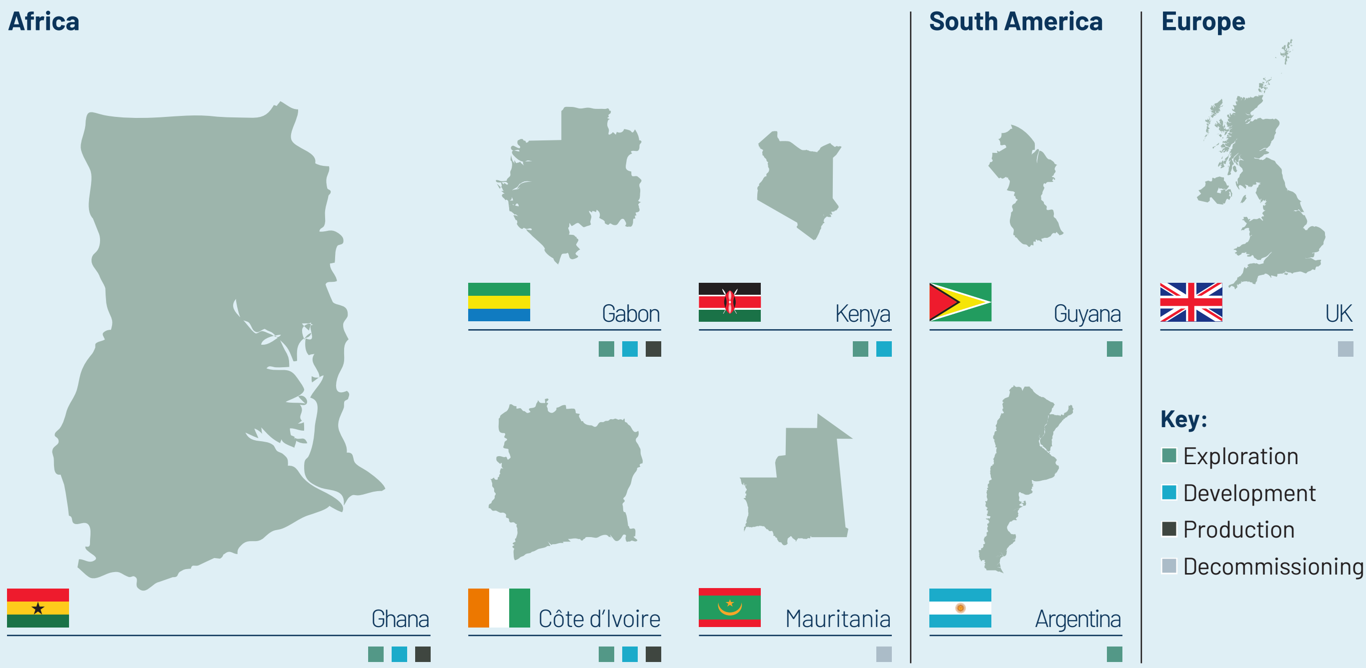
Tullow Oil plc
2022 Annual Report
and Accounts

Building a better future through responsible oil and gas development

Our purpose

Tullow's purpose is to build a better future through responsible oil and gas development. Our sustainable approach is a critical element of our business strategy. We believe the oil and gas industry can, and should be, an engine of economic development for emerging African economies. We contribute to our host nation's sustainable growth by unlocking value from their resources, through reliable, safe, cost-effective and carbon-efficient operations.



Note: countries are not to scale

Production

We create economic value for our host nations through tax, royalties and revenue sharing from the extraction and sale of hydrocarbons. We also create social value through job creation, supplier development and community support through our Shared Prosperity activities. Tullow has a proven track record of managing production operations with high standards of safety, environmental stewardship and community engagement.
We also have extensive experience in successfully decommissioning production sites in a responsible manner when production ceases.

Development

We create value by developing discovered resources that have been confirmed to be commercially viable. The development plans include technical and commercial considerations based on extensive stakeholder engagement on economic, operational, social and environmental matters. These plans are subject to approval by our host governments and regulators. The development phase can be highly capital intensive, with investment in new infrastructure, local job creation and supplier development; all progressed with our Shared Prosperity ambitions in mind. Development projects are currently underway or being planned in Kenya, Ghana, Gabon and Côte d'Ivoire.

Exploration

We pursue infrastructure-led exploration opportunities in and around our production and development assets. In addition, we have legacy positions in emerging basins where we seek to unlock value through prospect identification and selective exploration.

Our people:
Building a better future

Gabrielle's story
p.16

2022 in numbers

Group working interest production
61,100 boepd
2021: 59,200 boepd

Operating cash flow
$972m
2021: $711m

Adjusted EBITDAX
$1.5bn
2021: $1.0bn

Profit/(loss) after tax
$49m
2021: $(81)m

Capital investment
$354m
2021: $263m

Free cash flow
$267m
2021: $245m

Net debt
$1.8bn
2021: $2.1bn

Gearing
1.3 times
2021: 2.2 times

Contents

A differentiated business strategy

At Tullow, we believe that reliable and adequate energy supplies are critical for sustaining human progress and ensuring political stability. We also believe that fossil fuels will remain a necessary part of the energy mix for some time, as migration to alternative energy sources will require substantial investment in new technologies and infrastructures over many years to come. In the meantime, Africa continues to suffer from extreme energy poverty, hindering economic growth and social advancement. If African nations are to prosper, they must benefit from their vast pool of natural resources. For this reason, our focus at Tullow is to help deliver prosperity in Africa and our other host nations through managing the exploration, development and production of oil and gas resources safely, efficiently, collaboratively and transparently. Our differentiated business strategy is informed by our long history of asset development in Africa, our passion to build a better future for our host nations and our environmental consciousness.

A better future

Shared prosperity

Differentiated business strategy

Our focus

Business growth

Capital efficiency

Operational excellence

Our way

Trusted partner

Committed contributor

Attractive employer

Our values

Do the right thing

Collaborate

Take responsibility

Make it count

Our business strategy is built on the following themes:

Our focus

Business growth: Developing discovered resources, near field and infrastructure-led exploration and M&A
Our business is underpinned by a deep and rich portfolio of discovered resources. For example, our Jubilee and TEN fields in Ghana provide significant opportunities for infill drilling, facilities expansion and new production from currently undeveloped parts of the fields as well as near field exploration. In Gabon and Côte d'Ivoire, we have identified a number of low-risk investment projects. In these areas we are leveraging our deep geoscience expertise to explore around our producing assets, where the proximity to existing infrastructure supports fast commercialisation of any discovered resources, resulting in high returns and rapid payback. We are also working to realise further growth through our discovered resources in Kenya.

Our industry is going through a structural shift as many larger companies de-emphasise their oil and gas business, particularly in Africa. With a credible presence across Africa and a proven track record across exploration, development and production operations, we are well placed to deliver value through mergers and/or acquisitions.

Capital efficiency: Managing cost and capital to deliver a robust balance sheet
At Tullow every barrel matters and every dollar counts. We operate within a strict cost framework and have capital controls to deliver returns for our investors and to fuel our growth plans. At the same time, we continue to strengthen our balance sheet, reducing net debt through the generation of material free cash flow. In 2022, our cash gearing (net debt to EBITDAX) reduced to 1.3 times, a material acceleration of our deleveraging trajectory which brings confidence that our investments in high-return opportunities, along with cost and capital efficiency focus, are delivering positive results.

Operational excellence: Maximising asset performance, reliability and safety
We focus on operational excellence in all aspects of our activities. We maximise the performance of our assets, leveraging our engineering, technical and subsurface geoscience expertise to design efficient systems and processes while ensuring timely equipment replacement and maintenance to deliver safe, reliable and environmentally responsible production performance. We continuously monitor our workforce requirements to ensure we have the right levels of staff and provide training to ensure that we have the right skills in place to operate our assets dependably.

Our way

Trusted partner: Operating to uncompromising standards of ethical conduct
Tullow's success depends on one thing: trust. Trust in Tullow allows us to partner with governments to help alleviate energy poverty in Africa, maintain positive relations with regulators and inspire confidence in financing institutions to ensure continued access to capital. For Tullow, being a trusted and trustworthy organisation includes maintaining high standards of ethics and compliance in all that we do, zero tolerance for corruption, responsible tax management and tax transparency as strategic imperatives.

Committed contributor: Improving the everyday lives of people in our host nations
When our business succeeds, our host nations benefit. This goes beyond augmenting national revenues from oil and gas; it means engaging, community by community, to understand local needs and support social advancement in meaningful ways. We encourage our communities to speak openly with us on matters of importance to them, while investing in social development in multiple ways. Equally, we operate with environmental consciousness to minimise the impact of our activities on climate change and the natural environment. Tullow benefits through a collaborative and capable supply chain and employees who enjoy positive relationships and a respected standing in our communities.

Attractive employer: Nurturing a collaborative, caring and open work environment
Tullow fosters an open team culture in an empowering workplace in which people are confident and comfortable to engage, contribute and speak openly about any aspect of what we do or how we work. As an inclusive organisation, we promote respect, diversity, equality and transparency, underpinned by strong human resources management. We invest in training to enable our people to realise opportunities for professional advancement. Empowering our workforce is a strategic driver of our success.

A value-creating business model

Tullow creates value by investing in the exploration for, and development and production of, oil and gas resources. With an established foothold in our host nations, we monetise oil and gas from our portfolio of assets to deliver economic and social benefits for all stakeholders and contribute to prosperity in our host nations. Our keen focus on maximising the performance of our assets through efficiencies and strict cost management, alongside our commitment to building positive relationships and partnerships across our value chain, has enabled Tullow to mature into a trusted operator and champion of sustainable development.

Stakeholders

Our investors

Our host nations

Our people

Inputs

- Financial resources based on material free cash flow generated through our production that fund business continuity and growth
- Material reserves and resources in West Africa and significant resources in Kenya
- Positive relationships with host nation governments and regulatory bodies
- Strong reputation as an ethical and responsible oil and gas operator
- Skilled team including local teams in Africa with engineering and subsurface technical expertise
- Strong relationships with local communities supported by continuous engagement
- Network of dependable suppliers, including local suppliers in Africa, supporting business continuity and growth

Commitments

- Responsible, safe and reliable operations
- Cost focus and capital discipline to ensure financial resilience with a target to reach gearing of less than 1.0 times net debt to EBITDAX on a sustainable basis
- Conservative financial strategy supported by hedging to protect revenues
- Shared Prosperity with our host nations and their populations and local content investment
- Environmental stewardship throughout our value chain
- Carbon reduction and a target to reach Net Zero by 2030 (Scope 1 and 2 net equity emissions)
- Ethical conduct in line with our Code of Conduct at all times
- Maintaining a positive workplace and upholding human rights through our value chain
- Tax responsibility and transparency

Outputs

- Reliable, low-cost, high-margin production
- Group 2022 reserves replacement ratio of c.90%
- High IRRs
- Identified potential for 120kbopd plateau production rate in Kenya
- Strategic positions in emerging basins
- Shared Prosperity in education, local content and enterprise development in our host nations, reaching thousands of suppliers and entrepreneurs
- Attractive workplace nurturing a skilled workforce with leading-edge knowledge in the oil and gas sector
- Mitigation of our climate change impacts

Value created

- Strong cash flow generation and further investment in responsible oil and gas development and production
- Deleveraging whilst maintaining asset value of the Company, accreting value to our shareholders
- Contribution to economic growth and sustainable development in our host nations through thriving and responsible oil and gas development and production
- Tangible social benefits in our host nations through infrastructure developments, STEM education, high-skill job opportunities and supplier engagement and development
- Improved resilience and social cohesion in local communities, especially fishing communities in areas of our assets
- Job stability, professional growth and career development for hundreds of Tullow employees with a focus on localisation of our African workforce, reducing social inequalities
- Contribution to global efforts to mitigate climate change and reduce global climate risks

SDG contribution

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

17 PARTNERSHIPS FOR THE GOALS

Positioning the company well for the future

Phuthuma Nhleko reflects on his first full year as Chair of Tullow and the significant progress the Group made in 2022.

Phuthuma Nhleko
Chair

> "At Tullow, we believe that oil & gas development can be a major driver for economic development in Africa, and therefore we remain committed to deploying our expertise and capital to partner with host governments to unlock value from their resources in a responsible manner."
>
> Phuthuma Nhleko
> Chair

I have very much enjoyed my first year as the Chairman of your company. It has been a year marked by strong operational and financial performance across the Group, which is a testament to the hard work and commitment of the entire Tullow team. The team has continued to build on a culture in which every dollar counts and every barrel matters. I congratulate them on a good performance that has delivered strong cash flows and led to a material improvement in the Group's balance sheet, positioning your company well for the future.

I have been particularly impressed by the team's focus on operational delivery as evidenced by the strong drilling performance in Ghana, the successful Operations and Maintenance (O&M) transformation at Jubilee and the top quartile safety performance. The O&M transformation at the Jubilee is also key to delivering reductions in the operating cost base and carbon emissions.

Strategy

We have a high quality portfolio. The focus of the team on cost management, disciplined capital deployment and operating efficiency enables us to maximise cash flow generation from these assets. We are therefore able to self-fund a high-return investment programme to deliver further value, cash flows and drive down debt. The organic growth potential from our assets can be determined with confidence.

Tullow's operational and financial turnaround is widely acknowledged by both the industry and host governments in Africa. Tullow's higher credibility will often lead to unique inorganic opportunities. For instance, last year, our pre-emption of Kosmos' acquisition of Occidential Petroleum's assets in Ghana was recouped within the year and has helped support our deleveraging and value creation efforts. The quick turnaround to secure the necessary approvals also demonstrates the strong support Tullow enjoys from the Government of Ghana.

Earlier in the year, we were approached by Capricorn Energy for a potential merger. After considerable deliberation, the Board decided to recommend the merger to our shareholders. On the basis of the terms agreed with the Board of Capricorn Energy, we saw a potential for material value creation for shareholders by implementing a business plan that accelerated investment in our key projects, delivered very significant synergies including a material reduction in debt service costs. However, once Capricorn Energy were in receipt of a competitive offer, we decided not to increase our offer that may not ultimately have advanced shareholder value. Our disciplined approach was driven by our confidence in our team and assets that underpin a clear growth strategy and strengthening balance sheet.

The oil & gas industry is in the midst of a structural change as many companies assess their long-term commitment to oil & gas. This will create opportunities for inorganic growth, particularly in Africa. At Tullow, we have built a unique operating platform that, along with our deep understanding of Africa, positions us uniquely to secure these opportunities and deliver further value.

Tullow's Board

Over the past year, I have greatly appreciated the support of Tullow's Board. I am also pleased that we have appointed Richard Miller as CFO. Richard brings extensive oil & gas and financial experience to the role having been with Tullow for over 11 years, including as Interim CFO since April 2022. During that time Richard led the Tullow Finance team, supporting a number of acquisitions, disposals and capital markets transactions. He played a significant role in the continued turnaround of Tullow with the successful rebasing of Tullow's cost structure, the resetting of the balance sheet and the change to a more focused capital allocation. The Board and I look forward to working closely with Richard. In February 2023, the Company announced the appointment of Roald Goethe as an independent Non-executive Director. Roald is a highly experienced oil & gas executive with extensive commercial knowledge of the energy industry in Africa including business development, M&A and in oil markets, specifically hedging, financing and trading. The Board and I look forward to working closely with both Richard and Roald.

I was pleased to use the opportunity of the externally facilitated Board evaluation to focus on the requirements of the Board to best support the business in its delivery of the strategy. Further information on the evaluation can be found on page 57.

Tullow and Africa

This is a time of great uncertainty and change in the global energy markets. Despite all the important work being done on energy transition, its trajectory and pace remain uncertain. For now, it is clear that the world will continue to consume significant quantities of oil & gas. However, the oil & gas industry has significantly underinvested in new developments needed to maintain sufficient supply. This investment gap means that we expect the markets to remain volatile, impacting the energy trilemma of security, accessibility and affordability.

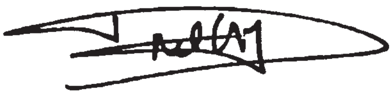
Society and policy makers should acknowledge the need for differentiated approaches to the energy transition between the developed and emerging world and ensure there is a just transition. This is essential to support economic growth in the emerging world. We experience this first hand in our African operations. Importantly, we must bear in mind that the African continent accounts for less than 3% of the world's energy-related CO_2e emissions to date and has the lowest emissions per capita of any region. As such it is hard to argue against the right of the African countries to develop their resources for the benefit of their people, as has been done for decades in countries in the developed world. This was underscored clearly by many African leaders at COP27 in Cairo last year.

At Tullow, we believe that oil & gas development can be a major driver for economic development in Africa, and therefore we remain committed to deploying our expertise and capital to partner with host governments to develop local content capacity, enhance energy security through the long-term supply of indigenous gas in Ghana and unlock value from our host nations' resources in a responsible manner.

Conclusion

Rahul and his team continue to build a track record of consistently meeting expectations and delivering on the strategy. This has not yet translated into our share price despite higher commodity prices through the year. However as the Group continues to restore trust and confidence after the events of 2019, I am confident that our investors will be rewarded. Based on a clear and disciplined growth strategy we will deliver material free cash flow that will help reduce debt whilst growing the value of our company. This will drive material value creation for our shareholders and shared prosperity for our host nations and communities. With this compelling vision for Tullow over the next few years, the Board looks to the future with confidence.

Thank you for your support for Tullow.



Phuthuma Nhleko
Chair

7 March 2023

Creating a unique platform for growth in the oil and gas sector

2022 was a solid year of delivery for Tullow with a strong set of financial results and excellent operational performance. Rahul Dhir, Chief Executive Officer, discusses the progress Company has made and why he has the conviction that Tullow will continue unlock its true value.

Rahul Dhir
Chief Executive Officer

> "We have a strong and diverse leadership team with a highly energised organisation characterised by deep commitment to delivering on our business plan."
>
> Rahul Dhir
> Chief Executive Officer

I joined Tullow in 2020, because I had conviction in the quality of the asset base and the belief that with focus and discipline we would turn the business around and unlock its underlying value.

The strong operational and financial performance of the business since then validates that conviction. Tullow is now creating value and generating free cash flow. Our balance sheet is stronger with significant liquidity headroom and leverage of less than 1.5 times.

At the same time, we have created a unique platform for growth within the oil and gas sector. Today we have a strong and diverse leadership team with a highly energised organisation characterised by deep commitment to delivering on our business plan. There is a real willingness to go "beyond the call of duty" in delivering excellence. This is evidenced by the successful transition of the operation and maintenance of the Jubilee FPSO, the top quartile drilling performance, and the ongoing delivery of the Jubilee South East Project that remains on time and on budget.

2022 performance

Our strong business performance in 2022 builds on the foundations we laid in 2021, and clearly, there are many things to celebrate.

Starting with safety, 2022 was the second successive year of industry top quartile safety performance with no recordable incidents in the year and no Tier 1 process safety events.

The team has done a great job in managing inflationary pressures on both G&A and Opex, demonstrating that "every dollar counts" at Tullow. Through a focus on continuous improvement, we are seeing initiatives – big and small – to help unlock value and save costs. Despite sector-wide inflation, our operating expenditure has remained in line with expectations and we held our G&A costs flat.

On production operations, the team has done a stellar job in delivering high production efficiency and maximising production – demonstrating that "every barrel matters" at Tullow.

We also successfully transferred the operation and maintenance of the FPSO at the Jubilee field – our most prized asset – from an external contractor to our operating team. This is a major step in supporting our vision of becoming a leading low-cost operator and we have immediately seen the beneficial impact of that decision with increased uptime and c. 30% lower operating costs in the second half of the year compared to the first. In addition, what is most energising is the change in morale, attitude and ownership of the operating team, which has resulted in visible improvements in control of work, housekeeping, orderliness and general positivity on the FPSO.

