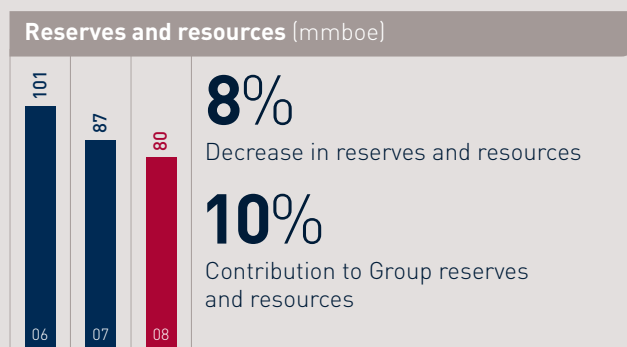
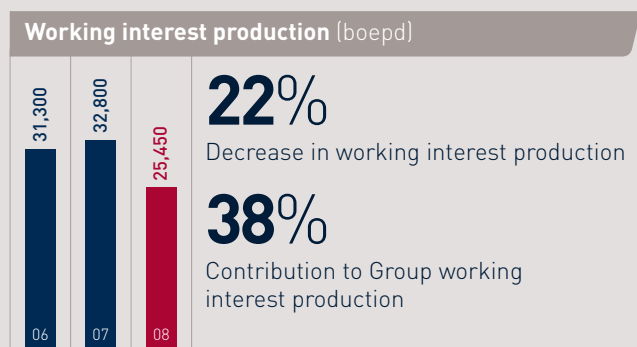


## Opportunities to balance the portfolio

# Rest of the World

Tullow has a significant asset base in Europe, South Asia and South America. The Group has well established production in the UK and Bangladesh, and exciting high-impact exploration acreage positions in Portugal, Pakistan, French Guiana and Guyana. Tullow is targeting Jubilee-type plays across the Atlantic and has identified opportunities in South America which will form part of future campaigns.



**Key producing assets**

Core area / country	Producing field (Tullow %)	2008 Working interest production (boepd)
<b>Europe</b>		
UK	CMS Area fields (9.5% – 100%)	13,300
	Thames-Hewett fields <sup>1</sup> (50% – 100%)	6,800
<b>South Asia</b>		
Bangladesh	Bangora-Lalmai (30%)	3,750
Pakistan	Chachar <sup>2</sup> (75%)	1,450
	Sara/Suri (38.18%)	200

1. Tullow sold its interest in the Hewett field to Eni in December 2008.  
 2. Tullow is awaiting completion of the sale of this interest to Pakistan Petroleum Ltd.



**Europe**  
**Strong platform for growth**

Through its UK experience, the Group has developed significant operating capability and these skills are being deployed across the rest of the Tullow portfolio as well as providing a sound base for potential future expansion in Europe. In 2008, Tullow produced over 20,000 boepd in the UK and sold non-core assets for a total of £245 million.

Looking forward, the Group has good organic growth opportunities in the Netherlands and in Portugal where frontier exploration opportunities are being evaluated.



**South Asia**  
**More focused portfolio**

Tullow has had interests in South Asia since 1990 when it signed its first licences in Pakistan. In 2008, the Group produced over 5,000 boepd, following a successful upgrade of its Bangora production facility in Bangladesh.

