three Lost Time Incidents (LTIs) resulted in a Lost Time Incident Frequency Rate (LTIFR) of 0.49 LTIs per million hours worked, well below the challenge set by Tullow Senior Management of less than 1.0. When benchmarked against the OGP 2007 published data, this puts our performance in the industry's top quartile.

The Total Recordable Incident Frequency Rate (TRIFR) reduced by 64% in 2008. During the year, there was an increased focus on High Potential Incidents (HIPOs). Tullow conducted six monthly reviews of reported HIPOs across the business to ensure that reporting was consistent. The 24 HIPOs in the year showed an 18% reduction from the previous year. A recent review highlighted that we have set a more stringent HIPO definition when compared to industry standards. As a result we have now aligned our definitions with industry practice.

### Sound environmental management

In 2008, there were no significant environmental incidents across Tullow. A focus during the year was on enhancing environmental reporting at a Group and country level.

We have recently launched Tullow Oil Environmental Standards (toes) to communicate core standards for environmental management. These innovative standards are intended to provide information to internal and external stakeholders on our approach to the following environmental issues – biodiversity, climate change, resource management, stakeholder engagement, and monitoring and evaluation. The standards will also act as a knowledge-sharing tool. Each of the five toes defines Tullow's position and, when combined, form the Group's environmental footprint.

### Increased social investment

Our 'Working with Communities' (WwC) initiatives are designed to balance immediate community benefits and long-term sustainable development. The collective focus of these initiatives is well aligned to the United Nations Millennium Development Goals.

With the growth of our Ghana and Uganda businesses, we increased the size of our in-country teams to expand our community engagement and successfully deliver WwC projects. Our voluntary investment in WwC projects has doubled each year for the past three years and in 2008 amounted to US\$1.8 million.

Enhanced monthly reporting and improved tracking is supporting managers with responsibility for WwC budgets and assisting the CSR Committee, which continues to ensure that social investment projects are aligned with the Group's business development goals.

### Enhanced accountability

We are committed to transparent and accountable disclosure to all stakeholders. Engagement and feedback continues to improve the materiality of our internal and external CSR reporting. We are also improving the accountability of our reporting with increased third-party external assurance provided by Deloitte LLP.

### Outlook for 2009

In 2009, we will continue to effectively manage the challenging Environmental, Social and Governance issues arising from our expanding activities.

The EHS leadership commitment programme, in its expanded format, will continue to be rolled out in 2009 and will include the implementation of an EHS leadership training programme.

For health and safety management we will increase our focus on Total Recordable Incidents (TRIs) to ensure that we continue to minimise the number of all incidents to our employees and contractors.



Pamela Uwakwe and Nahya Nkinzi, Ugandan CSR Advisers at the Kampala office.

We will continue to engage and support local communities and all relevant stakeholders, particularly around current major developments projects in Ghana and Uganda.

With well resourced and competent EHS and operational teams, we are well positioned to meet our ambitious annual and longer-term EHS and CSR objectives.

## 64%

Reduction in the TRIFR in 2008.