Capital discipline remains at the heart of what we do and I am pleased to report that we delivered our capital investment programme within budget. The drilling team has delivered the well programme faster than planned, obviating the need to hire a second rig. This resulted in further cost savings against our long term plan and accelerated production growth.

At Jubilee, the development of the South East area is progressing in line with plans and budget, and once the new wells come onstream in 2023 we expect total production from the field will exceed 100 kbopd. First oil from the Jubilee South East project will be a significant milestone, bringing previously undeveloped reserves to production, and highlighting Tullow's project management strengths and ability to integrate deliverables across a global multidisciplinary team.

At TEN, the focus in 2022 was on reservoir management, and we have been able to reduce annual decline rates to less than half compared to 2021. The year was not without challenges at TEN. We were disappointed by the results of the two Ntomme riser base wells, but did deliver a technically challenging well in Enyenra North that helped stabilise production rates. Our team continues to persevere in their efforts to deliver value from TEN, and while no new wells are planned this year, the focus will remain on reservoir management and importantly on delivering a new plan of development to the Government of Ghana, encompassing infill drilling, phased development of new areas near existing infrastructure, development of the significant gas resource and drilling of prospective resources.

We also invested $126 million to pre-empt the sale of assets in Ghana by Occidental Petroleum to Kosmos Energy, and this investment, which has boosted net production and added to our net 2P reserves, has already paid back.

In addition to maximising oil production from our two fields in Ghana we are also focused on commercialising the material gas resources. The war between Russia and Ukraine is having a profound and long-term impact on LNG flows, as Europe looks to replace Russian gas with imported LNG. This has created an imperative in Ghana to develop indigenous gas to provide energy security and support economic development. Tullow, along with our JV partners, is committed to working with the Government of Ghana to provide long-term gas supplies. As part of this process, we signed an Interim Gas Sales Agreement, representing the first commercialisation of gas from the Jubilee field. This agreement is an important step towards a long-term agreement which will transform the vast resources across Jubilee and TEN into another revenue stream for Tullow whilst providing a long-term source of energy for Ghana.

Our non-operated asset portfolio performed broadly in line with expectations, despite some unplanned downtime at the Espoir field in Côte d'Ivoire and natural decline in some of the more mature fields in Gabon. This part of our asset base will remain a material contributor to production and cash flow, with ongoing investment to optimise our equity positions and replace maturing production with moderate capital spend.

Our exploration strategy is largely focused around our producing assets in West Africa, where we have a deep understanding of the geoscience and access to infrastructure enables rapid development of discoveries. To this end, we have expanded our strategic position in the Tano Basin by securing a new offshore exploration licence in Côte d'Ivoire, in an area adjacent to our producing fields in Ghana. In addition, we also retain material legacy positions in the emerging basins of Guyana and Argentina, where we continue to seek opportunities to unlock value.

Higher oil prices have also brought contingent payments from previous disposals into focus. In Uganda, at plateau production Tullow would receive a share of revenue. At $70/bbl, this is estimated to be c.$15 million per annum and increases to c.$47 million per annum at $100/bbl. The upside exposure is uncapped and for the full duration of the licence. In Gabon and Equatorial Guinea, there is potential for receipts of up to $40 million over the next five years.

Kenya

In March 2023, the Kenya Joint Venture partners submitted the final Field Development Plan (FDP) for approval to the Ministry of Energy & Petroleum (MoEP) and the Energy and Petroleum Regulatory Authority (EPRA). The FDP is based on a life of field resource of 585mn bbls gross, initial plateau production of 120 kbopd and capital investment of c$3.4 billion to first oil. The FDP approval process, including ratification by parliament, is expected to conclude later this year. In parallel, we continue to progress a farm-down to a strategic partner in a joint process with our partners.

Proposed merger

In June 2022, Tullow's Board proposed a merger of equals with Capricorn Energy in an all-share, nil premium offer. This opportunistic transaction could have resulted in accelerated investment across Tullow's portfolio, however, our Board did not believe that an improved offer in line with the demands of some of Capricorn Energy's key shareholders would have represented good value for Tullow's shareholders. This decision was supported by our Board's strong confidence in Tullow's business plan that we outlined at the beginning of the year, and which continues to deliver value.

Board

Throughout the year I have benefited greatly from the wise counsel and experience of our Chairman, Phuthuma Nhleko. He brings a deep understanding of the African business and political landscape along with strategic thinking and a real focus on value creation.

Richard Miller was confirmed as our permanent CFO in December 2022. Richard has a strong financial background, with a focus on cost and capital discipline and he knows the business really well. In his role of Interim CFO in 2022, Richard has been a real thought partner as we have continued Tullow's transformation, rebasing our cost structure, improving our balance sheet and bringing a much clearer focus on capital allocation. I am delighted with his appointment. I'm also looking forward to working with the newest member of the Board, Roald Goethe, who was appointed as an independent non-executive Director in February 2023. Roald brings a unique commercial and entrepreneurial perspective which will be help pursue our long-term strategy.

Unlocking value for our Host Nations and Shared Prosperity

Our Purpose is to "build a better future through responsible oil & gas development". We recognise that the successful delivery of our business plan is also integral to the economic prosperity and development of our host nations. For instance, in 2022 our operations in Ghana delivered over $1.5 billion in value for Ghana through taxes, royalties, GNPC's participating share in the licences and discounted supply of gas and condensate. Further, a long-term supply agreement of indigenous gas will enhance energy security and facilitate industrial development in Ghana.

We actively invest in social programmes across our host nations with the aim of making a meaningful impact working with the communities where we operate, with a focus on accelerating progress through partnerships. In 2022, we enabled more than 9,000 students to access education and we continued to support local entrepreneurship through the Fisherman's Anchor project, a micro credit scheme, that provided financial assistance to over 1,300 beneficiaries. Building local content capacity is fundamental to the success of our business, and our goal is to increase the local participation in our supply chain through open dialogue, providing business tools, and connecting local companies with a future ready workforce. In Ghana, our Advisory Board continues to provide us with great insights and advice, helping us improve our understanding of the domestic context and enhancing our local relationships.

The symbiotic linkage between Tullow and our host nations is underpinned by strong relationships with our key stakeholders. Our host nations recognise the criticality of our operations and investments to their economic development and energy security. Therefore they want Tullow to keep investing in their countries to ensure that they benefit from their natural resources in the same way that many other nations, particularly in the developed world, have already.

Climate

Our shareholders will recall that Tullow made a commitment to being Net Zero on our Scope 1 and 2 net equity emissions by 2030. Work towards this target is well underway with increased gas handling capacity at Jubilee and process modifications ongoing at TEN. Further progress is expected during a planned maintenance shutdown of the TEN FPSO in 2023. These developments will enable us to eliminate routine flaring in Ghana by 2025. At the same time, we are making good progress on a nature-based carbon off-set project in Ghana with the signing a Letter of Intent (LoI) with the Ghana Forestry Commission (FC) in December 2022.

A fundamental redesign of the Kenya FEED has resulted in reduction of the carbon intensity of the project by c.40%. This was achieved by limiting GHG emissions in the design, reinjecting excess gas into reservoirs for reuse at a later stage and committing to zero routine flaring from the outset. The use of solar power for pipeline operations and nature based offset projects offer the opportunity to abate residual emissions. To further sustain responsible operations, we are considering an Environmental Stewardship Fund and a Shared Prosperity Fund to deliver a net positive impact to local communities.

Outlook

Strong operational delivery, rigorous focus on costs and capital discipline, increased equity in our key operated fields in Ghana and higher oil prices drove material, expectation-beating free cash flow generation in 2022. This accelerated the Group's deleveraging with a net debt to EBITDAX ratio of 1.3 times by the end of the year. This performance demonstrated the underlying cash generation potential of the business.

2023 will be an exciting year as we continue to deliver on our Business Plan, with capital investment, in particular in Ghana, expected to support production growth through to 2025 and material free cash flow generation. At an oil price of $80 per barrel, we expect to deliver $800–$900 million in free cash flow in the three years 2023-2025. In addition, we are working on several notable milestones that will deliver material value. These include: completion of the Jubilee South East Project which is key to delivering over 100 kbopd from Jubilee, the Plan of Development for TEN which will set out a clear pathway for creating value, commercialisation of gas in Ghana to deliver secure gas supplies for the nation, and progress on Kenya FDP and strategic partner induction that will help transform the value of this major resource.

The Tullow team has worked exceptionally hard in 2022 to deliver the business plan and I thank them for their commitment and delivery. We are also grateful to our host nations and communities for their continued support and our shareholders and debt investors for their confidence in us.

We have created a platform of assets and set of capabilities which are unique within our sector and that gives me great confidence in Tullow's ability to deliver growth and value for all our stakeholders.

Rahul Dhir
Chief Executive Officer

7 March 2023

A volatile market during political and economic uncertainty

Russia's invasion of Ukraine as well as recession concerns have caused energy prices to fluctuate throughout the year and has highlighted the importance of energy security.

1 Geopolitics

The conflict in Ukraine, elevated inflationary pressures and a slowdown in global growth were among the key political and economic events of 2022.

Following a post-pandemic rebound in the global economy in 2021, 2022 saw numerous pressure points emerge amid heightened political and economic uncertainty.

Russia's full-scale invasion of Ukraine on 24 February 2022 was, and continues to be, one of the most significant conflicts in Europe since 1945. While the Russo-Ukrainian War acted to exacerbate cross-asset volatility, energy prices in particular were driven higher, feeding expectations of a global energy crisis. The pressures within Europe were particularly exacerbated given the relatively high dependence on Russian energy exports, with the inflationary pressures further intensified by Russia's decision to cut natural gas supplies to Europe in September.

Consumer price indices printed at record levels across major economies fuelled by the aforementioned war in Ukraine, surging energy prices and supply-side factors. Monetary and fiscal conditions imposed during the COVID-19 pandemic compounded the pressures, leading central banks to exhibit an increasingly hawkish tilt before ultimately undertaking several rounds of monetary policy tightening in an effort to stem the pricing pressures.

Oil price volatility was another major characteristic in 2022, with prices initially rising in the first half of the year on constricted supply dynamics onset by the war. Brent crude reached an intra-year high of $130/bbl during March in the early aftermath of the invasion, the highest price demanded for the commodity since 2008. The environment triggered record corporate profits within the energy sector and amid a mounting cost of living crisis domestically, the UK Government announced a temporary 25% windfall tax on the profits of North Sea oil and gas operators – the Energy Profits Levy – in May. The tax rate was subsequently increased to 35%, with the levy set to fall away in March 2028.

Oil markets cooled rapidly in the second half of the year, with Brent dipping below $80/bbl in early December following numerous rounds of monetary policy tightening by central banks and on a particularly weak Chinese demand outlook.

Outside the oil and gas sphere, wider commodities also performed well in 2022. Coal gained amid record high demand, with the trend anticipated to extend into 2023. Agricultural markets also saw large gains, with grain and palm oil eclipsing all-time highs in March on a culmination of poor weather conditions and pandemic-related supply disruptions. Combined, the rapidly rising commodity prices fuelled concerns of an accelerated route to a recession in Europe, with the higher energy prices a key contributor to elevated inflation levels.

As pricing pressures became entrenched, central banks undertook several rounds of monetary policy tightening as policymakers weighed the benefits of tightening monetary policy conditions against stagflation, growing unemployment and economic 'hard landing' risks. Ultimately, the Bank of England, Federal Reserve and European Central Bank undertook 325bps, 425bps and 250bps of tightening respectively across 2022.

UK political news flow was also in focus, with newly elected Prime Minister Liz Truss announcing a £150 billion energy plan support package to ease cost pressures on domestic households. The announcement was soon followed by a 'mini-budget' from Chancellor Kwasi Kwarteng, with the "biggest package in generations" of unfunded tax cuts undermining market confidence and driving a sharp broad-based sell-off across both domestic equity and debt markets. The yield on the closely watched UK 10Y Gilt surged by as much as c.130bps through September as a result, the greatest monthly gain on record for the asset, whilst also facilitating unprecedented Sterling weakness, with GBP trending towards parity against USD in late September. Much of this reversed, however, as new Chancellor Jeremy Hunt and Prime Minister Rishi Sunak quickly unwound most of the mini-budget and aimed to stabilise the economy.

Further inhibiting growth in 2022 were Chinese coronavirus headlines, with the country's strict adherence to zero-COVID policies acting as a headwind to global output growth. Towards the year end, the country moved to loosen a range of the zero-COVID measures, including removing the need for inbound travellers to quarantine and permitting Chinese citizens to resume outbound travel. However, fears surrounding rising case levels across the country remained in focus as initial reopening optimism was overshadowed by a resurgent outbreak in the world's second largest economy.

2 Oil price

Oil markets in 2022 were characterised by significant volatility, with prices spiking following Russia's invasion of Ukraine, before tapering off later in the year due to recession concerns amid central bank monetary policy tightening. ICE Brent prices traded in a wide range, between $75-$130/bbl, with an average daily price during 2022 of ~$98/bbl.

January prices started the year on the front foot due to the worsening geopolitical situation in Eastern Europe. Those fears created upward momentum that carried gains through February when the invasion of Ukraine was finally laid bare, and prices climbed 9.1% month on month (m/m) touching a high of $98/bbl just as the month ended. In March, the upward trend continued despite efforts by the US to absorb some of the price shock, announcing plans to release 180 million barrels from their national reserves starting from May. Despite a temporary pause to the crude rally, the move ultimately had limited effect with the average monthly price during March gaining 19.6% m/m to reach an intra-year high of ~$130/bbl. However, by April, the imminent release of US crude stocks was beginning to act as a headwind to oil markets, and the average monthly ICE Brent first month contract fell by 5.7% m/m and those prices in March would end up being the highest seen all year.

In May, ICE Brent largely reversed April's move, posting a 5.5% m/m gain and reaching $118/bbl after China announced a June resumption of manufacturing from its key commercial hub of Shanghai and commentators thought this might signal a change in China's COVID-19 policy. Supply-side dynamics in Europe were also price supportive as the EU began a wide-ranging discussion on the ban of all Russian energy imports and a price cap. In June, oil prices trended 4.3% higher m/m but this was short lived after OPEC+ announced it would materially increase production in July and August and downward pressure was applied to prices during the rest of the month. The supply dynamics from all this additional oil, alongside weakening US and EU macro data, acted to fan demand concerns. In July, ICE Brent prices continued their downward move, with prices losing 10.7% m/m to hit a low of $99/bbl amid bearish macro sentiment and a worsening demand outlook. These factors continued to weigh on prices over August, with the monthly average price softening by a further 6.5% m/m as the progressive increases in interest rates weighed demand forecasts and stunted future growth expectations across the globe.

In September the expected softening of Chinese COVID-19 lockdowns failed to materialise, and the regime reiterated its support for its "zero-COVID" policy despite local protests and the obvious impacts to the China economy. These headwinds hindered prices and average ICE Brent prices fell by 7.1% m/m, dipping to $83/bbl for the first time since before the war. October saw a slight improvement to sentiment as a decision by OPEC+ to reverse its earlier boost to output and actually cut production guided the prompt ICE Brent contract back towards $100/bbl before ultimately falling short. The end of the year saw a further decline in market confidence despite the reversal of China's "zero-COVID" policy as growth concerns instead focused on what this policy change would mean in the short term – mainly a burgeoning COVID-19 outbreak and loss of demand/output. As such, average ICE Brent prices during November were 2.6% lower m/m whilst during early December, ICE Brent reached its 2022 nadir, touching $77/bbl. However, the latter half of December saw oil regain some ground, slightly boosted by the introduction of the EU's Russian oil import ban and price cap which partially came into effect on 5 December. Despite the late rally, prices during December remained 10.3% lower m/m at ~$81/bbl and prices averaged the year at $98/bbl. Thus, while prices ended the year lower than they started, 2022 saw the highest average price since 2014.

3 Climate change policy: managing the '*transitions*'

Sharm el-Sheikh Climate Change Conference (COP27): 'All of Africa' COP, focused on implementation and delivering an agreement on establishing a *Loss and Damage* Fund.

The United Nations Environment Programme (UNEP) Emissions Gap Report 2022: *The Closing Window – Climate crisis calls for rapid transformation of societies*, published in October 2022, stated that since COP26 (Glasgow, 2021), new and updated nationally determined contributions (NDCs) have 'barely impacted the temperatures we can expect to see at the end of this century' and that unconditional NDCs point to a 2.6°C increase in temperatures by 2100, far beyond the goals of the Paris Agreement. To get on track to limiting global warming to 1.5°C, a 45% reduction in current greenhouse gas emissions by 2030 will be required. For 2°C, a cut of 30% would be required. As a consequence, a stepwise approach is no longer an option; what is needed is a system-wide transformation.

The importance of COP27 could not be understated. The Egyptian COP27 Presidency defined the summit's four key goals as: Mitigation: all parties, especially those in a position to "lead by example", are urged to take "bold and immediate actions" and to reduce emissions to limit global warming well below 2°C; Adaptation: ensure that COP27 makes the "crucially needed progress" towards enhancing climate change resilience and assisting the world's most vulnerable communities; Finance: make significant progress on climate finance, including the delivery of the promised $100 billion per year to assist developing countries; and Collaboration: as the UN negotiations are consensus based, reaching agreement will require "inclusive and active participation from all stakeholders".

African leaders echoed these goals, speaking of the importance of equity, fairness, and responsibility: '*Climate change is a global emergency, and Ghana calls on all parties to act with equity and a sense of responsibility*', said the President of the Republic of Ghana, Nana Addo Dankwa Akufo-Addo.

COP27 did in fact serve to highlight the importance of collaborative, inclusive and meaningful dialogue with a wide spectrum of stakeholders, the complexity of transforming global energy systems and the need for differentiated approaches to managing the energy transition, north vs south, both trajectory and speed, whilst also ensuring a just transition, for workforces, communities and consumers, aiming for reliable, affordable and secure clean energy resources, in eradicating energy poverty and supporting economic growth.

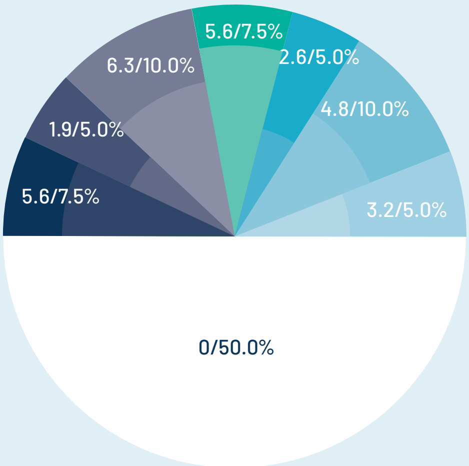
COP27 delivered a breakthrough agreement, set out in the 'Sharm el-Sheikh Implementation Plan', that includes the creation of a 'Loss and Damage Fund' for vulnerable countries hit hard by climate disasters and consistent with the overall theme of justice and fairness.

Climate change, the energy transition and just transition will continue to be topics of considerable national and international debate in 2023, played out against a difficult geopolitical backdrop that has underscored the importance of energy security as an essential driver for economic growth and development.

Research shows that energy demand continues to increase and, as widely accepted, oil & gas will continue to be a crucial part of the global energy mix for decades to come. As we continue to '*build a better a future through the responsible development of oil and gas*', we will ensure these considerations continue to inform our business strategy.

Measuring our performance

Our scorecard aligns both executive pay and employees' performance-related pay to Key Performance Indicators (KPIs) measuring our performance across a range of operational, financial and non-financial measures.