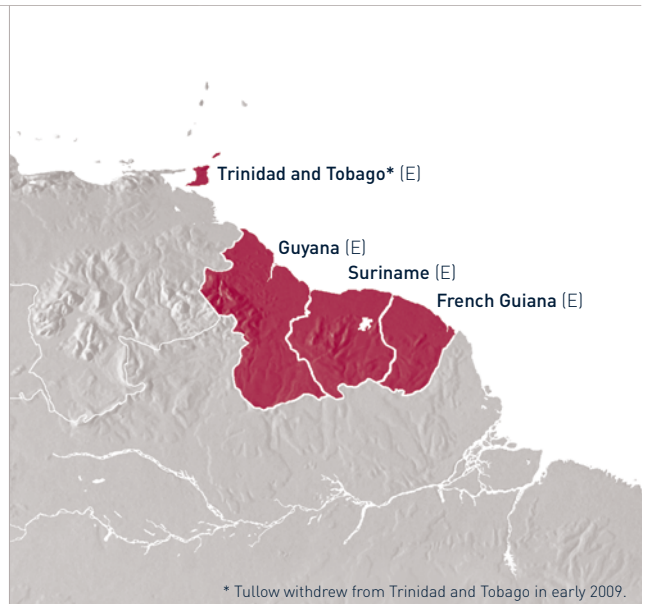
In early 2009, the Group reviewed its portfolio in South Asia and decided to scale back activities. Going forward, the Group is focusing on production operations in Bangladesh, converting Pakistan operations into a non-operated venture retaining high-impact exploration acreage.



**South America**  
**Targeting new plays**

Following Tullow's recent success in Ghana, the Group is now targeting similar stratigraphic plays in South America, which correspond to basins in the Equatorial Atlantic region. Tullow is building a strong acreage position in the region and currently has interests in Guyana, Suriname and French Guiana.

The Group's large acreage position in French Guiana has been re-worked in 2008 and several interesting Jubilee-type leads have been identified in the eastern area of the block.



Key: E Exploration D Development P Production

## Rest of the World

In 2008 Tullow made good progress in Europe, South Asia and South America with new fields developed, major asset sales completed and acreage acquired in a new country with high-impact exploration potential.

### 2008 Highlights

**25,450 boepd**

2008 average working interest production

**£245 million**

Sale of Hewett-Bacton and CMS assets in the UK

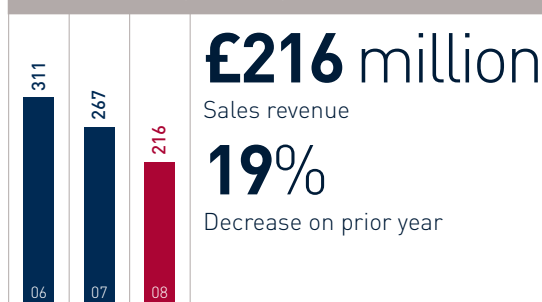
**120 mmscfd**

Capacity at Bangora expanded in Bangladesh

**Georgetown Block**

30% interest acquired in Jubilee type play offshore Guyana

### Sales revenue (£ million)



Tullow's Rest of the World assets remain integral to the business and comprise production, development and exploration interests in Europe and South Asia and high-impact exploration licences in South America. In the current financial climate, Tullow has undertaken a strict capital allocation programme which will prioritise key African developments in the near term. However, investment in the Rest of the World is expected to increase in 2010.

### Europe

Tullow's initial European offshore production interests were acquired in 2000 through the acquisition of two gas infrastructure hubs in the UK Southern North Sea. Over the last eight years, while benefiting from strong gas pricing, Tullow has grown this asset base through successful cost control, exploration, marginal field development and further acquisitions. Europe remains an important core area, generating revenues of £205 million in 2008 and a high-quality exploration portfolio in the Netherlands and Portugal.

### UK

During 2008, while Tullow benefited from a 40% rise in UK gas prices, average net UK production was down to 20,095 boepd, some 29% lower than in 2007. This reduction, which was in line with expectations, was primarily due to the predicted natural decline in mature fields and deferral of development activities.

In the Thames Area, the Wissey field was successfully brought on stream in August 2008 at a rate of 70 mmscfd and is currently producing at a rate of 25 mmscfd. The Bure North subsea development was also sanctioned with first gas targeted towards the end of 2009. Both developments improve the economics of the infrastructure and extend the life of all user fields.

