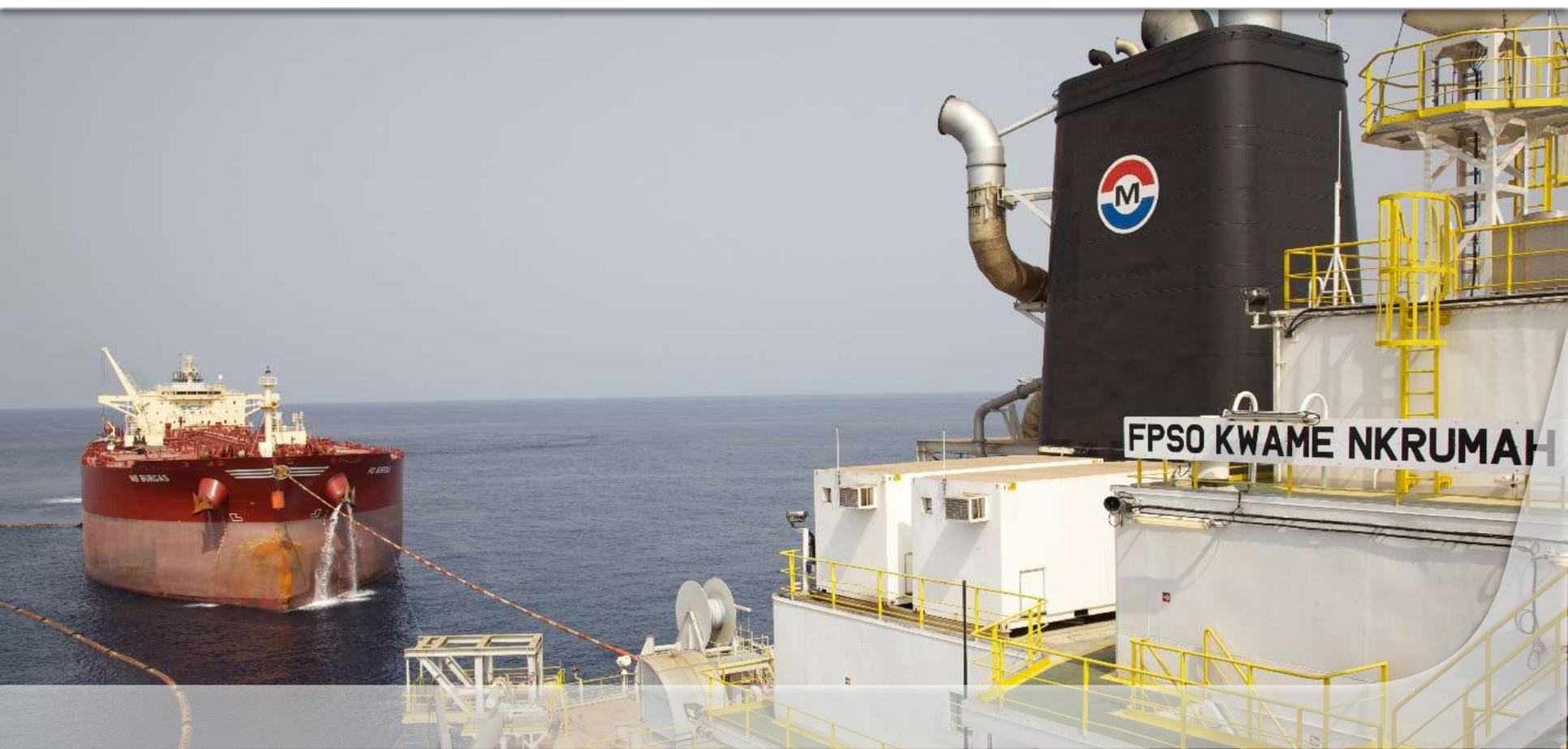


Tullow Oil plc

Transparency at work

Lesley Coldham: Group Public Policy Manager, 1st August 2013





1. Tullow overview
2. Our approach to transparency
3. Will it make a difference?

Tullow's Global Footprint

Europe, South America & Asia

- 9 countries
- 92 licences
- 87,754 sq km acreage
- 21,350 boepd
- 114 mmboe

Group profile

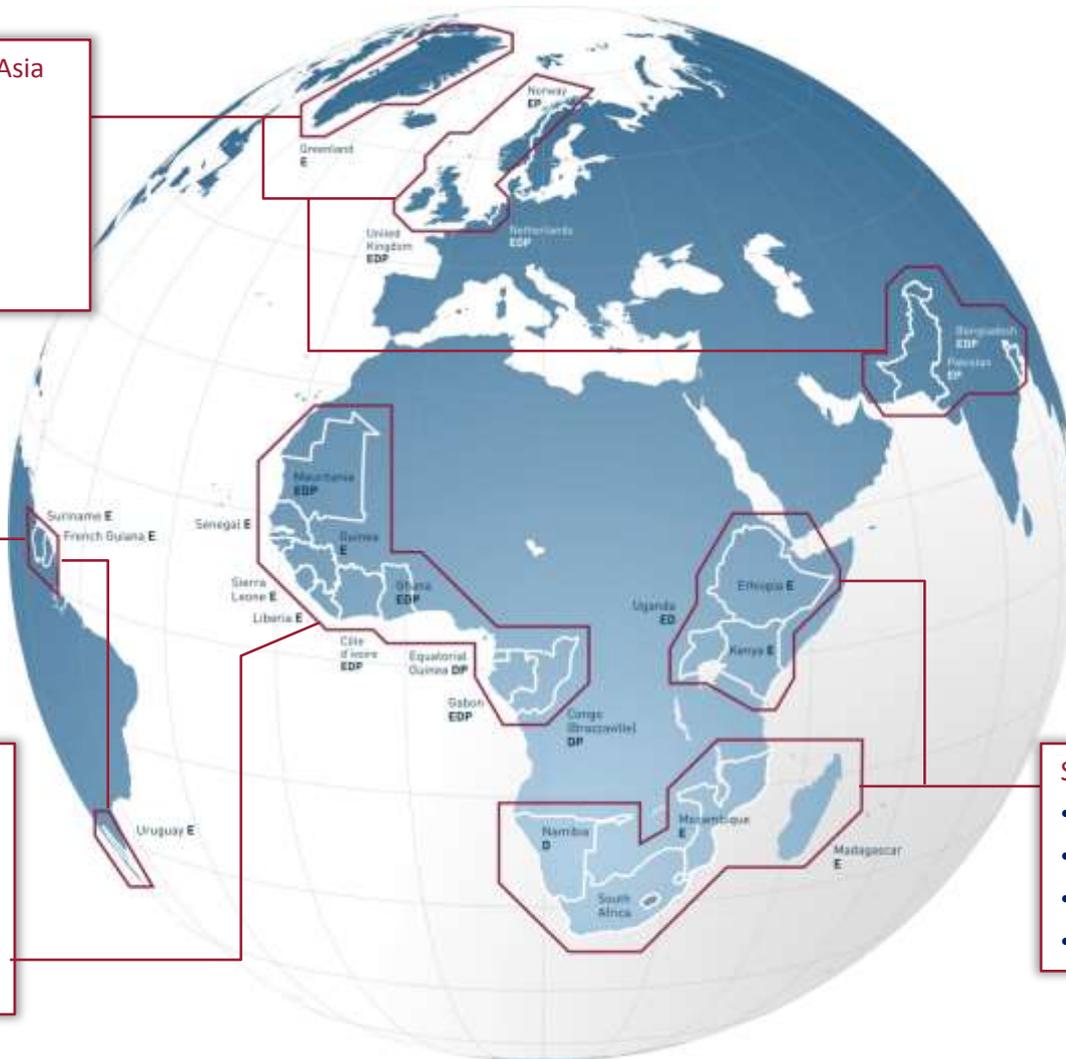
- Founded 1986
- Leading independent oil and gas company
- 25 countries
- 151 licences
- 1,778 total workforce
- Over \$2.34 billion sales revenue, 2012
- 79,200 boepd production, 2012

West & North Africa

- 10 countries
- 43 licences
- 101,769 sq km acreage
- 57,850 boepd
- 647 mmboe

South & East Africa

- 6 countries
- 16 licences
- 139,473 sq km acreage
- 441.6 mmboe



How we do business

Creating Shared Prosperity





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Our approach to transparency

Open, transparent disclosure

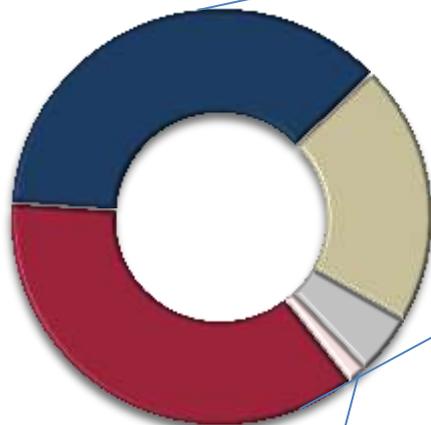
- We are committed to transparent disclosure of payments to governments and other stakeholders in the countries in which we operate
- Revenue transparency and disclosure enables a country's citizens to hold their government, and Tullow, to account
- Increased transparency helps to manage expectations of the impact the discovery of oil can have and over what timeframe
- We are taking the lead in our support for disclosure of payments to government and acting ahead of regulatory changes