2022 scorecard

1. Safety	**5.6/7.5%**
2. Financial performance	**1.9/5.0%**
3. Production	**6.3/10.0%**
4. Business Plan implementation	**5.6/7.5%**
5. Sustainability	**2.6/5.0%**
6. Unlocking value	**4.8/10.0%**
7. Leadership effectiveness	**3.2/5.0%**
8. Total Shareholder Return	**0/50.0%**

Remuneration Report pages 73 to 97

KPI	Performance
1. Safety	No recordable injuries in 2022, maximum score achieved No LOPCs at Tier 1. One Tier 2 LOPC
2. Financial performance	Normalised operating cash flow (OCF) at $557 million
3. Production	Group oil production normalised for pre-emption at 57.4 kbopd Jubilee production efficiency at 97%; TEN production efficiency at 98%
4. Business Plan implementation	95% of the 2022 capex work programme completed at spend totalling $362 million
5. Sustainability	Implementing plan to eliminate our routine flaring by 2025 and being Net Zero on our Scope 1 and 2 net equity emissions by 2030
6. Unlocking value	Delivery of a number of critical actions to unlock value in 2022 and drive future growth
7. Leadership effectiveness	In 2022, the leadership team has continued to work collaboratively and together with a highly energised workforce, delivered strong performance across the core business activities and made solid progress in the critical areas identified to unlock value. Together with strong support from the Board in the year, the leadership team continued to position the company for sustainable success
8. Total Shareholder Return[1]	TSR position is bottom quartile

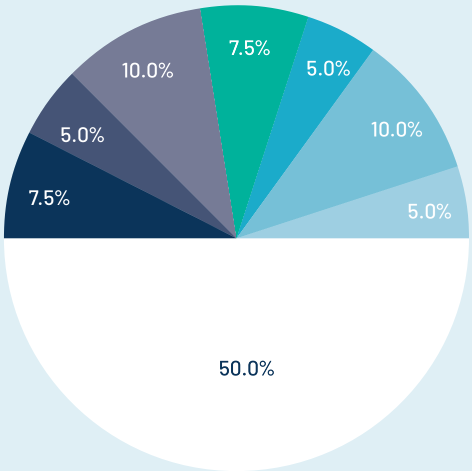
The safe and responsible operation of our assets is always our first priority and through the implementation of safety improvement plans, contractor engagement, active leadership interventions and a strong reporting culture we have maintained our strong EHS performance in 2022. There have been no recordable injuries in 2022 and no Tier 1 incidents for loss of primary containment (LOPC). Strong operational delivery was also evident in our production efficiency with TEN and Jubilee achieving at least 97%. Actual production once normalised to remove benefit from pre-emption was close to matching our scorecard target.

Actual operating cash flow of $972 million was significantly higher than Budget thanks to the higher oil prices in 2022 but for the scorecard KPI we normalised back to our Budget price assumption. This means the KPI focused on cost and working capital management. As a result, our normalised OCF was $557 million resulting in meeting our scorecard target.

The Business Plan implementation KPI tracks our delivery of the capital investment in the Budget (what percentage of the work programme have we delivered?) and whether we have delivered it on cost (have we adhered to the Budget costs?). We delivered 95% of the Budget work programme for a spend of $362 million. An additional $38 million of capital spend was for additional projects approved post the Budget, e.g. the extra wells drilled on Jubilee because we were ahead of schedule.

The sustainability KPI was measured against a series of milestones which tracked our delivery against several key themes, shared prosperity, local content, employee engagement, corporate governance, and progress of our Net Zero plans.

The unlocking value KPI was based around delivery of six critical actions. Highlights include completing the pre-emption of the sale by Occidental Petroleum to Kosmos of its interests in the Jubilee and TEN fields in early 2022, together with the successful takeover of operatorship of the Jubilee FPSO in mid 2022.



2023 scorecard

1. Safety	**7.5%**
2. Financial performance	**5.0%**
3. Production	**10.0%**
4. Business Plan implementation	**7.5%**
5. Embedding sustainability	**5.0%**
6. Unlocking value	**10.0%**
7. Leadership effectiveness	**5.0%**
8. Total Shareholder Return	**50.0%**

Remuneration Report pages 73 to 97

KPI	Performance
1. Safety	Total recordable incident rate (TRIR) of between 0.77 and 0.48; loss of primary containment (LOPC) Tier 1 and 2 as per IOGP definition of 1 or less at Tier 2 and 0 at Tier 1
2. Financial performance	Group underlying operating cash flow (OCF) of $726 million to $888 million at a Brent price of $80/bbl
3. Production	58–64 kbopd produced; Jubilee production efficiency of 94–98%; TEN production efficiency of 95–99%
4. Business Plan implementation	Achieve 100% agreed work programme for $423 million agreed budget
5. Embedding sustainability	Delivery of key actions in progressing our Net Zero Plan, socio-economic contribution, employee engagement and embedding strong governance
6. Unlocking value	Focus on unlocking value through a number of critical actions discussed below
7. Leadership effectiveness	Organisation is positioned for sustainable success
8. Total Shareholder Return[1]	Creating shareholder value

Finally, the Board made a judgement on the effectiveness of the Senior Leadership Team over the year. It considered several factors, including the strength and cohesiveness of the leadership team, a clear strategy being set and understood across the organisation, the engagement of the workforce and the successful delivery of business activities in 2022. The Board concluded that the strong performance in 2022 has been driven by the unrelenting focus on business performance and the hard work and dedication of the entire Tullow team, resulting in a score of 3.2%.

1. TSR is only applicable to CEO and CFO remuneration. Remuneration for the wider workforce is based on all other KPIs.

The 2023 scorecard remains largely the same as the 2022 scorecard as it reflects a focus on performance with clear output KPIs at the Group level balanced with a series of input targets across all other levels of the business. It ensures safety is prioritised alongside operational targets, and balances short-term production targets with longer-term business value, Business Plan implementation and leadership to stabilise and then grow our business, whilst delivering a robust response to sustainability.

With input from the Extended Leadership Team and the Remuneration Committee, we have updated the critical actions for the 2023 unlocking value section whereby operations and maintenance (O&M) transformation and Ghana pre-emption are replaced by delivering enhancement in TEN value and deleveraging/positioning for future refinancing.

"We look for every opportunity to improve our production rates from our well stock; producing safely and sustainably while minimising losses is key to achieving operational excellence."

Gabrielle Acquah
Senior Petroleum Engineer

Operational excellence: Maximising asset performance, reliability and safety

Q&A
Gabrielle's story

Gabrielle Acquah
Senior Petroleum Engineer

What are the key responsibilities of your role?

I oversee surveillance and production optimisation of the TEN field, offshore Ghana. Surveillance requires nearly round-the clock monitoring of both producer and injector wells using high frequency real-time data to ensure performance is in line with expectations and within safe operating limits. My team, which consists of production technology, reservoir engineering, facilities engineering, and production chemistry optimise oil production by actively seeking and modelling opportunities both upstream and downstream of the wells. This is done in collaboration with the offshore team, with the aim of increasing field production and injection. We also carry out investigations to find causes of any anomalous behaviours when they occur and try to find ways to resolve them. Another key area is production loss management which identifies the major causes of production losses thereby presenting an opportunity to address them when possible and ultimately improve performance.

How does your role contribute to achieving operational excellence?

The TEN field accounts for 18 % of Tullow's net production. Therefore, ensuring that the field is producing the most that it can daily in a safe and sustainable manner impacts the company's bottom line. We look for every opportunity to improve our production rates from our well stock; producing safely and sustainably while minimising losses is key to achieving operational excellence. It is important to note that this does not happen without having a high facility uptime on the FPSO which the offshore team strives to achieve every day.

How has your career developed at Tullow?

I joined the Tullow Production Technology team in December 2011 after working with MODEC on contract. I worked on the Jubilee Field in the production space up until 2016 and moved into an operations reservoir engineer role for the TEN field. In 2018, I moved to London on a two-year assignment continuing in my role as a TEN reservoir engineer, however, with a new focus on future opportunities. I did a lot of the initial modelling work for the Enyenra South Project. Following that I had a brief stint working on the Kenya Early Oil Pilot Scheme (EOPS). In mid-2020, I came back to Ghana and joined the Well, Reservoir and Facilities Management team looking after TEN operations.

What achievements are you most proud of in 2022?

The TEN field was on a steep decline entering 2022. There was an obvious concern on how we were going to mitigate this without any new wells being drilled early in the year. Despite the challenges the team carried out some significant optimisations which resulted in production gains and slowed down the decline ahead of the new well, En21-P that came online in September 2022. I was honoured to be nominated for the CEO Star Award for one of these opportunities that were carried out.

A review of our operations

Production, reserves and resources

In 2022, Group working interest production averaged 61.1 kboepd, in line with guidance following pre-emption of the Deep Water Tano component of the Kosmos Energy/Occidental Petroleum Ghana transaction.

Group working interest production guidance for 2023 is 58-64 kboepd, excluding 19 bcf of gas sold under the Interim Gas Sales Agreement and any additional volumes of gas sold during the course of the year. The main driver of production growth in 2023 is expected to be the Jubilee South East development which is due onstream in the second half of the year. The near-term focus on TEN is to sustain the strong operational uptime and improve gas handling on the FPSO this year, which will facilitate a reduction in flaring and increased gas injection to support oil production. Improvements on the gas processing facilities will be implemented during a planned maintenance shutdown, scheduled for the third quarter of the year. A two week FPSO maintenance shut-down will impact production from TEN. Production from the non-operated portfolio will be supported by new wells planned at Tchatamba, Ezanga and Etame.

Group average working interest production	FY 2022 (kboepd)	FY 2023 range (kboepd)
Ghana	**44.4**	**48**
Jubilee	31.9	37
TEN	12.5	11
Non-operated portfolio	**16.7**	**14**
Gabon	14.9	13
Côte d'Ivoire	1.8	1
Group	**61.1**	**58–64**

The Group's audited 2P reserves are 229 mmboe at the end of 2022 (2021: 231 mmboe). Group reserves replacement was c.90% as a result of the additional equity acquired through the pre-emptive transaction in Ghana and other positive revisions including transfers from contingent resources, offset by reduction in TEN due to greater than expected base decline in Enyenra and the two Notmme riser base area well results. As at 31 December 2022, the audited 2P NPV10 was $3,895 million (2021: $3,633 million).

The Group's audited 2C resources reduced to 605mmboe at the end of 2022 (2021: 625mmboe). This was principally due to the evaluation of several projects in the TEN development area, some of which have been upgraded from contingent resources to reserves.

Ghana

Jubilee

Production from the Jubilee field increased from an average of 74.9 kbopd (26.6 kbopd net) in 2021 to 83.6 kbopd (31.9 kbopd net) in 2022. Continued excellent operational efficiency of c.97% (2021: c.98%) was achieved and production was supported by four new wells (one producer and three water injectors) coming online ahead of schedule due to outstanding drilling and completions performance.

Two wells were drilled in the Jubilee South East area in the second half of 2022 and a third well in January 2023. Primary target reservoir results are in line with expectations, but with upside from deeper appraisal target reservoirs that encountered oil resources for future development. These wells will commence production in the second half of the year after the installation and tie-in to the Jubilee South East Project subsea infrastructure, in line with the initial project schedule. The completion of the Jubilee South East Project will mark the end of the current major infrastructure spend in the Jubilee area with the majority of near-term capex expected to be focused on drilling and completing new wells.

First oil from the Jubilee South East project will be a significant milestone, bringing previously undeveloped reserves to production and helping define future growth opportunities in the Jubilee area. This project, which was delivered through a multi-national supply chain effort, is being delivered on budget despite the inflationary environment and challenges associated with COVID-19 during 2020-22, highlighting Tullow's project management strengths and ability to integrate deliverables across a global team.

In 2023, Jubilee oil production is expected to average c.95 kbopd (c.37 kbopd net), with five wells expected to come online, starting in the middle of the year. Gross oil production from the Jubilee field is expected to exceed 100 kbopd once all these wells have been brought online. This rate increase is also enabled by the successful execution of expansion work on the Jubilee FPSO, increasing water and gas handling capacity to support the additional well stock coming online. The focus on operational excellence in production, drilling and major project delivery in recent years has yielded appreciable value and will continue to be an area of leverage for Tullow.

TEN

Production from the TEN fields averaged 23.6 kbopd (12.5 kbopd net) in 2022. Continued excellent operational efficiency of c.98% (2021: c.97%) was achieved with overall production at the lower end of guidance.

Ntomme gross production averaged 16.8 kbopd for the full year. No new wells were brought online during the year at Ntomme, but pressure support from existing gas and water injection wells resulted in steady production. Enyenra gross production averaged 6.8 kbopd for the full year, supported strongly in the fourth quarter by a new production well, which was brought online in September 2022. Currently producing 3 kbopd, this well and a new water injector brought online in December 2022, will contribute to supporting production in 2023.

Two wells drilled in the Ntomme riser base area did not encounter economically developable resources and will not be completed in 2023 as originally intended, removing c.2.5 kbopd net from previously expected 2023 production.

The longer term plan for TEN is to monetise its significant remaining resources through infill drilling, phased development of new areas near existing infrastructure, development of the significant gas resources and drilling of prospective resources. A restructuring of the FPSO cost base is under evaluation to enable sustained cost efficiency in production operations. Tullow expects to submit a plan of development to the Government of Ghana later this year.

In 2023, TEN production is expected to average c.20 kbopd (c.11 kbopd net), including the planned two-week maintenance shutdown. No new wells are planned to be added in TEN in 2023.

Jubilee operations and maintenance transformation

The transition of operatorship to Tullow on the Jubilee FPSO took place in July 2022. This is a major step in Tullow's transformation to a leading low-cost deep-water operator, and is expected to deliver sustainable improvements in safety, reliability and cost. Following the transition, which is supported by a comprehensive multi-year transformation plan, FPSO uptime averaged c.99% in the second half of 2022, compared to c.95% in the first half. Operations and maintenance (O&M) costs were c.30% lower in the second half of the year compared to the first, and 2023 full year O&M costs are expected to be c.23% lower than in 2021, demonstrating the sustainability of the structural changes delivered through the transformation, helping mitigate the impact of inflation through the supply chain, and allowing for sustained prioritisation of FPSO upkeep activities which are important for maintaining the FPSO's top-tier performance for the long-term.

Gas Commercialisation

In December 2022, an Interim Gas Sales Agreement for 19 bcf gross of Jubilee gas was executed, utilising the price for TEN associated gas referenced in the 2017 TEN Gas Sales Agreement which was $50c/mmbtu. The 19 bcf is expected to have been supplied by the middle of the year at an anticipated export rate in excess of 100 mmscfpd, adding c.7 kboepd net production during the first half of the year. Further gas export will be contingent on reaching agreement on acceptable commercial terms for future volumes.

Tax exposure

As announced on 14 February 2023, throughout 2021 and 2022, Tullow has received revised and new tax assessments from the Ghana Revenue Authority (GRA). Tullow believes these assessments are without merit and filed requests for arbitration with the International Chamber of Commerce in London, in accordance with the dispute resolution process set out in the Petroleum Agreements which govern Tullow Ghana Limited's (TGL's) activities in Ghana. Notwithstanding this formal step, Tullow intends to continue to engage with the Government of Ghana, including the GRA, with the aim of resolving these disputes on a mutually acceptable basis.

Non-operated portfolio

Production from Tullow's non-operated portfolio in Gabon and Côte d'Ivoire averaged 16.7 kboepd net in 2022 (2021: 17.2 kboepd net), supported by new wells brought online in Tchatamba, Ezanga and Etame. Capital expenditure in Gabon and Côte d'Ivoire in 2022 was c.$43 million net, with approximately 60% allocated to infrastructure projects, including the tie-back of the Wamba discovery for a long-term production test.

In Côte d'Ivoire, remediation work on the Espoir FPSO will continue through 2023. A 4D seismic survey will be acquired over the licence to support the upcoming infill development drilling campaign and mature other future investment projects.

Net production from the non-operated portfolio is expected to average c.14 kboepd in 2023, which includes production from the Wamba discovery long-term production test which will continue throughout 2023. Total capital expenditure is expected to be c.$60 million net, of which c.75% will be allocated to infrastructure projects to support future developments and production. The remaining investment will be in new wells at the Ezanga Complex and workovers across the portfolio to sustain production levels.

Decommissioning

In the UK and Mauritania, decommissioning expenditure was c.$72 million in 2022 and is expected to be c.$90 million in 2023, which is the last year of significant decommissioning spend. At the end of 2023, it is expected that less than $30 million of decommissioning liabilities will remain for the two countries.

In 2022, UK decommissioning activity included the removal of four platforms (three at the Murdoch Hub and the Ketch platform). Removal of the Ketch pipeline commenced in 2022 and is expected to complete in the second half of 2023. Eleven Schooner wells were successfully plugged and abandoned. Plugging and abandonment work has also begun at the Boulton field, as part of an eight well campaign in the CMS area. In Mauritania, the Tullow operated Banda and Tiof decommissioning campaign commenced in December 2022 and is expected to complete by the middle of the year.

Starting in 2023, c.$20 million will be required to be paid annually into escrow for future decommissioning of currently producing assets in Ghana and parts of the non-operated portfolio.

Kenya

Engagements to secure a strategic partner for the development project in Kenya are ongoing.

In March 2023, Tullow and its JV Partners submitted an updated Field Development Plan to the Ministry of Energy and Petroleum and the Energy and Petroleum Regulatory Commission Authority, for their approval. This is currently under review by the relevant authorities.

Kenya continues to remain an important asset in Tullow's development portfolio, with the potential to add material resources and create value for shareholders.

Exploration

Capital expenditure on exploration and appraisal activities was c.$45 million in 2022 and is expected to be c.$30 million in 2023.

In Guyana, the operator of the Kanuku licence (Tullow 37.5%), Repsol, drilled the Beebei-Potaro prospect which encountered water bearing reservoirs, and the well was plugged and abandoned.

In Gabon, Tullow, together with JV partner Perenco, is focused on maturing the prospective resource base within the Simba licence, where several low-risk and compelling investment options adjacent to infrastructure have been high-graded for near-term drilling programmes.

In Côte d'Ivoire, Tullow, together with its JV Partner PetroCi, has elected to proceed into the second exploration phase in Block CI-524 and is maturing a number of drilling candidates. Tullow has enhanced its strategic position in the Tano Basin, where it has a differentiated subsurface understanding, with a 90% interest in a new offshore exploration licence (CI-803), which is adjacent to Block CI-524 and also to Tullow's producing fields in Ghana.

In the emerging basins of Argentina and Guyana, Tullow continues to purse activities to unlock value from its significant prospective resource base. A two year extension has been secured in Block MLO-122 in Argentina.

Proposed Merger

On 1 June 2022, Tullow entered into an agreement for a proposed all-share merger with Capricorn Energy PLC ("Capricorn"). The aim of the proposed merger was to create a leading African energy company, and it would have enabled Tullow to accelerate its deleveraging trajectory and investment in growth. On 29 September 2022, Tullow noted the announcement released by Capricorn in connection with its proposed combination with NewMed Energy Limited Partnership. Tullow's Board decided that it would not increase the value of Tullow's offer for Capricorn or to elect to implement its offer by way of a contractual offer, and later confirmed that it will no longer proceed with the proposed merger.

Building a capital efficient and cash-generative business

In 2022 Tullow continued to demonstrate that its core producing assets, alongside a prudent financial strategy, can deliver solid financial results to reduce debt, strengthen our balance sheet and set a firm foundation for future growth. Richard Miller was appointed Chief Financial Officer in December 2022 and is pleased to report on the Group's ongoing financial strategy and performance.