### Glossary

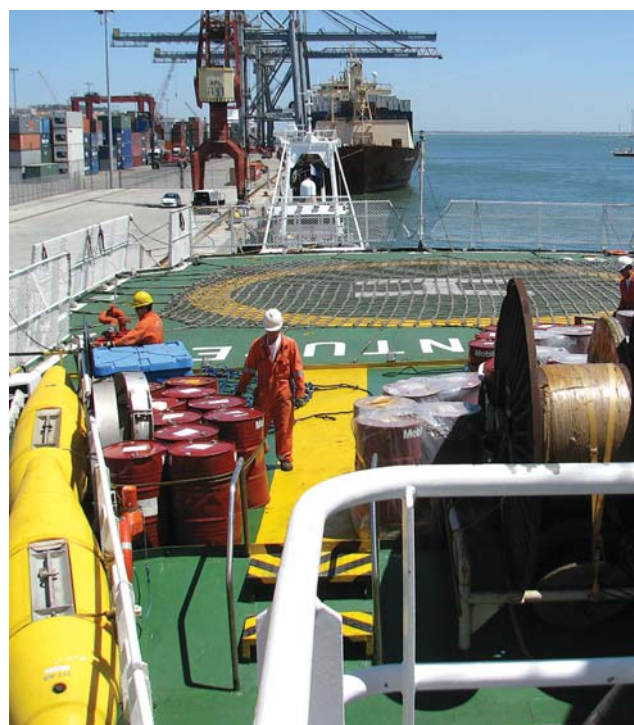
<b>boepd</b>	Barrels of oil equivalent per day
<b>CMS</b>	Caister Murdoch System
<b>mmscfd</b>	Million standard cubic feet per day
<b>PSC</b>	Production Sharing Contract
<b>tcf</b>	Trillion cubic feet

In the Hewett Area, Tullow continued to seek opportunities to extract value from these mature facilities. As part of these initiatives, the Hewett field was fully de-manned in the first half of 2008, yielding significant cost savings and a major technical study to investigate the viability of gas storage was completed. Subsequently, in November 2008, Tullow concluded the sale of its entire interest in the Hewett-Bacton producing assets and terminal to Eni for a headline consideration of £210 million. Tullow has, however, retained an interest in the Carbon Capture and Storage opportunity associated with the main Hewett field and is a member of a consortium which is leading a government-sponsored project. In January 2008, the Doris prospect was drilled but was unsuccessful and was plugged and abandoned.

The CMS Area fields continue to produce strongly. Technical work has identified the potential to access undepleted reservoir compartments in the Ketch field by drilling further infill wells. These wells will most likely be drilled in 2010. Two infill wells are currently drilling on the Murdoch and Boulton fields and these are expected to start producing in the second and third quarters of 2009. Detailed design work has also been carried out for the Harrison development. Sanction of the project is expected in the first half of 2009 and tendering for the platform and pipeline materials is ongoing. In June 2008, Tullow completed the sale of non-core CMS exploration and development assets to Venture Production for a consideration of £35 million.

### Netherlands

Recognising the maturity and future limits in materiality to Tullow of the CMS Area, but leveraging our highly successful exploration campaigns in this region, Tullow has extended its exploration portfolio into the adjacent, relatively unexplored area of the Dutch sector. In 2008, Tullow added five blocks to its portfolio, taking the total to seven. In 2009, Tullow will focus on seismic reprocessing and interpretation to refine the prospect portfolio in preparation for a drilling campaign in 2010.



CGG Venturer vessel prior to the start of a 2D seismic survey, offshore Portugal.



Lorna Greig, geologist in the Europe asset team on a geological field trip in County Clare, Ireland.



Helipad of the Transocean Labrador rig during development drilling on the Wissey field, offshore UK.

# Proven expertise

## Across all areas of the Group

Tullow is organised for exploration success, which is central to the Group's continued growth. A Global Exploration Leadership Team, with over 300 years of exploration experience, works alongside 80 geologists and geophysicists across the Group. Their experience is leveraged through proven expertise in targeted core plays.