Creating Shared Prosperity in action

2012 payments to governments

Payments in kind
 \$331,647



Other taxes
 \$185,181

Royalties (cash)
 \$42,173

Corporate taxes
 \$331,999

Other payments

\$905m
 to governments

\$252m
 employee salaries

\$173m
 shareholder dividends

\$145m
 spend with
 local
 suppliers

\$20m
 local community
 investment

2012 Consolidated transparency

Current Tullow level of reporting

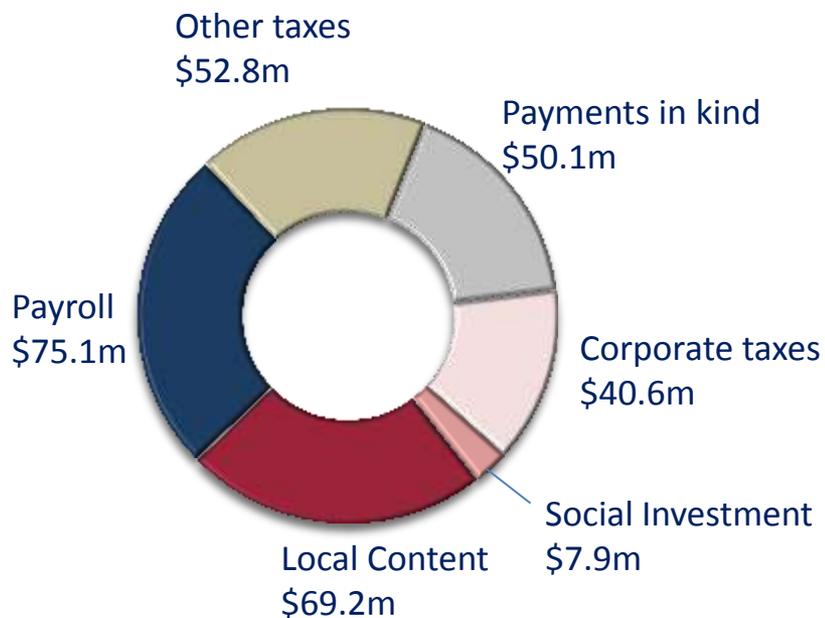
Country	Payments in kind Boe	Corporate tax USD '000	Other Taxes USD '000	Royalties due in cash USD '000	Other government payments USD '000
key projects and producing assets	Non-cash royalties and state participating interest paid in barrels of oil or gas		VAT, PAYE and withholding tax		Land rentals, training allowances, licence fees, etc.
Gabon	1,002,773	50,837			
Ghana	703,354	74,921	850	42,173	847
Kenya			6,331		950

EU Transparency Directive

Country	Project	Production entitlements	Royalties	Taxes levied on income, production or profits, <i>excluding taxes levied on consumption</i>	Dividends	Signature, discovery and production bonuses	Licence fees, rental fees, entry fees	Other considerations for licences and/or concessions	Payments for infrastructure improvements
Ghana	Jubilee								
	TEN								

Creating Shared Prosperity in action

Ghana: direct economic benefit



- Material payments made to the Government of Ghana published annually as a condition of IFC funding for the Jubilee Project
- Ghanaian Production Agreements published at the request of the Ghanaian government
- EITI: Fully compliant

Other aspects of transparency

- EITI Corporate Supporter since 2011
- EITI still highly relevant in light of new legislation in the US and Europe
 - Reporting template agreed: local multi-stakeholder group
 - Aggregator checks for anomalies
 - Coalition to embedding transparency
- New rules: Contract transparency, beneficial ownership, licence register
- What does this mean for the way Tullow runs its business?
- Member of the Transparency International Corporate Supporters Forum
- Regular engagement on issues surrounding transparency
 - Launch of PWYP in the UK
 - UK Parliamentary forums
 - Open Contracting launch
 - Pre-G8 intra-governmental meetings





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Will it make a difference?

Is progress on transparency sustainable?

NGO roundtable meeting: Washington DC

- help to build the political space for disclosure
- think creatively about how to present the data and accompanying dialogue
- build partnerships to understand how data can be synchronized
- encourage up-front industry training
- help people on the ground to make the connections – e.g. Civil groups
- share experience from other countries – e.g. Ghana



Where might capacity be needed?

Could

Civil Society?

- Understanding the oil and gas project lifecycle – when is value released?
- The role and responsibilities of different stakeholders in the oil industry
 - Government
 - Regulators
 - JV Partners
 - Operator
- Contractual arrangements
- How to interpret financial data
- How different transparency initiatives work



Governments?

- Constructing and operating effective legal and regulatory regimes for the industry
- Building legal and institutional frameworks for the management of resource wealth
- Linking resource wealth to the fulfilment of national development plans
- Natural resource economics (to guide strategic policy-making) and regulation
- Revenue collection and management
- Promoting economic diversification

 **Long-term success?**

Follow Tullow on:



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