Richard Miller
Chief Financial Officer

"Our strong operational and financial performance has led to us reaching our gearing target of below 1.5x three years ahead of plan."

Richard Miller
Chief Financial Officer

A new chapter for the CFO team

I am delighted to have been appointed Chief Financial Officer (CFO) of Tullow Oil at the end of 2022 following a period as Interim CFO, taking over from Les Wood, who left the Company last year. I would like to thank Les for his support to me personally during my career at Tullow and for the hard work he put in to reset the Company which put Tullow on much firmer financial footing. I step up to CFO after 11 years of working at Tullow, most recently leading the Finance team as Financial Controller of the Group. This tenure has given me a deep knowledge across all areas of Tullow's financials and first-hand experience in various milestones the Company has undertaken such as acquisitions and capital markets transactions as well as major internal changes to rebase our cost structure. I have worked closely with the leaders and members of my broader CFO team for several years, and I am confident we have the right skills, motivation and culture to make a material contribution to Tullow's continued turn-around and return to growth. I am ambitious to drive further cost discipline and capital efficiency across the Group, but also see clear areas we can invest responsibly to restore and build value for our stakeholders, particularly through the delivery of the key catalysts we list in our scorecard. I look forward to reporting on our progress throughout 2023 and beyond.

2022 was a volatile year for oil markets with prices starting the year at $80/bbl, increasing to a peak of $128/bbl in early March following the invasion of Ukraine, trading as low as $76/bbl in early December, and ending the year around $85/bbl. The volatility was driven by a variety of factors including supportive actions from OPEC+, central bank interest rate increases contributing to a strong US dollar, and China's persistent Zero Covid policy until the end of the year which impacted physical oil demand.

Key 2022 financial results

Tullow generated $1.8 billion revenue (2021: $1.3 billion), resulting in $972 million of operating cash flow (2021: $711 million). However, the Company made a profit after tax of $49 million, primarily driven by impairments.

Following an independent reserves audit of our producing assets we have reported pre-tax impairments of $391 million. These were primarily driven by a decrease in TEN 2P reserves and increased discount rates partially offset by a higher long-term oil price assumption of $70/bbl.

In terms of deleveraging, Tullow generated $267 million of free cash flow in 2022. While ahead of year-end expectations, this figure doesn't represent the true cash generation of the business which was more than $450 million before the increased equity interest in Ghana ($126 million) and the impact of the Norwegian arbitration payment ($76 million).

Nevertheless, our absolute free cash flow enabled us to reduce net debt to $1.9 billion and our cash gearing now stands at 1.3x, surpassing our target of below 1.5x by 2025. We have grown cash reserves to c.$600 million, which, combined with our $500 million undrawn Revolving Credit Facility (RCF), provides liquidity headroom of $1.1 billion. Overall we are making great progress towards our long-term ambition to materially deleverage the business and have cash gearing of 1x or below, giving us the financial flexibility to pursue value accretive opportunities or consider future shareholder returns.

Prudent financial strategy

Rigorous capital allocation is now embedded at Tullow as we focus on high-return and fast-payback investments in our production assets. Capital expenditure was $ 354 million in 2022, with over 90% of spend allocated to our producing assets, compared with c.70% on average over 2016–20. During 2022 we have invested c. $100 million on the Jubilee South East and North East projects which will commence production in the second half of 2023 and will be the key area of investment to bring the Jubilee field back to its potential to deliver c.100 kbopd. We also invested inorganically, with the pre-emption of Oxy's interests in Ghana which increased Tullow's equity interests to 38.9% in the Jubilee field and 54.8% in the TEN fields. This $126 million investment has paid back within nine months and demonstrates the focus on short-return, value accretive opportunities.

Commodity hedging remains a key component of our financial risk management. In 2021, as required under the terms of the refinancing, we built up a portfolio which protects 75% of our production entitlements for a period of 24 months from completing our debt refinancing in May 2021, and 50% of our production entitlements for another 12 months beyond that. Due to lower oil prices at the time of executing these hedges our portfolio had average sold calls of c.$78/bbl in 2022, giving rise to a $319 million payout in the higher price environment which was materially driven by the invasion of Ukraine. From the start of 2023 through to May 2024 we have a portfolio with collars of c.$55-75/bbl for c.50% of our forecast net entitlement production. As the Company continues to de-lever we will revisit our hedge policy, which has historically been 60% of production entitlements in the following 12-month period with a goal to secure maximum access to the upside while maintaining downside protection.

Continued focus on costs

In 2022, we continued to deliver cost savings across the business with net G&A down to $51 million (2021: $64 million). Our net operating costs were also reduced to $267 million (2021: $269 million), primarily due to savings of c.$50 million in Ghana due to self-operatorship of the O&M contract from 1 July 2022 and as a result of asset disposals. While our culture is becoming ever more performance focused, where every barrel matters and every dollar counts, we faced some cost pressures in 2022. Despite lower net operating costs, unit operating costs increased to $11.9/bbl (2021: $12.4/bbl). This was primarily due to lower production and increased costs related to extended COVID-19 operating procedures, shuttle tanker operations, construction Support Vessel Campaign and shutdown costs. A normalised unit operating cost was $11.3/bbl.

Managing tax exposure

Following material investment in Ghana for over a decade to commence and deliver oil production from the Jubilee and TEN fields, Tullow built up significant capital allowances. These allowances have been fully utilised through 2022 and cash taxes are expected to be in excess of $300 million in 2023 (at $80/bbl), compared to $229 million in 2022. Tax payments to governments, as defined in our production agreements, are a key part of Tullow's licence to operate and we believe they are a major and positive contribution to the socio-economic contribution we can make to the countries where we operate.

However, throughout 2021 and 2022, Tullow has received revised and new tax assessments from the Ghana Revenue Authority (GRA). Tullow believes these assessments are without merit and filed requests for arbitration with the International Chamber of Commerce in London, in accordance with the dispute resolution process set out in the Petroleum Agreements which govern TGL's activities in Ghana. Notwithstanding this formal step, Tullow intends to continue to engage with the Government of Ghana, including the GRA, with the aim of resolving these disputes on a mutually acceptable basis.

Refinancing flexibility

During 2022 there has been a continued deterioration in global debt capital markets, with a significant reduction in emerging market funds flow. Furthermore the challenging economic situation in Ghana triggered by the pandemic and Ukraine war has implications for Tullow. Progress has been made with a staff level agreement with the IMF and completion of a domestic debt restructure in February 2023.

While the external market is challenging, as mentioned above Tullow has $0.6 billion of free cash and $500 million available under the RCF, leaving the Company with over $1.1 billion liquidity headroom and no debt maturities until March 2025. If oil prices stay at around $80/bbl, we expect to deliver around $800–$900 million of free cash flow in 2023—2025; if oil averages $100/bbl in the same period, that figure could increase to c.$1.5 billion. As such, despite the current challenging market backdrop, Tullow has time, options and flexibility to address refinancing on an opportunistic basis. Part of my remit as CFO will be to regularly review options to optimise our capital structure which may include retiring or purchasing outstanding debt from time to time through cash purchases or exchanges in the open market or otherwise.

Demonstrating progress in 2023

Tullow has a clear set of deliverables that can act as catalysts to restore and build value. These include making development progress and securing a strategic partner in Kenya, defining the future for the TEN fields, reducing our debt further, addressing our capital structure when appropriate and resolving GRA tax claims. Having such a clear set of tasks allows our team to be incredibly focused and dedicated to making progress against all of them, all the while remaining agile for value accretive opportunities that may arise. It also allows our shareholders, potential investors and wider stakeholders to measure our success and I welcome the opportunity to report positively on our progress in the year ahead.

Richard Miller
Chief Financial Officer

7 March 2023

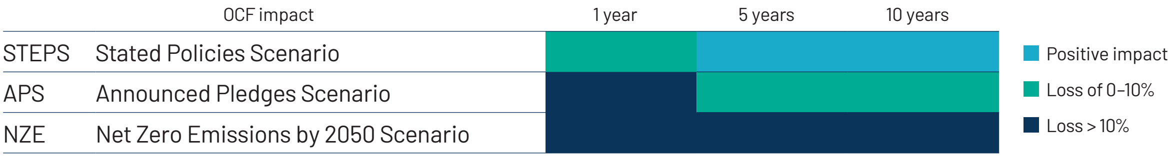
Insights from the Task Force on Climate-related Financial Disclosures (TCFD) scenario analysis

We continued to test the resilience of our business this year using scenarios provided by the International Energy Agency (IEA), a widely used source for the global energy sector. The three IEA scenarios assess the potential impact of the energy transition across industries and economies, with varying impacts on energy demand and mix across global markets. As an upstream exploration and production (E&P) company, we consider the IEA scenarios to be well suited for exploring potential pathways for the energy sector more broadly and the role of the oil and gas industry within it.

While the IEA scenarios assume a reduction in oil demand at different points in the future, oil continues to play an important role in the global energy system for decades to come. Both the APS and STEPS scenarios project a decline in oil production between now and 2030 with additional investment required to meet demand, typically through new conventional projects with shorter lead times and quick payback periods including projects to extend production from existing fields. Even under the NZE scenario continued investment in existing upstream assets is needed to meet demand. This outlook is well aligned with Tullow's strategy, which is focused on maximising value from our existing assets and is supported by an infrastructure-led, near-field exploration strategy to minimise payback periods.

Our scenario analysis reflects the impact of each IEA scenario on the Group's operating cash flow (OCF) over 1, 5, and 10 years consistent with our Viability Statement for our existing production portfolio. Using the OCF KPI is an explicit way for us to demonstrate the impact to cash flows under the different scenarios, to analyse the impact of oil price on our ability as a company to generate the cash we need to invest in and finance the activities of our business. It is clear from the oil price trajectories in the APS and NZE scenarios that the IEA predicts a more challenging oil price environment should the assumptions within these scenarios come to pass.

Refer to note 26 for our assessment of climate change risk on the Group's Financial Statements.



IEA scenarios

(Real terms 2021 $/bbl)		2023	2024	2025	2026	2027	2028	2029	**2030**	2035	2040	2045	**2050**
STEPS	Stated Policies Scenario	72	73	75	76	78	79	81	**82**	85	89	92	**95**
APS	Announced Pledges Scenario	68	67	67	66	66	65	65	**64**	63	62	61	**60**
NZE	Net Zero Emissions by 2050 scenario	61	58	54	50	46	43	39	**35**	32	30	27	**24**

Refer to note 10 for the Group oil price assumptions.

Tullow complies with the TCFD disclosure recommendations fully within this report and more comprehensively in our Climate Risk and Resilience Report; see table below for information regarding these disclosures. Our Climate Risk and Resilience Report can be found at www.tullowoil.com/sustainability and includes a full TCFD index for ease of reference.

TCFD disclosures

Governance	Describe the Board's oversight of climate-related risks and opportunities.	Page 58–59
	Describe Management's role in assessing and managing climate-related risks and opportunities.	Page 59
Strategy	Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	Risks, Page 44, 50 Opportunities, Page 2–5, 49 Page 158-159 (Note 26)
	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.	Page 2-5, 10, 23 Page 158-159 (Note 26)
	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Page 23 Page 158-159 (Note 26)
Risk management	Describe the organisation's processes for identifying and assessing climate-related risks.	Page 40-42, 44, 58-59
	Describe the organisation's processes for managing climate-related risks.	Page 34–35, 40–42
	Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	Page 42–44, 46, 58–59
Metrics and targets	Disclose the metrics used by the organisation to assess climate-related risks and opportunities, in line with its strategy and risk management process.	OCF – Page 23 Emissions Page 34–35
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Page 34–35
	Describe the targets used by the organisation to manage climate-related risks, opportunities, and performances against targets.	Page 14–15, 71–73, 80

2022 financial results

Income Statement (key metrics)	2022	2021 Restated[1]
Revenue ($m)		
Sales volumes (boepd)	**55,170**	55,450
Realised oil price ($/bbl)	**88.0**	63.3
Total revenue	**1,783**	1,285
Operating costs ($m)		
Underlying cash operating costs[2]	**(267)**	(269)
Depreciation, depletion and amortisation (DDA) of oil and gas and leased assets	**(411)**	(361)
DDA before impairment charges ($/bbl)	**(18.4)**	(16.7)
Underlift and oil stock movements	**(46)**	(20)
Administrative expenses	**(51)**	(64)
Gain on bargain purchase	**197**	–
Exploration costs written off	**(105)**	(60)
Impairment of property, plant and impairment	**(391)**	(54)
Net financing costs	**(293)**	(312)
Profit before tax ($m)	**442**	215
Income tax expense	**(393)**	(296)
Profit/(loss) after tax ($m)	**49**	(81)
Last 12 months adjusted EBITDAX[2]	**1,469**	973
Basic earnings/(loss) per share (cents)	**3.4**	(5.7)

1. Refer to Note 6 for details on prior year restatement.

2. Alternative performance measures are reconciled on pages 173 -174.

Revenue

Sales volumes

During the period there were 55,170 boepd (2021: 55,450 boepd) of liftings. This mainly consisted of 13 liftings in Jubilee of 29,322 boepd and 5 liftings in TEN of 12,270 boepd compared to 10 liftings in Jubilee of 25,987 boepd and 5 liftings in TEN of 13,511 boepd in 2021. The increase in Jubilee liftings was mainly driven by increased production. Refer to Operations Review on page 18 for further information on working interest production.

Realised oil price ($/bbl)

The Group's realised oil price after hedging for the period was $88.0/bbl and before hedging $104.3/bbl (2021: $63.3/bbl and $70.9/bbl, respectively). The higher oil prices during 2022 resulted in hedge losses, decreasing total revenue by $319 million (2021: decrease of $153 million). The increase in oil prices was triggered by Russia's invasion of Ukraine in February 2022. Refer to Oil Prices in the Market section on page 12 for further information.

Cost of sales

Underlying cash operating costs

Underlying cash operating costs amounted to $267 million; $11.9/boe (2021: $269 million; $12.4/boe). The decrease in operating costs is due to the disposal of Equatorial Guinea and the Dussafu asset in Gabon in 2021 and the O&M transformation project on Jubilee (refer to Operations review on page 19) offset by the shutdown in Jubilee in Ghana, the Simba expansion project costs in Gabon and the increased equity interest in Ghana following pre-emption.

Normalised cash operating costs which exclude COVID-19 operating procedures, shuttle tanker operations, Construction Support Vessel (CSV) campaign and shutdown costs were $11.3/boe (2021: $12.1/boe).

Depreciation, depletion and amortisation (DDA)

DD&A charges before impairment of oil and gas and leased assets amounted to $411 million; $18.4/boe (2021: $361 million: $16.7/boe). This increase in DD&A per barrel is mainly attributable to Ghana pre-emption which was effective 1Q22 and downward revision of TEN 2P reserves partially offset by 2021 impairments.

Underlift and oil stock movements

The underlift in the income statement was mainly due to timings of the liftings in Ghana as well as increased oil prices and stock positions in Gabon.

Administrative expenses

Administrative expenses of $51 million (2021: $64 million) have decreased against the comparative period mainly due to lower payroll related costs as a result of the reduced headcount as well as a favourable GBP:USD FX variance in 2022. Tullow achieved approximately $300 million in net cash savings since mid-2020 to date thereby delivering in excess of the target set.

Gain on bargain purchase

On 17 March 2022 the Group completed the pre-emption related to the sale of Occidental Petroleum's interests in the Jubilee and TEN fields in Ghana to Kosmos Energy. As a result of this acquisition, the Group's interest in the TEN fields increased from 47.18% to 54.84%, and from 35.48% to 39.0% in the Jubilee field. The difference between the fair value of net assets acquired and consideration paid was recognised within the income statement as a gain on bargain purchase of $197 million. Refer to note 15 Business combination.

Exploration costs written off

During 2022, the Group has written off exploration costs of $105 million (2021: $60 million) which are predominantly driven by write-offs from Guyana after the completion of the Beebei-Potaro commitment well which was plugged and abandoned.

Impairment of property, plant and equipment

The Group recognised a net impairment charge on producing assets of $391 million in respect of 2022 (2021: $54 million). Impairments are mainly due to downward revision of TEN reserves as well as changes to estimates on the cost of decommissioning for certain UK and Mauritania assets.

Net financing costs

Net financing costs for the period were $293 million (2021: $312 million). The decrease in financing costs is mainly due to $19 million fees incurred in 2021 in relation to the refinancing of the RBL facility, and a decrease of $7 million in interest on obligations under finance leases due to a decrease in lease liability position offset by an increase in interest on borrowings of $7 million.

Net financing costs include interest incurred on the Group's debt facilities, foreign exchange gains/losses, the unwinding of discount on decommissioning provisions, and the net financing costs associated with lease assets. These costs are offset by interest earned on cash deposits. A reconciliation of net financing costs is included in note 5.

Taxation

The overall net tax expense of $393 million (2021: $296 million) primarily relates to tax charges in respect of the Group's production activities in West Africa, as well as UK decommissioning assets, reduced by deferred tax credits associated with exploration write-offs, impairments and provisions for onerous service contracts.

Based on a profit before tax for the year of $442 million (2021: $215 million), the effective tax rate is 88.9% (2021: 137.6%). After adjusting for non-recurring amounts related to acquisition through business combination, exploration write-offs, disposals, impairments, provisions for onerous service contracts and their associated deferred tax benefit, the Group's adjusted tax rate is 70.3% (2021: 116.4%). The effective tax rate has decreased primarily due to the release of provisions on the settlement of tax audits and higher taxes on uncertain treatments in the prior year, offset by there being no UK tax benefit from net interest and hedging expenses of $570 million (2021: $417 million). Non-deductible expenditure in Ghana and Gabon and prior year adjustments are additional contributing factors.

The Group's future statutory effective tax rate is sensitive to the geographic mix in which pre-tax profits arise. There is no UK tax benefit from net interest and hedging expenses, whereas net interest income and hedging profits would be taxable in the UK. Consequently, the Group's tax charge will continue to vary according to the jurisdictions in which pre-tax profits occur.

Analysis of adjusted effective tax rate ($'m)		Profit/(loss) before tax	Tax (expense) /credit	Effective tax rate
Ghana	**FY 2022**	**994.8**	**(359.7)**	**36.2%**
	FY 2021	450.9	(163.3)	36.2%
Gabon	**FY 2022**	**316.1**	**(158.9)**	**50.3%**
	FY 2021[1]	185.0	(95.2)	51.5%
Equatorial Guinea	**FY 2022**	**–**	**–**	**–**
	FY 2021	15.5	(5.4)	35.0%
Corporate	**FY 2022**	**(584.5)**	**3.5**	**0.6%**
	FY 2021	(386.0)	(41.8)	(10.8)%
Other non-operated & exploration	**FY 2022**	**15.9**	**(6.9)**	**43.5%**
	FY 2021[1]	5.1	(9.1)	178.2%
Total	**FY 2022**	**742.3**	**(522.1)**	**70.3%**
	FY 2021[1]	270.6	(314.9)	116.4%

1. The prior year has been restated to include the notional tax on the profit oil within current tax expense in accordance with the terms of the respective Production Sharing Contracts (PSCs). Refer to Note 6.

Adjusted EBITDAX

Adjusted EBITDAX for the year was $1,469 million (2021: $973 million). The increase from 2021 was predominantly due to higher revenues.

Profit for the year from continuing activities and earnings per share

The profit for the year from continuing activities amounted to $49 million (2021: $81 million loss). Profit after tax has increased by $130 million driven by higher revenues and lower costs. Basic earnings per share was 3.4 cents (2021:5.7 cents loss per share).