Similarly, management of major developments, key producing assets and drilling activities is the remit of a very strong production and development team, whose

capabilities are constantly growing to meet the challenges and opportunities the Group's exceptional exploration success has delivered.

Key priorities are to quickly commercialise Ghana and Uganda; major projects that require significant financial resources. Tullow has strong commercial expertise and well-developed bank and shareholder relationships, evidenced by the ability of the Group to raise finance and place equity, despite the current credit environment.



### Core plays

Tullow's expertise in core plays helps us open up new basins before the competition. We are at the forefront of unlocking value through selectively applied and innovative technologies that allow us to evaluate acreage, build play diversity and deliver first generation discoveries.



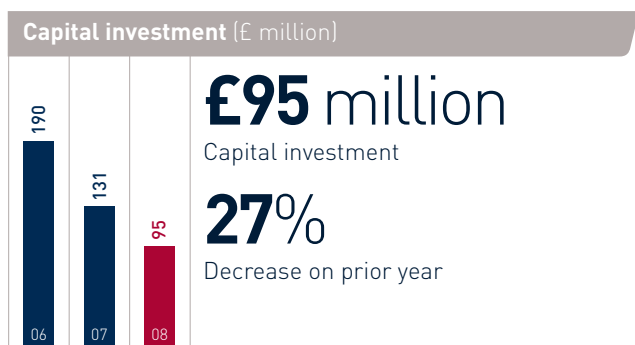
### Major projects

Key priorities in 2009 are fast-tracking Ghana and Uganda. Phase 1 of the Jubilee field is well under way, which now allows us to evaluate the timing and plans for the next phase. In Uganda, we have assigned a dedicated team to deliver a commercial development plan for the region.



### Financial strength

In 2009, Tullow successfully completed a US\$2 billion financing and a £402 million equity placing. This is a significant achievement and a resounding endorsement of not just the Group's major projects, but also of Tullow's ability to successfully deliver the next phase of growth.



**5,000 boepd**

Net production from the Group's South Asia assets.

### Portugal

Tullow has interests in three blocks in the frontier Alentejo Basin off the southwest coast of Portugal. Regional geological studies and seismic acquisition and interpretation are nearing completion and will assist in evaluating the prospectivity of this Atlantic margin basin. If the evaluation proves encouraging, the forward work programme could include additional 3D seismic acquisition and an exploration well by 2011.

### South Asia

Tullow has had interests in South Asia for over 10 years and currently has net production in excess of 5,000 boepd. With the fast expansion of the Asian economy over the last few years, there remains a strong demand for energy in the region which offers significant future growth potential. Tullow's operations in the area remain important to the Group and an active review of the portfolio began during the year to ensure the range of assets continued to deliver the best value now and in the long-term.

### Bangladesh

In October 2008, Tullow completed Phase 2 of the Bangora gas field development increasing processing capacity to 120 mmscfd and production from 70 to 100 mmscfd. Further increases are possible when the Bangora-3 well has been worked over and comes on line in the second quarter of 2009.

Elsewhere in Bangladesh, Tullow participated in the 3rd Licensing Round and successfully bid for offshore Block SS-08-05. The formal award of the block by the Government of Bangladesh is expected in the first half of 2009 and, Tullow plans to commence a 2D seismic acquisition programme later in the year. In Blocks 17&18 in the Bay of Bengal, a 250 sq km 3D seismic survey was acquired during the year. Tullow did not identify any material prospectivity on the acreage and has decided to relinquish its interest in these blocks.

### Pakistan

During 2008, Tullow decided to restructure its Pakistan business to address the ongoing security concerns and to enhance the value of the operations to the Group. Following this strategic decision, two key changes were made. In November, the operatorship of the Kohat exploration block was transferred to OGDCL, the Pakistan National Oil Company, with Tullow retaining its 40% interest. An exploration well is planned on this block in the first half of 2009. Secondly, in December, Tullow agreed the sale of its interest in the producing Chachar field to Pakistan Petroleum Ltd for US\$7.5 million (£5.2 million). As a result, by year end Tullow had significantly reduced its in-country office overheads whilst retaining a significant exploration interest in Pakistan.

