

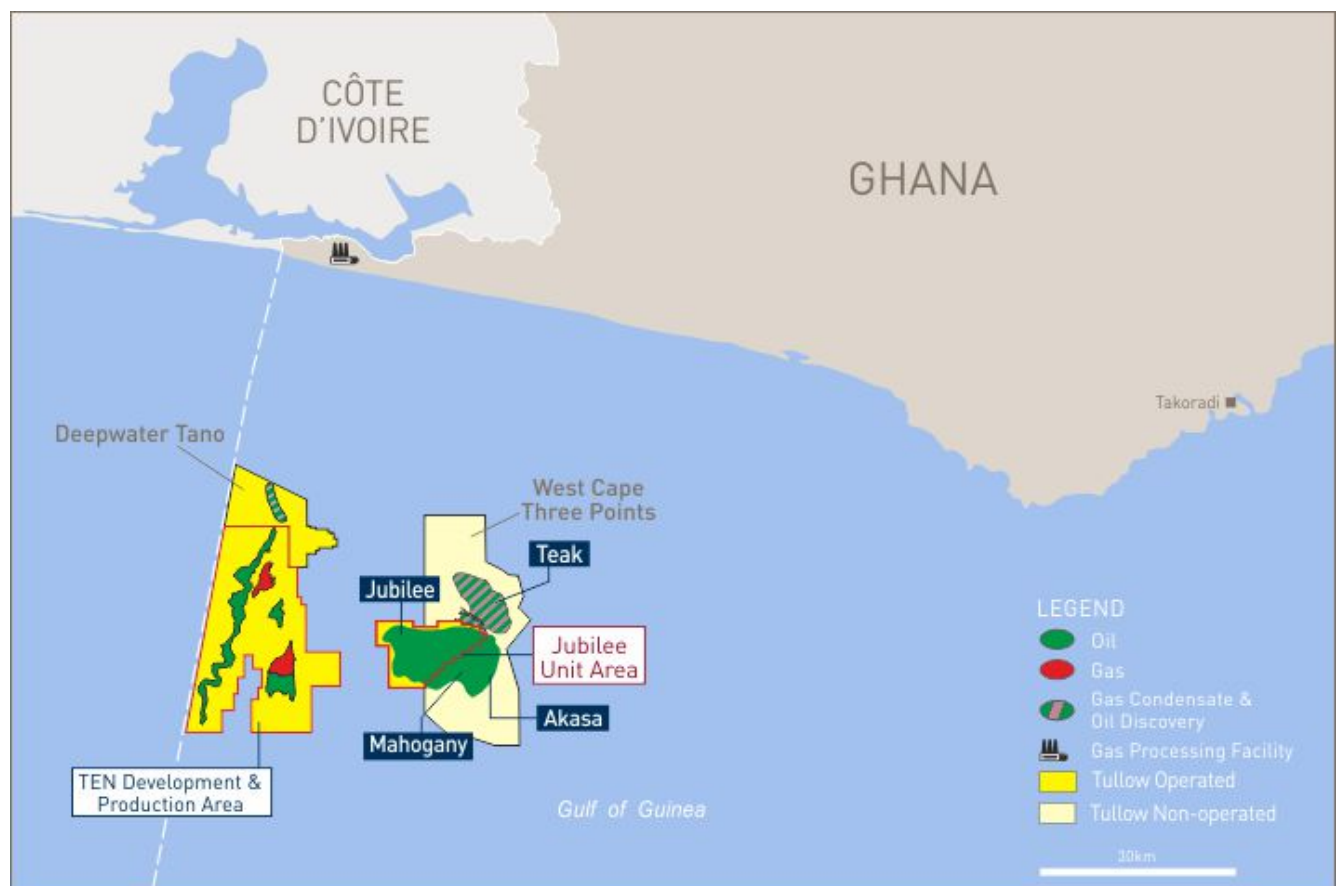
TLW 247.10GBp 4.90p (2.02%) MARKET CAP (£b) 2.25

FACEBOOK TWITTER LINKEDIN YOUTUBE GOOGLE+

Jubilee field

Ghana's world-class Jubilee field was discovered in 2007 by the Mahogany-1 (M-1) and Hyedua-1 (H-1) exploration wells.

The two wells were drilled some 5 km apart and intersected large continuous accumulations of light sweet crude oil. The M-1 and H-1 wells discovered large net pays of 95m and 41m respectively in high-quality stacked reservoir sands. The Jubilee field straddles the West Cape Three Points and Deepwater Tano licences.



In July 2009, the Minister of Energy approved the Phase 1 Plan of Development

which included the use of an FPSO with a facility capacity of 120,000 bopd. In December 2010, the field came on-stream and production has gradually been ramping up. During the 2015 average production was 102,600 bopd.

The Jubilee Phase 1A development project, designed to increase production and recover additional reserves, was approved by the Government of Ghana in January 2012. Phase 1A consisted of eight additional wells which included five producers and three water injectors. During 2015, Jubilee Phase 1A drilling and completions continued with two oil producers coming on stream in September and December and a water injector which has yet to be completed.

Tullow and Partners submitted the Greater Jubilee Full Field Development (GJFFD) Plan in December 2015 and discussions are ongoing with the Government regarding its progress. This project, to extend field production and increase commercial reserves, has been redesigned given the current environment to reduce the overall capital requirement and allow flexibility in the timing of the capital investment.

In the first quarter of 2016, Jubilee production averaged 80,300 bopd (28,500 bopd net). This was below expectations due to increased downtime associated with the implementation of revised operating procedures following a problem being identified with the FPSO turret bearing. A technical investigation of the Jubilee FPSO turret bearing has confirmed that it is no longer able to rotate as originally designed. The new operating procedures put in place allow production to continue.

In light of this issue, Tullow's 2016 full year production guidance is likely to be affected and updated guidance will be provided when the new operating procedures have been fully implemented and stabilised. Tullow does not currently expect this issue to have a material impact on future cash flow, due to continued production and appropriate insurance policies in place.

A project team has been established to review the root cause of the problem and determine the optimum design of the permanent solution of the Jubilee turret issue. A decision on the solution is expected in the next few months.

During 2016 and beyond, a continued focus on cost reduction opportunities and the careful balancing of future capital investment initiatives including infill drilling

the careful balancing of future capital investment initiatives, increasing future drilling as part of the GJFFD, will be key as Tullow seeks to ensure maximum return on investment from this world-class oil field.

SHARE ON

JUBILEE UNIT
AREA

Tullow (operator)	35.1
Kosmos	24.1
Anadarko	24.1
GNPC	13.1
Petro SA	2.1

Page last updated: 06 MAY 2016