Balance Sheet and Liquidity management (key metrics)	**2022**	2021
Capital investment ($m)[1]	**354**	263
Derivative financial instruments(net) ($m)	**(244)**	(180)
Borrowings	**(2,473)**	(2,569)
Underlying operating cash flow ($m)[1]	**972**	711
Free cash flow ($m)[1]	**267**	245
Net debt ($m)[1]	**1,864**	2,131
Gearing (times)[1]	**1.3**	2.2

1. Alternative performance measures are reconciled on pages 173 -174.

Capital investment

Capital expenditure amounted to $354 million (2021: $263 million) with $309 million invested in production and development activities and $45 million invested in exploration and appraisal activities.

Tullow will continue to maintain capital discipline primarily directing investment towards maximising value from the Group's producing assets. The Group's 2023 capital expenditure is expected to comprise Ghana capex of c.$300 million, West African non-operated capex of c.$60 million, Kenya capex of c.$10 million and exploration spend of c.$30 million.

Derivative financial instruments

Tullow has a material hedge portfolio in place to protect against commodity price volatility and to ensure the availability of cash flow for re-investment in capital programmes that are driving business delivery.

At 31 December 2022, Tullow's hedge portfolio provides downside protection for 64% of forecast production entitlements through to May 2023 and 40% for a further 12 months to May 2024 with $55/bbl floors and weighted average sold calls of $75/bbl for the remainder of 2023 up to May 2024.

All financial instruments that are initially recognised and subsequently measured at fair value have been classified in accordance with the hierarchy described in IFRS 13 Fair Value Measurement. Fair value is the amount for which the asset or liability could be exchanged in an arm's length transaction at the relevant date. Where available, fair values are determined using quoted prices in active markets (Level 1). To the extent that market prices are not available, fair values are estimated by reference to market-based transactions or using standard valuation techniques for the applicable instruments and commodities involved (Level 2).

All of the Group's derivatives are Level 2 (1H 2021: Level 2). There were no transfers between fair value levels during the year.

At 31 December 2022, the Group's derivative instruments had a net negative fair value of $244 million (2021: net negative $180 million).

Hedge position at 31 December 2022	2023	2024[1]	2025
Hedged Volume (kbopd)	33,095	11,305	–
Weighted average bought put (floor) ($/bbl)	$55/bbl	$55/bbl	–
Weighted average sold call ($/bbl)	$75/bbl	$75/bbl	–

1. Hedges are shown to May 2024.

Borrowings

In May 2022, the Group made a mandatory prepayment of $100 million of the Senior Secured Notes due 2026, which reduced total drawn debt to $2.5 billion.

Management regularly reviews options for optimising the Group's capital structure and may seek to retire or purchase outstanding debt from time to time through cash purchases or exchanges in the open market or otherwise.

Credit Ratings

Tullow maintains credit ratings with Standard & Poor's (S&P) and Moody's Investors Service (Moody's).

On 31 May 2022, S&P's revised Tullow's outlook to positive, and re-affirmed Tullow's B- corporate credit rating, the B- rating of the $1.7 billion 2026 Notes, and the CCC+ rating of the $800 million Senior Notes maturing in 2025. On 18 August 2022, S&P's revised Tullow's outlook to negative following S&P's downgrade of Ghana's foreign and local currency sovereign ratings. Concurrently, S&P's affirmed the B- rating of the $1.7 billion 2026 Notes, and the CCC+ rating of the $800 million Senior Notes maturing in 2025.

On 9 June 2022, Moody's changed Tullow's outlook to positive and affirmed the B3 corporate credit rating, the B2 rating of the $1.7 billion 2026 Notes, and the Caa2 rating of the $800 million Senior Notes maturing in 2025. On 6 October 2022, Moody's placed Tullow's ratings on review for downgrade, primarily driven by Moody's downgrade and placing on review for further downgrade of Ghana's long-term issuer and senior unsecured debt ratings to Caa2 from Caa1. On 2 December 2022, Moody's downgraded Tullow's corporate credit rating to Caa1 with negative outlook, and the rating of the $1.7 billion 2026 Notes to Caa1. Concurrently, Moody's confirmed the Caa2 rating of the $800 million Senior Notes maturing in 2025. The rating action concluded the review for downgrade initiated by Moody's on 6 October 2022 and reflected Moody's downgrade of Ghana's long-term issuer rating to Ca from Caa2 and the concurrent downward revision of Ghana's local currency and foreign currency country ceilings to Caa1 and Caa2 respectively, from B2 and B3.

Free cash flow and underlying operating cash flow

Underlying operating cash flow amounted to $972 million (2021:$711 million). This is due to an increase in net cash from operating activities of $291 million (2021: $113 million), an increase in repayment of obligations under leases of $13 million (2021:$27 million increase) and an increase in decommissioning expenditure of $5 million (2021: $5 million increase) as well as $48 million increase (2021: $2 million increase) in lease repayment obligations due to the pre-emption in Ghana.

Free Cash Flow (FCF) has increased to $267 million compared to $245 million in 2021 primarily due to an increase in net cash from operating activities of $291 million as explained above and no debt arrangement fees being incurred in 2022 compared to 2021 of $56 million offset by increase in net cash used in investing activities of $255 million mainly due to the increased equity interest in Ghana.

Net debt and gearing

Reconciliation of net debt	$m
Year end 2021 net debt	**2,131**
Revenue	**(1,783)**
Operating costs	**267**
Other operating and administrative expenses	**257**
Cash flow from operations	**(1,259)**
Movement in working capital	**(29)**
Tax paid	**229**
Purchase of intangible exploration and evaluation assets and property, plant and equipment	**433**
Other investing activities	**(77)**
Other financing activities	**434**
Foreign exchange gain/(loss on cash and debt	**2**
Year-end 2022 net debt	**1,864**

Net debt reduced by $267 million during the year to $1,864 at 31 December 2022 (2021: $2,131 million), consisting of $800 million Senior Notes due 2025 and $1,700 million Senior Secured Notes due 2026 less cash and cash equivalents. In May 2022, $100 million of the Senior Secured notes due 2026 was prepaid at par.

The Gearing ratio has decreased to 1.3 times (2021: 2.2 times) due to an increase in Adjusted EBITDAX as explained above primarily due to higher revenues. This is ahead of guidance at the start of the year which indicated that gearing should reach less than 1.5 times by year-end 2023.

Liquidity risk management and Going Concern

The Directors consider the going concern assessment period to be up to 31 March 2024. The Group closely monitors and manages its liquidity headroom. Cash forecasts are regularly produced, and sensitivities run for different scenarios including, but not limited to, changes in commodity prices, different production rates from the Group's producing assets and different outcomes on ongoing disputes or litigation.

Management has applied the following oil price assumptions for the going concern assessment:

Base Case: $84/bbl for 2023, $79/bbl for 2024; and

Low Case: $70/bbl for 2023, $70/bbl for 2024.

The Low Case includes, amongst other downside assumptions, a 5% production decrease compared to the Base Case.

At 31 December 2022, the Group had $1.1 billion liquidity headroom consisting of c.$0.6 billion free cash and $0.5 billion available under the revolving credit facility.

The Group's forecasts show that the Group will be able to operate within its current debt facilities and have sufficient financial headroom for the going concern assessment period under its Base Case and Low Case. Based on the analysis above, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they have adopted the going concern basis of accounting in preparing the year end result.

Events since 31 December 2022

Non adjusting events

As announced on 14 February 2023, throughout 2021 and 2022, Tullow has received revised and new tax assessments from the Ghana Revenue Authority (GRA). Tullow believes these assessments are without merit and filed requests for arbitration with the International Chamber of Commerce in London, in accordance with the dispute resolution process set out in the Petroleum Agreements which govern Tullow Ghana Limited's (TGL's) activities in Ghana. Notwithstanding this formal step, Tullow intends to continue to engage with the Government of Ghana, including the GRA, with the aim of resolving these disputes on a mutually acceptable basis.

In March 2023, Tullow and its JV Partners submitted an updated Field Development Plan to the Ministry of Energy and Petroleum and the Energy and Petroleum Regulatory Commission Authority in Kenya, for their approval. This is currently under review by the relevant authorities.

In 2023, there were two new appointments:

Richard Miller appointed as Chief Financial Officer (CFO) from January 2023.

Roald Goethe appointed as independent non-executive Director from February 2023.

There have not been any other events since 31 December 2022 that have resulted in a material impact on the year end results.

"In helping to build resilient communities within our operational areas, our social performance initiatives have improved the standard of living and socioeconomic development of impacted communities."

Elijah Boye-Ampah
Social Performance Senior Advisor

Committed contributor:
Improving the everyday life of people in our host nations

Q&A
Elijah's story

Elijah Boye-Ampah
Social Performance Senior Advisor

What are your key responsibilities as Social Performance Senior Advisor?

As a Social Performance Senior Advisor, I am responsible for establishing and maintaining good relationships with our stakeholders, providing guidance and strategic support, and managing operational and community related grievances to reach amicable resolutions. I also provide technical advice for effective management of all socio-economic investments and impact mitigation initiatives, ensure compliance of national policy directives with regards to corporate social responsibilities and impact mitigations, and identify and develop new ways of improving stakeholder and community participation and partnership for project sustainability.

How does your role contribute to supporting social advancement of local communities?

Guided by statutory and regulatory requirements, as well as Tullow's operational commitments, I am tasked with the responsibility of assessing, analysing, conceptualising, implementing, and monitoring all community development initiatives, and providing technical backstopping for each cycle. In helping to build resilient communities within our operational areas, our social performance initiatives have improved the standard of living and socioeconomic development of impacted communities.

My role in grievance management and enforcement of Voluntary Principles Security and Human Rights (VPSHR) have also contributed to the overall social cohesion and cooperation for sustaining our social license to operate in Ghana. My continuous interactions with students at the Senior High Schools under the 'School Engagement Program' has contributed immensely to deepening the awareness of oil and gas formation, exploration, and production in Ghana with students serving as conduits for promoting offshore safety around oil installations. My engagements with communities have also enhanced stakeholder collaboration and cooperation, which has evidently supported our project implementation, knowledge sharing, ownership, and sustainability on our community interventions.

How has your career developed at Tullow?

My career has improved greatly through the introduction of some key policies and training programmes at Tullow including stakeholder management, benefit sharing and impact management. My continuous engagements with the community and stakeholders, as well as exposure with other industry players, have greatly enhanced my communication, project, and grievance management skills and my role as the deputy project lead on social performance, has indisputably improved my leadership skills.

What achievements are you most proud of in 2022?

There were a number of achievements that I am proud of in 2022. Notably, we supported over 7,000 students through our various education initiatives such as free Senior High Schools, tertiary scholarships, radio school programmes and STEM Clubs; awarded a total of 320 scholarships to new beneficiaries under the Scholar's Aid Project bringing total beneficiaries to 920; we developed a 10-acre land as part of the next phase of the vegetable agribusiness project; and we trained 100 volunteers who bought a total of 53,897 kg of plastics under our rollback plastics campaign.

Accelerating progress through partnerships

Tullow takes a strategic approach to embedding the management of Environment, Social and Governance (ESG) matters throughout our business, based on our understanding of the needs and expectations of our stakeholders, combined with a focus on the topics that reflect our most significant economic, social and environmental impacts and risks. Recognising the value of collaboration and in the spirit of generating value for Tullow and all stakeholders, our overarching aim is to accelerate progress through partnerships.

Our ESG framework includes 15 sustainability material topics which are clustered in four pillars and informed by leading sustainability reporting standards and frameworks, including the sustainability reporting guidance of IPIECA, GRI Standards and the SASB Oil & Gas Sector Exploration and Production Standard. We also considered sustainability trends impacting our industry and global priorities reflected in the SDGs; Tullow is best placed to make a significant contribution towards 7 SDGs across our sustainability focus areas. In 2023, we intend to conduct a new double materiality assessment to align our sustainability focus with our updated business strategy and impacts in today's business environment.

Safe operations

p 31

Material topics
- Employee health and safety
- Process safety
- Emergency response

Shared Prosperity

p 32

Material topics
- Local content and capacity
- Community development
- Social investment

Environmental stewardship

p 34

Material topics
- Climate change
- Biodiversity
- Spills
- Waste

Equality and transparency

p 36

Material topics
- Compliance
- Anti-corruption
- Human rights
- Inclusion and diversity
- Tax transparency

The oversight of our sustainability strategy plans and performance rests with our Board of Directors. The Safety and Sustainability Committee engages closely with Tullow's Senior Leadership Team to provide guidance on strategy implementation risks and opportunities, while supporting the Board of Directors by advising on decisions relating to sustainability. Within the Senior Leadership Team, reporting to the CEO, the Director of People and Sustainability oversees Tullow's performance and sustainability disclosure supported by a Group Head of Sustainability and networked teams across the organisation.

Our comprehensive sustainability disclosures can be found in *Tullow's 2022 Sustainability Report* and supporting documents, and our *2022 Climate Risk Report* which follows the Task Force on Climate-Related Financial Disclosures (TCFD) framework.

Safe operations

2022 highlights

- Zero lost time injuries across our global operations – a first for Tullow
- Seven High Potential Incidents in 2022, compared to five incidents in 2021
- Zero Tier 1 and one Tier 2 Loss of Primary Containment (LOPC) releases
- Completed IOGP Process Safety Fundamentals (PSF) programme across our operations
- Conducted Process Safety Risk Assessment training in Ghana
- Completed Human Factors Training for all our workforce
- Average participation in 7.1 wellness events per employee throughout the year

Tullow invests in creating a safe workplace for all Tullow employees and contractors working on our sites, wherever they are. As a core pillar of our sustainability approach and overseen by the Safety and Sustainability Committee of the Board of Directors, safe operations are at the forefront of our daily work and an important element of decision making at every stage of our operations. We work hand in hand with our contractors to ensure compliance with laws and regulations governing safe working.

Occupational health and safety

2022 was a landmark year in safety for Tullow: for the first time in our history, Tullow achieved a full year of injury-free operations globally. This strong performance is the result of continuous reinforcement of our safety leadership, culture and practices over several years and throughout 2022. However, we recognise that maintaining this high standard requires ongoing investment. In 2022, in addition to regular safety training and communications, we stepped up incident investigation training with fortnightly meetings with an external safety coach to embed investigation practices.

Safety performance	2022	2021	2020
Lost Time Injuries Frequency (LTIF)	**0**	0.21	0.32
Total Recordable Injuries Frequency (TRIF)	**0**	0.43	1.27
High Potential Incident Frequency (HiPoF)	**1.5**	1.06	1.74
Workforce fatalities	**0**	0	0

Process safety

In 2022, we maintained a strong level of process safety performance and a full schedule of awareness and training initiatives, including:

- Completed our 12-month campaign to engage front line workers on our implementation of the Association of Oil and Gas Producers (IOGP) Process Safety Fundamentals (PSF) with a review of PSF implementation in practices across our operations.
- Conducted Process Safety Risk Assessment training in Ghana using an external expert with focus on detailed aspects of risk management and safety incident prevention.
- Completed Human Factors Training for all our workforce, focusing on mitigating human errors at all stages of our operations to prevent safety incidents.

Process safety events (PSE)	2022	2021	2020
Tier 1	**0**	0	0
Tier 2	**1**	0	4
Total	**1**	0	4

Asset protection and emergency response

We are committed to maintaining and enhancing our ability to respond rapidly to unforeseen events in order to maintain business continuity and minimise negative impacts on people, the environment, our physical and intellectual assets, and our reputation. Our asset protection related policies, standards and plans incorporating security, business continuity, and crisis and emergency management (CEM) provide a strong basis for Tullow's ongoing preparedness to respond to any emergency. In 2022, we continued our emergency response training and exercises involving credible emergency scenarios. Specifically, we conducted a major emergency response training with the Jubilee FPSO, Tullow Ghana Incident Management Team and the Crisis Management Team in mid-2022.

Employee wellness

Wellness is a year-round priority at Tullow. We maintain a global wellness programme to support employees in maintaining a healthy lifestyle and we retain an in-house occupational health nurse and clinical psychologist to provide support to colleagues as needed. In 2022, we launched a new wellness intranet site to make it easier for employees to engage with the wellness programme, including our Employee Assistance Programme (EAP) which offers individual counselling on any personal issue including mental health challenges. In 2022, our Global Wellness Agenda included a diverse range of activities throughout the year and specifically our annual global Wellness Fortnight in November. In May, we provided all employees with a Wellness Afternoon Off, to give them personal time to rest and re-energise. Our approach to wellness extends to partners and contractors working at Tullow sites: in 2022, we held a contractor forum on the topic of occupational health and wellbeing, attended by more than 50 representatives of 28 contractor companies.

Shared Prosperity

2022 highlights

- Enabled 9,000+ students in Ghana, Kenya, Guyana and Suriname to access education
- Supported 6,000+ secondary and tertiary students with Tullow STEM scholarships, bursaries and after school support
- Provided accommodation and classroom facilities for over 3,000 pupils through our $10 million commitment to promote enrolment in Free Senior High Schools in Ghana
- Through the Fisherman's Anchor Project, provided over $300,000 in small loans to 1,300+ businesses; over 91% of the businesses owned by women and 89% are fish processing businesses
- Spent $173 million with local suppliers in 2022, constituting 15% of Tullow's overall local supplier spend, bringing total five year spend to $1.2 billion
- Implemented local content initiatives including training, mentoring and a new reporting tool to enhance measurement and transparency of supplier social impacts

Our Shared Prosperity strategy reflects our vision to accelerate, through partnerships, progress towards a better, inclusive, future in which local communities and economies can flourish. Through our Shared Prosperity strategy, we contribute to equipping host communities with social and business capabilities, to enhance employability and support enterprise development including local content. Our focus on fostering partnerships is a core component of accelerating progress towards a future in which no-one is left behind.

Stakeholder engagement: Our ongoing deep dialogue, positive relationships and long-standing partnerships with local governments and communities help us understand the context, impacts, risks and opportunities associated with our business activities. In Ghana, we maintained dialogue with 115 communities around our Jubilee and TEN operations including several regulatory authorities. A key discussion was the transition of security provided for our offshore platforms from our own contractors to the Ghana Navy. In Kenya, we conducted consultations with the National Land Commission and all local community groups in preparation for our development of oilfields in the region.

Managing business impacts: We act to advance the positive and mitigate the negative environmental and social impacts associated with our business activities as an enabler of our Shared Prosperity strategy.

Accelerating young people's education and skill development

We invest significantly in supporting access to education and preparing people for jobs with a focus on equipping youth with transferable skills. Our multiyear educational partnerships and scholarships cover the full education lifecycle from primary to tertiary education and ongoing vocational qualifications. In 2022, our ongoing partnerships in Ghana, Kenya, Guyana and Suriname enabled over 9,000 students to continue to access education, and 143 students transitioned to tertiary education in Ghana.

Through our $10 million commitment over five years (2020-2024) to promote enrolment in Free Senior High Schools in Ghana, we provided accommodation and classroom facilities for over 3,000 pupils by the end of 2022. The Youth Bridge Foundation, with Tullow's support, reached students from 36 junior and senior high schools with STEM programmes and helped close to 2,000 pupils to prepare for certificate exams.

Accelerating enterprise development

We continue to support local entrepreneurship and local economic growth with a focus on agricultural livelihoods. The Fishermen's Anchor Project (FAP) is a micro credit scheme funded by Tullow Ghana and JV Partners and administered by Opportunities Industrialization Center International. Planned over a five-year span from 2019, FAP aims to provide critical financial support to boost income and economic activity in fishing communities in the coastal districts of Ghana's Western Region. In 2022, hundreds of local fishermen received training in business improvement practices. As at the end of 2022, the economic reach of FAP includes approximately $300,000 disbursed in small loans to over 1,300 loan beneficiaries of which 91% were women-owned businesses and 89% were fish processing businesses.