Elsewhere in Pakistan, geological field studies and seismic operations commenced on the Kalchas block in September, where multi-tcf surface anticlines could be the target of a drilling campaign in 2010. A possible extension of the Kalchas seismic programme into the neighbouring Kohlu and Block 28 licences will be considered during 2009.

### India

2008 was a disappointing year for Tullow in relation to its Indian operations. Three exploration wells were drilled on Block CB-ON/1 with no hydrocarbons being encountered. All three wells were plugged and abandoned. Following a critical review of the drilling programme and the remaining prospectivity in the block, Tullow has decided not to enter the next exploration period and has withdrawn from the licence. During the year, significant efforts were also made to progress Tullow's AA-ONJ/2 licence in Assam which had originally been applied for in 1996. However, at the end of the year, Tullow also took the strategic decision to withdraw from this licence and to fully withdraw from India, closing the Group's Delhi office.

### South America

In South America, Tullow has interests in the prospective Guyana Basin in three adjacent countries, Guyana, Suriname and French Guiana. This basin offers exciting frontier exploration opportunities including geological plays analogous to the Jubilee field across the Atlantic.



Senior management visiting Bangora field in Bangladesh.



Chachar field in Pakistan.

### French Guiana

Tullow's drilling success in the West African Transform Margin region led to a complete re-evaluation of the deepwater acreage in French Guiana during 2008 where Tullow has a 97.5% interest in the extensive (35,200 sq km) Guyane Maritime licence. In addition to the potential billion barrel Matamata prospect, mapped in the northwestern part of the block, a number of high-impact, high-risk leads have been identified in the southeast, analogous to Tullow's Jubilee field offshore Ghana. Tullow is now planning to acquire an extensive 3D seismic survey in the southeastern portion of the block in order to advance a number of known leads to drillable prospect stage. A drilling campaign would then follow in 2010 or 2011. Tullow plans to commence a farmout programme during the first half of 2009 to reduce its capital exposure to this forthcoming programme.

### Guyana

In November 2008, Tullow enhanced its South American portfolio through the acquisition of a 30% interest in the Georgetown Block offshore Guyana, from the YPF Group. The block covers 11,100 sq km, in water depths of 50 to 200 metres, with geological characteristics similar to French Guiana and the proven basins on the other side of the Atlantic. A 1,880 sq km 3D seismic survey was acquired during the fourth quarter of 2008 and the focus for 2009 will be the interpretation and integration of this new data with the objective of identifying exploration targets for drilling in 2010.

### Suriname

In Suriname, Tullow has interests in the onshore Uitkijk and Coronie blocks which lie adjacent to the Tambaredjo field, the country's main producing heavy oil field. The 2008 drilling programme commenced in December with five shallow wells drilled in the Uitkijk licence. The results are currently being reviewed and integrated into the regional database. The Uitkijk drilling programme will be followed by a five-well exploration programme on the Coronie block in early 2009.

### Trinidad and Tobago

Extensive negotiations were held in 2008 in an attempt to conclude the Production Sharing Contract (PSC) agreements on Block 2ab and the Guayaguayare block in Trinidad and Tobago. Unfortunately, an acceptable commercial solution was not reached and a decision was taken to withdraw from both licences at the end of the year.

### Outlook

In Europe, the focus is on high-grading development opportunities in the UK and completing exploration activity in Portugal and the Netherlands for drilling in 2010.

In South Asia, we have rationalised our Pakistan portfolio and continue to develop our existing Bangladesh operation.

The Group's South American business is looking to expand through new ventures, portfolio management, licence rounds and exploration. This activity will continue in 2009 with key exploration campaigns planned for 2010 and 2011.