Optimising local content

We aim to create the conditions for local companies to participate in our supply chain through open dialogue, business tools and connecting them with a workforce which is ready for the future.

As a large operator in our host countries, we leverage our spending power to benefit local businesses and their participation in regional and national economies. Tullow's local supplier spend in 2022 was $173 million, which constitutes 15% of Tullow's overall local supplier spend. In Ghana multiple supplier initiatives were run in 2022 and included:

- Four workshops providing our industry expertise to advance local suppliers as part of the Petroleum Commission of Ghana (PC) and Tullow Ghana collaboration.
- Tullow Supplier Finance Readiness Programme, in partnership with Invest in Africa, to equip Tullow Ghana suppliers and other oil and gas sector businesses to engage with financial institutions to obtain business funding.
- Tullow Supplier Mentoring and Training Programme, in partnership with Accenture in Ghana, for 200 suppliers and service providers in Ghana's upstream oil and gas sector.
- Our first Tullow Supplier Market Day in Ghana, attended by 131 local companies, which will continue as a quarterly in-person forum to support direct engagement and support with local suppliers.
- Ground-breaking, proprietary Local Content Reporting Tool (LCR Tool) to enhance the transparency of our local content impacts. The LCR Tool provides a single source of data for capturing the impacts of our suppliers through their own local content initiatives incorporated in contracts with Tullow Ghana. Initially, we commenced with 30 Tier 1 suppliers with contract values in excess of $5 million.

Environmental stewardship

2022 highlights

- Progress made on our Net Zero Roadmap at Jubilee and TEN fields to advance elimination of routine gas flaring
- 73% reduction in Scope 2 GHG emissions achieved over the last five years
- Completed Feasibility Report, identifying deforestation drivers and intervention activities and signed Letter of Intent with the Forestry Commission of Ghana to develop a REDD+ / ARR program.
- Tripling of capacity of our PV solar array at our offices completed in Takoradi, Ghana
- Zero waste to landfill achieved over a two-month period at our Jubilee FPSO
- Decommissioning activities to protect biodiversity continued in the UK and Mauritania

Tullow is committed to being a responsible steward of the environment and ensuring robust systems are in place for assessing and managing environmental risk. A key focus is our contribution to mitigating the effects of global climate change through our commitment to Net Zero while minimising our water and waste impacts and protecting biodiversity.

Progressing our Net Zero Roadmap

We have committed to achieving Net Zero by 2030 on our Scope 1 and 2 GHG emissions on a net equity basis through a combination of decarbonising our operated assets in Ghana and identifying suitable nature-based solutions to offset our hard to abate emissions. We are prioritising decarbonisation of our operations, targeting to reduce emissions across our portfolio by at least 40% by 2025 on a net equity basis against a 2020 baseline through the elimination of routine flaring.

Supported by our internal Net Zero Task Force and approved by our Board of Directors and Senior Leadership Team, we have defined a pathway to achieving our Net Zero target with a primary focus on our operations in Ghana. In addition to ongoing carbon efficiency projects, the two core components of our Net Zero pathway are:

- **Eliminating routine flaring:** We will lower our GHG emissions by at least 40% from a 2020 baseline by eliminating routine gas flaring (by increasing our gas processing capacity) from our Jubilee and TEN fields by 2025. The majority of spend linked to these decarbonisation initiatives will occur before 2025. Gas capacity changes will require shutdowns of operations at each site to allow for switching out of core equipment and other upgrades, which are scheduled to occur during planned maintenance programmes. We also take a proactive role in working with our partners at our non-operated assets, for example, in Gabon, to drive the elimination of routine flaring and pursue other emission reduction opportunities.
- **Nature-based solutions:** By seeking to invest in verified nature-based carbon removal opportunities in Ghana, we expect to be able to offset our residual GHG emissions by 2030. In 2022, following a feasibility study, we signed a Letter of Intent with the Forestry Commission in Ghana that will enable us to conduct due diligence ahead of an anticipated Final Investment Decision (FID) in 2023.

The proposed initiative is expected to offset approximately 600,000 tonnes of CO2e annually while generating significant local community engagement, local jobs and positive biodiversity outcomes through reduced deforestation and improved land management.

Potential liabilities (i.e. costs to purchase carbon off-sets) are, as yet unknown. Therefore, these costs have not been included in our impairment model, as the carbon off-set price, subject to on-going negotiations with the Forestry Commission will only be confirned, post FID.

We update our pathway to Net Zero on an annual basis, to account for changes in both our operational and non-operated footprint, and to confirm the projects we are investigating are sufficient, in terms of volume of carbon sequestered to meet our 2030 Net Zero Commitment.

Our detailed pathway to Net Zero and managing climate risks to our business are laid out in our third annual Climate Risk Report, prepared in line with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations which can be found at www.tullowoil.com/sustainability.

Driving carbon efficiencies

We continue to drive carbon efficiencies through our operations, and this can be seen in the approximately 75% reduction in Scope 2 GHG emissions recorded in 2022, compared to 2018.

In the meantime, our Scope 1 emissions, correlated to production and associated flaring levels, show a further temporary increase in 2022. We will continue to monitor these emission sources, until gas handling projects are completed on Jubilee and TEN.

In 2022, we recorded an increase in Scope 3 emissions, due to an expanded basis of reporting to include all material emissions associated with Tullow's value chain including purchased goods and services, capital goods and the use of sold products, in addition to other Scope 3 emissions we already disclose. We are continuously working to better understand our Scope 3 emissions, engaging with our supply chain partners to influence emissions which are outside of Tullow's immediate operational control.

Total air emissions: thousand tCO_2e	2022	2021	2020	2019	2018
Group Scope 1	**2,258**	2,234	2,040	1,072	1,046
Group Scope 2	**0.81**	0.53	1.28	1.69	3.00
Group Scope 3	**6,680**	892	324	15	14
Total Group	**8,939**	3,127	2,365	1,089	1,063
Group emissions intensity kg CO2e/boe	**37**	35	29	-	-
Group energy use (GWh)	**2,645**	2,968	2,682	2,862	2,707

UK air emissions: thousand tCO_2e	2022	2021	2020	2019	2018
UK Scope 1	**0.059**	0.11	0.27	0.24	-
UK Scope 2	**0.2**	0	0.57	0.71	-
UK energy use (GWh)	**1.1**	1.7	3.6	4.0	-

1. GHG Data is from controlled operations and the calculation methodology can be found in the Basis of Reporting and GHG Methodology documents at www.tullowoil.com/sustainability
2. Integrated Reporting & Assurance Services (IRAS) has provided independent assurance over Scope 1 and 2 emissions

For details of our Scope 1, 2 and 3 GHG emissions for the years 2018-2022, please see our Sustainability Data Workbook at www.tullowoil.com/sustainability.

Increasing solar power: In 2022, we tripled the capacity of our PV solar array at our offices in Takoradi, Ghana from 131 kwh/year to approximately 390 kwh/year. The installation now provides all power needs for our Takoradi office requirements.

Managing water and waste

During the year, we continued our management of community water boreholes for the benefit of our local communities in Kenya. On average, almost 20,000 households benefited from our water distribution which supplies approximately 4,000 cubic metres of water per year.

Our rigorous programme of waste segregation and waste management at Tullow Ghana enabled us to achieve zero waste to landfill over a two-month period at our Jubilee FPSO. We continue to embed waste awareness and practices to maintain this standard. In 2022, we also progressed a project to reduce single-use plastic on the Noble Venturer, the drill ship that transports our oil onshore by providing nine water dispensers to replace more than 180,000 plastic bottles of water per year to hydrate a 180-string crew in high temperatures.

Protecting biodiversity

We strive to minimise negative impacts on biodiversity at the planning, exploration, development and decommissioning phases of our activities. In 2022, we continued with our decommissioning activities in two regions:

UK: Drilling activity ceased in the UK in 2018, and we are currently nearing the completion of full and final decommissioning of operated and non-operated assets in this region. We removed all drilling platforms and in 2022, commissioned a rock placement survey to enable us to proceed with protecting the seabed with sustainable local rocks, leaving it safe for fishing. We are proceeding with safe decommissioning of platforms in satellite fields, which is scheduled for completion by the end of 2025.

Mauritania: We are on track to complete our clearing and decommissioning activities from our fields in Mauritania following cessation of activity in non-operated areas in 2014. All seabed equipment and support facilities have been removed and final well head protections are being put in place, scheduled for completion in 2023, with zero residual impact on the marine environment.

Equality and transparency

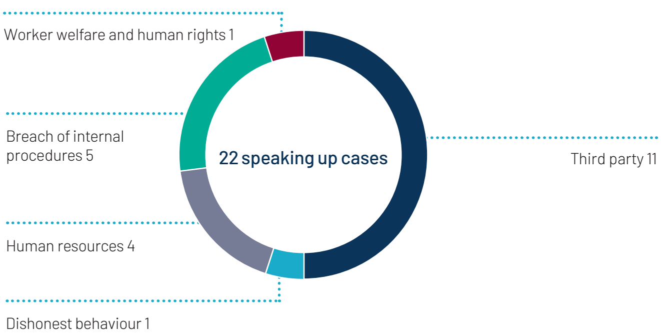
2022 highlights

- $645 million total socio-economic contribution in our host countries, bringing total five-year socio-economic contribution to $3.1 billion
- $468 million paid to host countries in taxes
- New human rights working group formed and actions advanced to protect human rights
- Workforce growth of 8% to a total of 382 employees
- 26% women colleagues overall, with 14% of Senior Management roles held by women (compared to 29% and 10% respectively in 2021)
- 50 new hires onboarded in Ghana to support new FPSO in-house operations
- Wages linked to the U.S.$ for employees in Ghana to help overcome financial hardship caused by local currency depreciation
- 75% localisation achieved in Ghana with a target of 90%

Promoting an ethical culture

Our Code of Ethical Conduct (CoEC) governs the way we work and conveys a clear message to Tullow employees, supply chain partners and external stakeholders about our approach to ethical standards, anti-corruption, compliance and upholding human rights. In 2022, 100% of Tullow employees completed our mandatory annual online CoEC training and we again provided our annual training for key suppliers. We urge our colleagues to speak up if they observe behaviour which they believe is not in alignment with our CoEC. In 2022, we adopted a new reporting platform which offers improved functionality and easier access to encourage employees to speak up. In 2022, the mix of reported concerns were similar to those in prior years and no major disciplinary actions were required.

Speaking up cases



Protecting human rights

During 2022, we advanced human rights programmes through multiple actions including:

- Formed an internal cross-functional human rights working group with members from across the Company.
- Conducted an internal audit of our modern slavery processes and identified areas for improvement. Our Modern Slavery statement can be found on our website: https://www.tullowoil.com/application/files/9816/5823/1441/Modern_Slavery_Act_JULY_2022.pdf
- Piloted worker welfare training modules in conjunction with the IPIECA in Kenya.
- Achieved 100% participation of Tullow colleagues and contracted employees in "Introduction to the UN Guiding Principles on Business and Human Rights" training.
- Completed educational sessions on ethics and compliance for local companies in Guyana, with 129 participants from 111 companies.

Socioeconomic contribution and tax transparency

Tullow believes transparency regarding payments to governments is an important way to promote honesty in our industry, mitigate corruption and support inclusive development. Tullow has been a corporate supporter of the Extractive Industries Transparency Initiative (EITI) since 2011 and our annual Payments to Governments Report provides details of all mandatory and voluntary tax payments.

Our payments to governments, including payments in kind, amounted to $468 million in 2022 (2021: $234 million). Total payments to all major stakeholder groups including suppliers and communities, as well as governments, brought our total socioeconomic contribution to $645 million (2021: $445 million) of which $173 million was spent with local suppliers and $4 million in discretionary spend on social projects. Our total payments made to the Ghanaian Government in 2022 amounted to $341 million (2021: $172 million).

Engaging our people

In 2022, we reinforced our organisational structure and performance capabilities to support an optimistic future of development and growth. In particular, we supported the transition to in-house operation of our Jubilee FPSO, an encouraging development for our team in Ghana, enabling us to build the organisation's capability and bring opportunity to advance our business in the region. We onboarded 50 new hires in Ghana to meet this challenge. Overall, our workforce in 2022 grew by 8%.

Our 2022 Employee Value Proposition Survey delivered an encouraging result. With close to 90% participation, we saw an average positive 70% score across the sum of all survey questions, an improvement from 63% and 62% in our two prior surveys.

Selected positive score results from our EVP Survey in 2022

Where I work, we never compromise our EHS performance in order to meet other targets	91%
In my team people are held accountable for results	90%
Teams in Tullow collaborate in the best interests of the Company	81%
Tullow's vision, purpose and values are clearly articulated	79%
It is clear how my team's KPIs support the overall goals of the organisation. (i.e., we measure the right things that add value)	79%
I believe Tullow is committed to creating an inclusive and diverse work environment	69%

On the other hand, employees expressed improvement opportunities, primarily in the areas of senior leadership responsiveness and improved pathways to realise individual potential. In 2022, we worked to address these topics and conducted a full evaluation of our performance management, leadership visibility and recognition programmes to meet employee needs and aspirations.

Tullow Advisory Panel (TAP): Aligned with our values of collaboration and creating a transparent and inclusive culture, the Tullow Advisory Panel (TAP) augments existing channels of communication between employees, senior management and the Board of Directors. TAP's membership is a diverse panel of eight elected colleagues representing employees from across our different locations. TAP meets quarterly with Tullow's Senior Leadership Team and separately, with the Board of Directors, to provide feedback collected from colleagues on a wide range of topics from staff development to employee workload to diversity and inclusion and more. In 2022, a focus of TAP's feedback to Tullow's leadership was addressing our change to remuneration policy in Ghana (see below).

Rewarding our employees

We aim to provide market competitive compensation packages which we regularly review to keep pace with local market norms and employee expectations. In 2022, we revised the compensation packages of our teams in Ghana. The local currency, the Ghana Cedi, declined by 55% between January and October 2022, among the steepest declines of any currency in the world this year. The impact of this was price hikes for imported goods and a cost-of-living increase, leading to soaring inflation and economic difficulties for many. Our workforce in Ghana was severely affected by this development as local currency-based salaries were no longer commensurate with a living wage.
In response, we established a compensation package linked to the U.S. dollar, the currency that drives the consumer prices in Ghana. By October 2022, we had implemented a dollar-linked salary across all employee categories in Ghana which represented an increase of 129% in base pay in local currency, protecting employees against the currency depreciation.

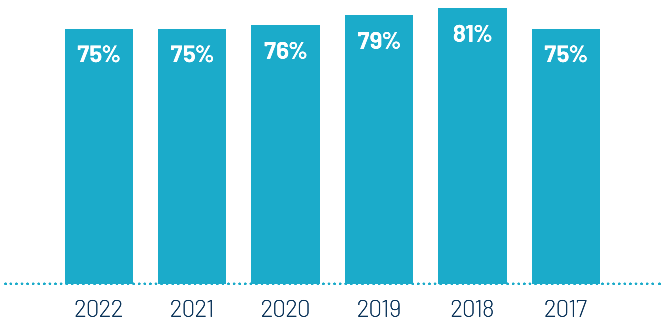
Advancing inclusion and diversity and localisation

In 2022, we continued to support the development of our Inclusion and Diversity (I&D) culture with awareness and training events throughout the year. We commenced unconscious bias training for all employees and examined our processes to address barriers to inclusion and develop further opportunities to advance women, including in technical roles. We adopted balanced panels in our recruiting processes and ensure each shortlist includes at least one diverse candidate. In 2022, 27% of new hires were women, and 54% of new hires were African.

Our strategy of hiring local nationals and advancing their professional development as we continue to grow our business is one of the most important ways we can meet our commitment to the socioeconomic development of our host nations. Localisation also serves our business objectives as it opens up a pool of exceptionally talented and motivated people to join our Company.

Our objective in Ghana is to achieve 90% overall workforce localisation. At the end of 2022, we achieved 75% overall workforce localisation. Our refreshed localisation strategy sets us on the path to reach our target in the next 3–5 years.

% of local nationals employed in Ghana
(includes Tullow colleagues and contractors)



"It's important that all employees can speak up, challenge constructively and be open to diverse views that allows us to continuously improve."

Kwame Ofori Afreh
HR Manager – Ghana

Attractive Employer: Nurturing a collaborative, caring and open work environment

Q&A
Kwame's story

Kwame Ofori Afreh
HR Manager – Ghana

What are your key responsibilities as HR Manager – Ghana?

As the HR Manager, I collaborate with the Ghana leadership team in implementing strategic and operational people priorities, delivering on Employee Value Proposition that is linked to overall business strategy. I provide continuous leadership for our in-country HR agenda, aligning group-wide integration and local responsiveness on all HR initiatives. Most critical key accountability is driving our localisation performance in line with our workforce plans and regulatory (LI) requirements. Additionally, delivering the employee experience to enable us to attract, recruit, develop and retain top talents.

How does your role contribute to nurturing a collaborative, caring and open work environment?

Key to my role is ensuring that each employee can be their best here in Tullow and can contribute positively to our business outcomes, irrespective of their role. This includes working closely with leadership and line managers to model and articulate the behaviours that support our Values and promote a diverse, inclusive and enabling culture. More importantly, creating opportunities for employees to engage directly with leadership through various forums including the Employee Engagement Forum (EEF), "Ghana Connect" and the "Ask Wissam" sessions. It's important that all employees can speak up, challenge constructively and be open to diverse views that allow us to continuously improve. Wellbeing is a big part of the culture here at Tullow, but it's a high performing culture. Driving wellbeing initiatives is an important balance to strike.

How has your career developed at Tullow?

Tullow offers exciting experiences and professional challenges at the same. In the last five years, I have had the opportunity to work through different roles and developed experiences unique and relevant to upstream oil and gas HR operations. I have made a number of lateral and vertical moves; engaging with experts and the best professionals you can find in the upstream market in Ghana.

What achievements are you most proud of in 2022?

Key to the 2022 achievements is the benchmarking of the base pay for Ghana employees to USD. This is following feedback received through engagement surveys and leadership engagements with employees over the years. In 2022, the Ghana Cedi depreciated more than 38% by the end of the year. The response from the intervention has been great and well received by employees which has improved employee engagement across all areas.

We proactively manage risks

At Tullow, we recognise that effectively managing risks and opportunities is essential to our long-term success. Our ability to identify, assess and successfully manage current and emerging risks is critical in ensuring we achieve our strategic objectives and protect shareholder value.

Risk oversight and governance

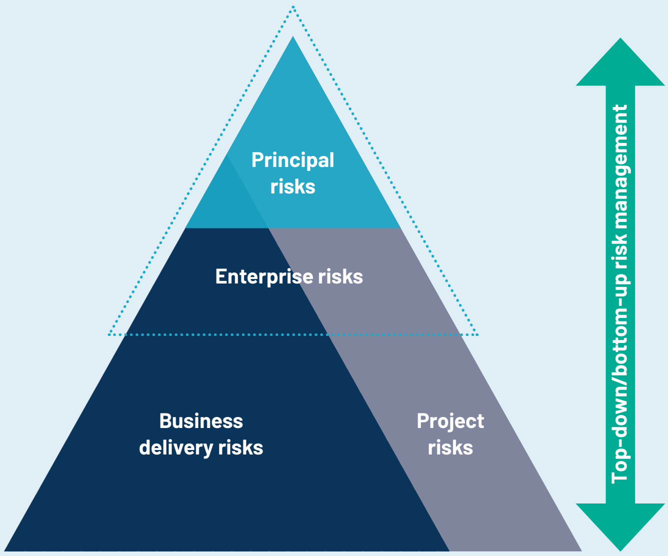
A risk focused culture and consistent risk management framework is embedded across all levels at Tullow and is driven by the Board. The Board is responsible for overseeing the risk identification, assessment and mitigation process. To this end, the Board undertakes a bi-annual assessment of the risks facing the Company, including those risks that could threaten our business strategy, operating model, performance, solvency and liquidity. Emerging risks are discussed by the Board and the Senior Leadership Team periodically throughout the year.

The Board is responsible for ensuring Tullow maintains an effective risk management and internal control system and works closely with Tullow's Senior Leadership Team to ensure this is in place. The Senior Leadership Team is collectively responsible and accountable for the risk management process in place across the organisation, with individual members taking ownership for risks that fall in their business area.

Tullow recognises that risk cannot be fully eliminated and that there are certain risks the Board and/or the Senior Leadership Team accept when pursuing strategic business opportunities. Acceptance of risk is made at an appropriate authority level and within Tullow's defined risk appetite and tolerance levels.

Tullow's risk governance framework is illustrated below:

Every layer of the organisation is responsible for identifying key risks and managing them in line with our risk appetite (as set by the Board).



Board

- Oversees identification and assessment of, and response to, principal risks
- Sets risk appetite
- Monitors effectiveness of the risk management process

Senior Leadership Team (SLT)

- Sets the tone for an effective risk management culture
- Identifies and assesses principal and enterprise-wide risks
- Monitors effectiveness of risk management actions for those risks and decides the focus of effort
- Decides which risks require periodic Board review
- Provides oversight, support and challenge to the Extended Leadership Team and business functions

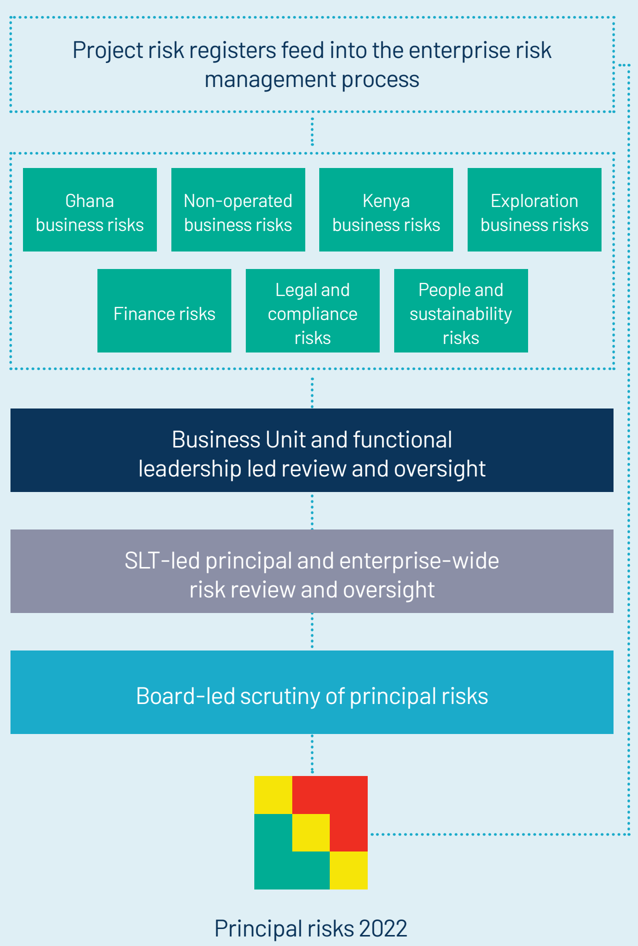
Business functions

- Identifies and assesses business delivery risks and raises these to the leadership team
- Identifies and assesses respective project risks
- Ensures effective risk mitigation actions are planned and implemented
- Monitors effectiveness of risk mitigation and response plans

Risk management process

Our risk management framework takes a 'top-down, bottom-up' approach. It is a rigorous method that ensures ownership and responsibility for identification, assessment and management of key risks and opportunities, and is embedded throughout the business. The Board sets the context for risk management through defining principal risks, setting the strategic direction and establishing the appropriate risk appetite for the organisation.

Risk management framework



Risk identification and assessment

Each Business Head and Head of Function is responsible, and accountable, for managing risk and risk mitigation within their remit. Extended Leadership Team members review and re-assess risk on at least a quarterly basis in their functional areas to evaluate the strength of existing controls and determine whether changes in risk reduction actions are needed to ensure the risk level is within the risk appetite set by the Board.

Consolidation of business risks

To facilitate assessment of the main risks facing the business, Tullow's leadership undertakes a bottom-up review of the key risks faced by the business. The key risks in each area are identified by the Business Heads and Heads of Functions, including mitigating actions and any emerging risks. These are consolidated upwards into the Business Unit risk registers and assessed according to their likelihood of occurring, and the potential consequences to Tullow in terms of safety, reputational, financial, legal and regulatory impact.

From this, the Senior Leadership Team identifies the principal and enterprise-wide risks which can be either a single risk or a set of aggregated risks which, taken together, are significant for Tullow. Members of the Senior Leadership Team have ownership and accountability for stewardship of each of the principal and enterprise-wide risks. As a collective, the Senior Leadership Team reviews and discusses the risks bi-annually to understand whether mitigations are being effectively executed within the agreed timeframe.

The principal risks and mitigants are discussed by the Board bi-annually to provide 'top-down' challenge and support. The result of this review is communicated back down to the SLT and Business Units to facilitate risk awareness and effective decision making throughout the organisation.

Risk appetite

The Board sets Tullow's risk appetite and acceptable risk tolerance levels for each of the principal risk categories. In considering Tullow's risk appetite, the Board reviews the risk identification process, the assessment of enterprise level risks, the existing controls and mitigating actions and the residual risks. During this process, the Board articulates which risks Tullow should not tolerate, which risks should be managed to an acceptable level and which risks are accepted in order to deliver our business strategy.

The risk appetite is reviewed at least annually by the Board to ensure that it reflects the current external and market conditions. A revised risk appetite was last reviewed by the Board in March 2023.

Evolution of Tullow's management of risk

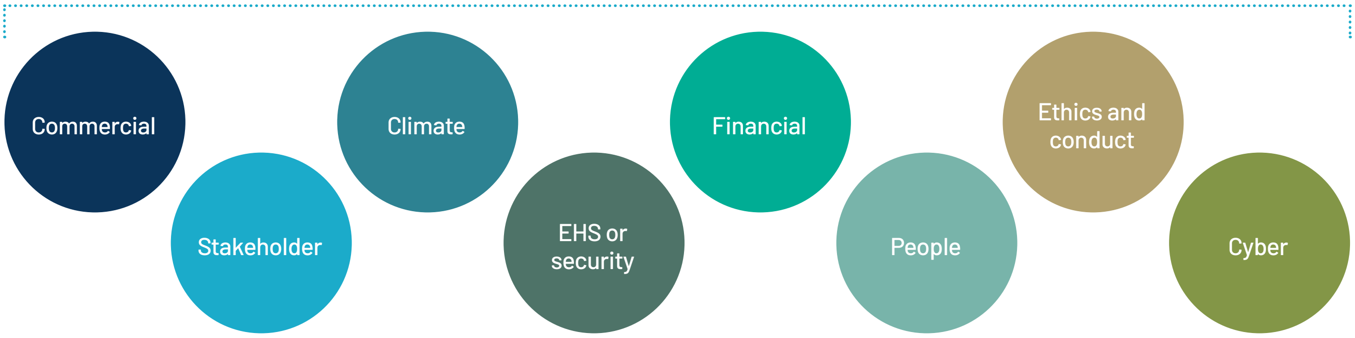
Development of the risk management framework is an ongoing process. During 2022 senior risk owners have been working to promote a culture of risk awareness and challenge throughout the business with an increased focus on managing risk. Further consistency in risk identification, measurement and reporting has been rolled out across the organisation.

Categories of principal risks

Tullow's risk profile

The Company risk profile has been closely monitored throughout the year, with consideration given to the risks to delivering the Business Plan, as well as whether external factors such as the war in Ukraine, inflationary pressures and oil price volatility have resulted in any new risks or changes to existing risks. The impact of these factors has been considered and managed across all principal risks. The following table represents the Company's current principal risks.

Principal risk categories



Failure to deliver production targets (commercial and financial risk)

Risk details	Risk mitigations
Tullow's Business Plan is anchored on production from the Jubilee and TEN fields in Ghana and non-operated fields in Côte d'Ivoire and Gabon. A decline, or problems with the performance, of wells or facilities could result in not meeting planned production levels which in turn would lead to a reduction in revenue and cash flow ultimately impairing our ability to reduce leverage.	- Robust control over operations & maintenance (O&M) contract as well as the Jubilee O&M transformation project successfully completed in July 2022 - Cross-discipline integrated performance management including clear KPIs and forums - Maintenance and integrity management plans covering all equipment classes - Management and oversight of JV Partners to ensure maintenance and integrity plans are implemented effectively
A failure to grow the business via targeted investment in existing fields and/or investment in new fields could ultimately impact our ability to deliver the Business Plan and meet longer-term production targets.	- Jubilee Expansion project, Jubilee South East, North East and TEN Enhancement Projects - Exploration strategy focused on acreage close to existing infrastructure, to enable discoveries to be converted to production quickly - Continued investment in non-operated portfolio, including accelerating projects where possible - Mergers & acquisitions (M&A), inorganic growth with a focus on producing assets - Working to secure a long-term gas offtake commercialisation contract in Ghana as agreed in principle by the Board - Continued investment in the non-operated portfolio

Risk of an asset integrity breach (commercial and EHS or security risk)

Risk details	Risk mitigations
A loss of asset integrity could be cause by failures to follow our procedural requirements for operating equipment within safety limits, equipment failure on the FPSO or lack of critical equipment or spares. The effects could include reduction in production, revenue and cash flow, damage to facilities and damage to relationships with JV Partners and host governments.	- The FPSO vessels are subject to regular internal and external certification - Our asset and well integrity and maintenance programmes are in place, and overseen by senior managers - When incidents do occur we complete a root cause analysis for every incident - Robust control over operations & maintenance (O&M) contract as well as the Jubilee O&M transformation project successfully completed in July 2022

Risk of a major accident event (EHS or security risk)

Risk details	Risk mitigations
A major incident could potentially result in asset integrity failures and/or extensive damage to facilities. This may in turn lead to a loss of life, environmental damage, increased costs and reputational damage.	– Risk management processes embedded at all levels of the organisation – Asset and well integrity and maintenance programmes are in place, including regular self-verification and external certification, audit and assurance of integrity plans – Root cause failure analysis processes in place for production losses and EHS incidents to prevent recurrence and ensure lessons are learned – Emergency Response Plans and Incident Management Framework to aid in escalation when incidents do occur
A failure of our colleagues or contractors to meet safety standards or adhere to procedural requirements could result in operation of equipment outside safe operating limits leading to a major EHS or operation incident.	– Tiered assurance activities ensuring all critical processes are adhered to – Robust EHS aspects are included at all stages of contract management (from specification/pre-qualification through to contract closure) – Active contractor engagement on safety throughout life of contract including EHS forums to enable direct participation

Failure to unlock value (stakeholder, commercial and financial risk)

Risk details	Risk mitigations
Significant non-associated gas resource has been identified on current licences and failure to secure gas market share could delay development of these resources.	– A workstream has been established to assess commercialisation opportunities in Ghana and the region that will enable development of the identified resources while playing an important role for the industrial development of Ghana
Delay in approval of a revised Field Development Plan (FDP) by the Government of Kenya could impact a final investment decision.	– A revised FDP has been submitted to the Government of Kenya for approval in line with the licence extension conditions – Continued engagement with the Government of Kenya and regulators to ensure timely approval of the revised FDP
Failure to secure a strategic partner would impact our ability to progress the Kenya project to final investment decision and unlock value.	– The Kenya JV Partners via an ongoing farm-down process are actively seeking a strategic partner to fund the next stage of development and unlock value. Discussions are under way with potential bidders around a range of commercial arrangements
The inability to successfully explore and add accretive upside value to Tullow's assets through addition of reserves and resources around producing assets could limit the return on the licences.	– Close collaboration focused on fully leveraging geoscience expertise to identify and mature reserves and resources which have the potential to rapidly unlock value for producing assets – This is reinforced by an infrastructure-led exploration (ILX) strategy to strengthen the portfolio, by focusing on opportunities near producing assets, and create value through integration of assets, expertise and regional knowledge
The inability to limit our capital exposure to historical exploration commitments in selective emerging basins of Guyana and Argentina may result in having to divert capital from producing assets.	– A number of farm-down processes are under way to limit capital exposure on selective emerging basins by aiming to reduce our equity share. This will ensure Tullow can participate at an equity consistent with our capital allocation guidance

Failure to manage geopolitical risks (stakeholder and financial risk)

Risk details	Risk mitigations
Political instability in the West Africa region, where our producing assets are concentrated, could delay and impact decision making by host governments and local partners and may also impact security arrangements.	– An extensive relationship management plan is in place, to actively manage senior relationships with host governments, including an Advisory Board in Ghana – We ensure alignment of our business plans with national priorities and have developed a communication plan to inform stakeholders of the positive impact of our activities on host nations and communities – We maintain constructive non-partisan relationships with all political parties in Ghana
Unreasonable fiscal or regulatory demands by host governments could obstruct efficient operations, delay implementation of our growth plans and cause increased costs and financial loss.	– We have robust stabilisation clauses in all our Petroleum Agreements and Production Sharing Contracts with international dispute resolution to protect us against unreasonable demands

Failure to manage climate change risks (climate risk)

Risk details	Risk mitigations
Tullow recognises climate change as a material risk for our business. There is a potential for climate-related risks, including regulatory constraints, carbon pricing mechanisms, low oil price or conditional access to capital, to affect Tullow's ability to implement our strategy. Challenges to our business strategy and failure to align with broader energy transition goals could result in reduced or conditional access to capital or shareholder/investor reluctance to invest. Failure to deliver on our commitment to eliminate routine flaring by 2025 and thereby mitigate the carbon intensity of Tullow's business or to off-set hard to abate emissions (e.g. through nature-based off-set schemes, which we continue to investigate in Ghana) may lead to erosion of stakeholder confidence and impact our ability to attract and retain talent.	– There is recognition and support from the Board that decarbonisation requires investment. We are implementing our plan to achieve Net Zero by 2030 (Scope 1 and 2 net equity), through reducing our emissions from routine flaring and offsetting hard to abate emissions – We stress test our portfolio to ensure core assets are resilient in different oil and carbon price environments – There is ongoing engagement with host countries to understand and align with their long-term energy transition strategies, including Paris Nationally Determined Contributions – We are aligning our objectives with the Ghana Forestry Commission and local stakeholders to implement a project, with a Final Investment Decision expected in 2023

Risk of insufficient liquidity and funding capacity to sustain and grow the business or failure to deliver a highly cash-generative business (financial risk)

Risk details	Risk mitigations
Tullow remains exposed to erosion of its balance sheet and revenues due to oil price volatility, unexpected operational incidents, cost inflation and failure to deliver targeted farm downs of exploration assets and Kenya. Failure to deliver our Business Plan could have a material negative impact on cash flow and our ability to reduce debt and strengthen the balance sheet, which may affect our ability to meet our financial obligations when they fall due.	– Business Plan in place and being delivered to deliver strong cash flow and deleveraging – Capital structure provides liquidity headroom through to December 2024 even in a low oil price environment – Disciplined capital allocation prioritising high-return and short-payback investments, and a strong focus on cost control – Material commodity hedging programme protects against the impact of a sustained low oil price environment – Options and timings for refinancing are regularly reviewed

Failure to develop, retain and attract capability (people risk)

Risk details	Risk mitigations
There is a risk that critical staff leave the organisation resulting in difficulty to deliver against our Business Plan. We operate a lean and agile structure and are dependent on a small number of key and critical roles. Loss of staff would increase pressure on remaining colleagues and could lead to deterioration in the wellbeing of our colleagues, a poor working environment and, potentially, further attrition. We may be unable to recruit the skills needed due to the overheated global labour market in oil & gas.	- The Employee Value Proposition (EVP) rolled out in 2021, covering culture, working environment, remuneration, learning and development and performance management was further developed in 2022 - Employee engagement initiatives are in place, including an employee advisory panel, Tullow town halls, coffee mornings and employee engagement surveys - We have refreshed our Inclusion and Diversity (I&D) policy and hosted a number of speakers during the year, to increase awareness and re-affirm our focus on I&D - Succession plans are in place for critical roles. We have undertaken a leadership capability review of the extended leadership team, to ensure a focus on development and ensuring the right capability is in the organisation

Risk of a compliance or regulatory breach (ethics and conduct risk)

Risk details	Risk mitigations
Non-compliance with bribery and corruption legislation or contractual obligations along with other applicable business conduct requirements could expose the Company to penalties or regulatory oversight. In particular, an unforeseen material compliance breach could lead to regulatory action, an unsettled litigation/dispute or additional future litigation that may result in unplanned cash outflow, penalty/fines, reputational damage and a loss of stakeholder confidence in Management.	- Tullow maintains high ethical standards across the business. Strong anti-bribery and corruption (ABC) governance processes/procedures are in place as a core element of the Ethics and Conduct (E&C) programme - A mandatory annual Code of Ethical Conduct eLearning and acknowledgement/certification process is in place for all employees. Third-party due diligence procedures and assurance processes are in place - Investigation procedures and an associated misconduct and loss reporting standard are in place - Third-party due diligence and assurance processes are in place - Anti-tax evasion risk assessments are undertaken with clear mitigation actions identified, including targeted employee training

Risk of major cyber-attack (cyber risk)

Risk details	Risk mitigations
The external cybersecurity threat environment is continuously evolving and intensifying; therefore, the risk of a major cyber-attack is an ongoing risk that requires constant monitoring and management. Tullow may suffer an external cyber-attack which could have far reaching consequences for the business. This could limit our ability to operate, impact production, expose the Company to high ransomware demands or potentially trigger a major incident. This could result in financial loss, loss of stakeholder confidence, loss of production, or additional cost by way of fines or resolution of service.	- Security Incident Event Management (SIEM) system in place, supported by an Advanced Security Operations Centre (SOC) providing 24/7 network and device monitoring, alerting and response - Security awareness programme in place supported by regular staff susceptibility phishing training and testing. Annual mandatory security awareness training for all staff - An independent technical assurance programme is in place

Lines of defence

First line of defence
Business management
(ownership and management of risk)
- Own and manage business risks. Implement and execute controls in business. Monitor risks and control at business level.
- Assurance provided through self-reviews and focused assurance reviews.
- Projects – implement and execute controls at site/project level. Monitor risks and controls at site/project level.

Second line of defence
Business leadership, risk management and compliance functions (oversight of risk management)
- Set the framework and support embedding of effective risk management practices.
- Provide oversight and management challenge to leadership on the identification and management of risk.
- Monitor compliance with functional standards (minimum controls).
- Provide assurance through periodic reporting and focused reviews.

Third line of defence
Internal Audit (independent assurance)
- Provide independent assurance of respective governance, internal control systems and controls across all levels of the business.
- Assurance provided through risk-based internal audit reviews.

Internal control
A foundation of effective governance, risk management and control exists throughout the organisation. The effectiveness of the internal control framework is reviewed through the risk management process and challenged as described above. In addition to this, the Senior Leadership Team and Audit Committee perform an annual review of the effectiveness of internal control. This was last undertaken in February 2023 and reported to the Audit Committee and the Board on 28 February and 1 March, respectively.

Nature of assurance
- Assurance activities are put in place across the three lines of defence to assure that control activities are effective in mitigating risks to the business. These specifically focus on areas where there are internal/external changes, control failures and historical issues.
- Business management is the first line of defence and is responsible for ensuring their key risks have been identified and that adequate controls are in place to manage those risks.
- Business leadership, risk management and compliance functions act as the second line of defence, providing support, oversight and challenge to the business in managing risks effectively, and providing assurance that compliance with functional standards is being met.
- Internal Audit acts as the third line of defence and is responsible for providing independent assurance through its risk-based internal audit programme. The Internal Audit Plan and outputs are reviewed by the Audit Committee. Agreed actions for improving the control environment and managing risk are owned by assigned individuals and monitored through Tullow's actions tracking process. The Audit Committee monitors the implementation of actions.
- Tullow's risk management and assurance processes provide the Board and the Management Team with reasonable, but not absolute, assurance that our assets and reputation are protected.

Section 172(1) statement

Statement by the Directors in performance of their statutory duties in accordance with s172(1) of the Companies Act 2006

The Directors are required by law to act in a way that promotes the success of the Company for the benefit of shareholders as a whole. In so doing the Company must, in accordance with s172(1)(a-f) of the Companies Act 2006, also have regard to wider expectations of responsible business behaviour, such as having due regard to the interests of, and actively engaging with, its employees; the need to engage and foster business relationships with suppliers, customers and others; the need to act fairly as between Members of the Company; the likely consequences of any decision in the long term; the desirability of maintaining a reputation for high standards of business conduct; and the impact of the Company's operations on the community and the wider environment. The section below further details on how the Directors have fulfilled their duties.

During the year, the Board was closely involved in all key decisions of the Company. In addition to providing rigorous evaluation, risk management and challenge to maintain strong governance, the Board also engaged with stakeholders to inform decisions. The Board is aware that in some situations, stakeholders' interests will be conflicted, however, the engagement enabled them to fully understand the key issues relevant to our stakeholders. Further details on how the Board considered stakeholders during the decision-making process, and how the stakeholder engagement fed into this process, are set out on the next few pages.

The Board consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its shareholders as a whole in the decisions taken throughout the year ended 31 December 2022.

Decision	**Production Sharing Contract for new offshore exploration licence in Côte d'Ivoire** In December 2022, the Company acquired a 90% interest in a new offshore exploration licence (CI-803) in Côte d'Ivoire.
Context and link to strategy	Tullow's exploration strategy in Africa is focused on infrastructure-led exploration activities to create value. Tullow leveraged its differentiated understanding of the Tano Basin to secure the 90% interest in the new offshore exploration licence. The new exploration licence, CI-803, along with the existing licence in Côte d'Ivoire (CI-524) provides Tullow with a strategic position in an area adjacent to the Group's producing fields, Jubilee and TEN in Ghana. A number of drill candidates are being matured on the Tullow-operated CI-524 block, while preparations continue for an exploration well to be drilled during 2024.
Challenges	The addition of licence CI-803 strengthens the resource base in close proximity to the Group's producing fields in Ghana, which presents a compelling opportunity to leverage synergies during the exploration phase and in the event of discoveries.
Stakeholder considerations	In making its decision to acquire the 90% interest in the offshore exploration licence the Board considered the following stakeholders: - **Host nations:** The acquisition of the interest in the CI-803 licence provides synergies between two of the Company's areas of operation. - **Investors:** The acquisition of licences adjacent to producing fields is consistent with the Company's infrastructure-led exploration strategy.
Link to KPIs	3. Production 6. Unlocking value 8. Total shareholder return

Decision	Termination of proposed merger with Capricorn Energy In September 2022, the Board decided that it would not increase its offer in respect of the proposed merger with Capricorn Energy. The proposed merger was subsequently terminated in October 2022.
Context and link to strategy	On 1 June 2022 Tullow entered into an agreement for a proposed all-share merger with Capricorn Energy PLC (Capricorn). The aim of the proposed merger was to create a leading African energy company and the merger would have enabled Tullow to accelerate debt deleveraging and investment in growth.
Challenges	The proposed merger was conditional on the approval of both Capricorn and Tullow shareholders. Tullow considered the terms of the proposed merger to be reasonable and of fair value to its shareholders. However, the proposed merger met a significant amount of resistance from Capricorn's shareholders who were requesting improved terms. The Board decided to adhere to the terms agreed, and confirmed on 29 September 2022 that it would not increase the value of Tullow's offer for Capricorn or to elect to implement its offer by way of a contractual offer. The Board confirmed on 28 October 2022 that it will no longer proceed with the combination.
Stakeholder considerations	In making its decision to adhere to the agreed terms, the Board considered the following stakeholders: – **Investors:** The Board considered the perceived value gap between the proposed terms and the potential terms required by the Capricorn Board. In this context, they considered the value creation potential offered by Tullow on a standalone basis and that of the combined Group, versus potential additional dilution for Tullow's shareholders related to any adjustment in terms. The Board also considered the financial position of Tullow on a standalone basis. – **Creditors:** The Board considered Tullow's balance sheet on a standalone basis, and Tullow's ability to address its debt maturities as they fall due. In November 2022, Tullow reported a strengthened balance sheet, with free cash flow guidance increased to $250 million and gearing on track to be below 1.5x by 31 December 2022. – **Employees:** The termination of the proposed merger, and adherence to the Company's business plan offered stability to Tullow's employees. – **Host nations:** The Group had received approval form the Government of Ghana for the Capricorn transaction. With the termination of the transaction, the Group reconfirmed its commitment to continue investing in its assets in Ghana.
Link to KPIs	8. Total shareholder return

Decision	Interim Gas Sales Agreement in Ghana In December 2022 Tullow signed an interim agreement with the Government of Ghana for the sale of 19 bcf (gross) of Jubilee gas. The 19 bcf is expected to have been supplied by the middle of 2023, at an anticipated export rate in excess of 100 mmscfpd, adding c.7 kboepd net production during the first half of the year. Further gas export will be contingent on reaching agreement on acceptable commercial terms for future volumes.
Context and link to strategy	The Foundation Gas Volume Agreement (JFGVA), agreed with the Government of Ghana in 2005 came to completion at the end of 2022. A new framework was required to allow for the continued supply of gas from Jubilee to the Government of Ghana, in line with the Company's strategy to commercialise gas resources in Ghana. The Interim Gas Sales Agreement is forecast to enable continued export until the end of June 2023, when a long-term gas sales agreement is expected to be in place.
Challenges	The JFGVA provided free gas to the Government of Ghana. The volumes under the Interim Gas Sales Agreement are to be sold at the gas price agreed in the 2017 revision of the TEN Plan of Development.
Stakeholder considerations	In making its decision to enter into an Interim Gas Sales Agreement, the Board considered the following stakeholders: – **Host nations:** Ghana's demand for gas is expected to triple by 2036. The Board considered that the Company is well positioned to ensure a secure and reliable supply of gas at an attractive price, and therefore ease the cost burden on Ghanaian citizens. – **Investors:** The Interim Gas Sales Agreement provides new revenues for the Company and partners, representing the first commercialisation of gas from Jubilee or TEN since Tullow's arrival in Ghana.
Link to KPIs	2. Financial performance 3. Production 5. Sustainability 6. Unlocking value

Decision	**Forestry Commission Letter of Intent** In December 2022, Tullow signed a Letter of Intent with the Forestry Commission in Ghana, initiating a 12- month exclusivity period, where both parties will negotiate an Emissions Reductions Payment Agreement (ERPA). Tullow has committed $0.682 million to fund related activities to Final Investment Decision (FID), expected in 2023.
Context and link to strategy	In 2021 Tullow committed to becoming a Net Zero Company by 2030 (scope 1 and 2 emissions), and to build a better future through the responsible development of oil and gas.
Challenges and outcome	The Company conducted a feasibility study to analyse the jurisdictional landscape in Ghana and identify causes of deforestation. The study identified many drivers of deforestation, methods of intervention and implementers. The specific implementation partners and roles will be defined during the investment readiness phase.
Stakeholder considerations	When approving the signing of the Letter of Intent with the Forestry Commission, the Board considered the following stakeholders: - **Investors/creditors:** The signing of the Letter of Intent provides investors with confidence that the Company is committed to meeting its Net Zero targets. The demonstration of this commitment upholds the Company's reputation as a credible and responsible oil & gas operator. - **Host nations:** The Letter of Intent demonstrates a commitment to Ghana as a host nation. Ghana is a signatory to a landmark agreement with the World Bank that rewards community efforts to implement projects that reduce carbon emissions from deforestation and forest degradation. Ghana also has a REDD+ strategy that is designed to meet the requirements of the Warsaw Framework and the United Nations Framework Convention on Climate Change (UNFCCC). - **JV Partners:** The Company's Net Zero strategy is aligned with the ambitions of its JV Partners in Ghana. - **Employees:** It is important to Tullow's employees that the organisation they work for is proactively addressing climate change issues.
Link to KPIs	6. Sustainability

Decision	**Dollarisation of salaries for Ghanaian employees**
Context and link to strategy	In 2022 the Board made the decision to convert the currency equivalent of employee salaries in Ghana from the Ghanaian Cedi (GHS) to the US Dollar (USD). This decision followed Leadership engagement with employees via surveys and feedback from the Tullow Employee Engagement Forum (EEF) and Tullow Advisory Panel (TAP), during which employees requested for their salaries to be denominated in USD. Achieving salary dollarisation in Ghana was a focus for Senior Leadership in 2022.
Challenges	GHS was the second poorest performing currency in 2022 and depreciated more than 18% between January and April 2022, the largest recorded depreciation in the country since 2016. With the continuous weakening of GHS and the macro-economic indicators pointing to a decline in Ghana, the review into dollarisation was prioritised by Senior Leadership. This led to the decision to convert all salaries to USD as a benchmark, payable in the GHS equivalent. A number of Tullow's competitors in the extractive industries were already aligned to this practice. This change replaced the potential annual payment for GHS depreciation based on the Ghana inflation vs depreciation of the GHS against USD calculation, which had not been triggered for 2020 and 2021. The dollarisation of salaries took effect on 1st September 2022. Any inflation increases going forward will be based on the USD market movement and inflation, and not local Ghana inflation.
Stakeholder considerations	In supporting this decision, the Board considered the following stakeholders: - **Employees:** Considering the feedback received from the Tullow Advisory Panel; our employees in Ghana; market data and economic indicators in order to provide a degree of financial stability and protection for employees. - **Investors:** The change in policy will drive further employee affiliation, retention and engagement, which will drive greater performance and value on behalf of Tullow.
Link to KPIs	6. Sustainability 7. Leadership effectiveness

Viability statement

Assessment period

In accordance with the provisions of the UK Corporate Governance Code, the Board has assessed the prospects and the viability of the Group over a longer period than the 12 months required by the 'Going Concern' provision. The Board assesses the business over a number of time horizons for different reasons, including the following: Annual Corporate Budget (i.e. 2023), Corporate Business Plan (five years i.e. 2023–2027), long-term Business Plan (10 years). The Board's period of assessment for the purpose of the viability statement is five years considering maturity of bonds in 2025 and 2026.

Notwithstanding the assessment period selected for the viability statement the Group will continue to assess the business over all time horizons noted above.

Assessment of the Group's principal risks

In order to make an assessment of the Group's viability, the Directors have made a detailed assessment of the Group's principal risks, and the potential implications these risks could have on the Group's business delivery and liquidity over the assessment period. This assessment included, where appropriate, detailed cash flow analysis, and the Directors also considered a number of reasonably plausible downside scenarios, and combinations thereof, together with associated supporting analysis provided by the Group's Finance team. A summary of the key assumptions aligned to the Group's principal risks and reasonably plausible downside scenarios can be found below. It should be noted that some assumptions encompass multiple risks but have not been repeated to avoid unnecessary duplication.

Principal risks	Base case assumption	Downside scenario
Failure to deliver production targets	Production is assumed to be in line with the Corporate Business Plan.	5% reduction in production in each year.
Failure to manage geopolitical risks	The Group has assumed no cash outflow associated with tax exposures and provisions.	The Group has included $72 million for potential outflows related to settlement for legal claims in 2024. These are currently not deemed to be probable but whose likelihood is greater than remote.
Failure to manage climate change risks	The key impact of climate change on the Group's portfolio of assets is reflected in the oil price assumptions. See below.	The Directors have considered an oil price sensitivity in line with the IEA 'Net Zero by 2050 Scenario'; see below. The Group has also assessed the impact of carbon pricing; refer to the TCFD disclosure.
Risk of insufficient liquidity and funding capacity to sustain and grow the business / failure to deliver a highly cash generative business	Oil price assumptions are based on the forward curve at 31 December 2022 for two years, followed by the Group's Corporate Business Plan assumption from 2025 onwards: 2023: $84/bbl 2024: $79/bbl 2025: $70/bbl 2026: $70/bbl 2027: $70/bbl. Operating costs and capital investment are assumed to be in line with the Corporate Business Plan.	The Group has analysed two downside oil price scenarios; the first is based on the Directors' assessment of a reasonably plausible downside scenario: 2023: $70/bbl 2024: $70/bbl 2025: $65/bbl 2026: $65/bbl 2027: $65/bbl. The second is in line with the IEA "Net Zero by 2050 Scenario": 2023: $61/bbl 2024: $58/bbl 2025: $54/bbl 2026: $50/bbl 2027: $46/bbl Operating cost are assumed to be 12% than those included in the Corporate Business Plan.

For detailed information on risk mitigation, assurance and progress in 2022 refer to the detailed discussion of risks on page 40.

For 'Risk of an asset integrity breach', 'Failure to unlock value', 'Risk of a major EHS accident and Security', 'Risk of a compliance or regulatory breach', 'Failure to develop, retain and attract capability', and 'Risk of major cyber-attack' the Group has assessed that there is no reasonably plausible scenario that can be modelled in isolation or in combination with other risks from a cash flow perspective.

Conclusion

The Group has $2.5 billion notes outstanding, maturing in 2025 and 2026. The Corporate Business Plan does not project sufficient free cash flow generation to allow the Group to fully repay these notes when they fall due, and therefore it will need to access debt markets within the viability assessment period.

In the base case, net debt and gearing are forecast to reduce sufficiently such that the Directors are confident that the Group will be able to secure the funding required to maintain adequate liquidity headroom throughout the viability assessment period.

Under the two downside scenarios, which assume all risks arise simultaneously, execution of a refinancing would be challenging. Management is focused on mitigating the risks around production, operating cost increases and potential outflows associated with disputes in order to reduce the likelihood of these risks materialising, or their impact in the event these risks materialise. Furthermore, the Directors have considered additional mitigating actions that may be available to the Group, such as incremental commodity hedging executed in periods of higher oil prices, alternative funding options, further rationalisation of the Group's cost base including cuts to discretionary capital expenditure, M&A, portfolio management and careful management of stakeholder relationships.

Based on the results of the analysis and the ability to mitigate some of the risks associated with the downside scenarios, the Board of Directors has a reasonable expectation that the Group will be able to continue in operation and meet its liabilities, including through refinancing activities, as they fall due over the five-year period of their assessment.

Non-financial reporting

Tullow aims to comply with the non-financial reporting requirements contained in sections 414CA and 414CB of the Companies Act 2006.The table below outlines to stakeholders Tullow's position, principal policies, main risks and KPIs on key non-financial areas.

Requirement	Group approach and policies
Environment Further information: Environment, see pages 34 and 35.	Oil and gas production carries a high risk of environmental impact and incidents related to production processes. Our product and the process associated with its production generate carbon emissions which contribute to climate change. Tullow is working to reduce its impact on the environment through its Net Zero 2030 commitment and through its standards and policies.
Employees Further information: Our People, see pages 36 and 37. Further information: Health and Safety, see page 31.	Tullow aims to create an inclusive environment, free from discrimination, where individual differences and the contributions of all our staff are recognised and everybody is treated fairly. We have zero tolerance for any form of discrimination and decisions related to recruitment selection, development or promotion are based upon aptitude and ability only.
Social policy Further information: Community relations, go to our Sustainability Report online.	We engage with communities early in the planning process to identify the key impacts, both positive and negative, of our operations. We maintain ongoing dialogue to provide information about Tullow's activities and create opportunities for people to contribute to decisions which affect them. We always listen to feedback and concerns, answer enquiries and register grievances made by community members.
Respect for human rights Further information: Our Approach, go to our Sustainability Report online.	Tullow respects and promotes internationally recognised human rights as set out in the Universal Declaration of Human Rights and the International Labour Organization Declaration on Fundamental Principles and Rights at Work. When considering new investments, we review associated potential human rights issues and their relationship to our operations.
Anti-corruption and anti-bribery Further information: Anti-corruption and anti-bribery, see page 36.	Tullow has zero tolerance of any form of corruption. We conduct our business honestly, fairly and transparently and we do not exercise improper influence on any individual or entity. We are subject to many anti-bribery laws in the jurisdictions within which we work and, as a UK registered company, are required to comply with the UK Bribery Act (2010).

This Strategic Report and the information referred to herein have been approved by the Board and signed on its behalf by:

Phuthuma Nhleko
Chair

8 March 2023

Adam Holland
Company Secretary

8 March 2023

Documents	Related KPIs	Related principal risks
- Climate Policy - Safe and Sustainable Operations Policy - Code of Ethical Conduct - Non-Technical Risk Standard	Level 0 KPI: Embed Sustainability across the organisation. Level 1 KPI: Progress Net Zero plan.	Climate risk on page 44 EHS or security risk on pages 42 and 43
- Code of Ethical Conduct - Smart Working Policy	Level 0 KPI: Leadership effectiveness. Level 1 KPIs: Improve employee engagement: increase awareness and knowledge of I&D; build capacity and organisational effectiveness; refresh and implement a new Employee Value Proposition; maximise employee performance/experience.	People risk on page 45 Ethics & conduct risk on page 45
- Code of Ethical Conduct - Non-Technical Risk Standard	Level 1 KPIs: Socio-economic investment: Deliver classrooms and dormitories for 1,500 new students in 2023; provide scholarships and after school support for 6,100 students and train 150 STSEM teachers; establish long-term credit support and training for community businesses; demonstrate Tullow's macro-socioeconomic contribution.	Stakeholder risk on pages 43 and 44
- Human Rights Policy - Code of Ethical Conduct	Level 2 KPI: Human Rights: enhance Modern Slavery awareness internally and with high risk suppliers.	Stakeholder risk on page 43 and 44 Ethics & conduct risk on page 45
- Code of Ethical Conduct	Level 2 KPI: Robust and effective controls in place to manage material business risk: review and establish the HR introduction for new joiners, the essential processes and training required for good governance.	Ethics & conduct risk on page 45

A framework for corporate governance

As a UK-listed company, Tullow Oil plc's governance policies and procedures are based on the Financial Reporting Council's UK Corporate Governance Code (the Code) and the Financial Reporting Council's Guidance on Board Effectiveness, both of which can be found at www.frc.org.uk. This Directors' Report summarises how the Group has complied with the Code during the year ended 31 December 2022 and describes changes to the governance structure that took place before year end. The Code sets out how governance is achieved through the application of its five main principles and their supporting provisions:

- Board leadership and Company purpose;
- Division of responsibilities;
- Composition, succession and evaluation;
- Audit, risk and internal control; and
- Remuneration.

Board leadership and Company purpose

The Board is accountable to shareholders and the Group's other stakeholders for the creation and delivery of long-term, sustainable operational and financial performance for the enhancement of shareholder and stakeholder value. The Board meets these aims through setting the Group's objectives, Values and strategy and ensuring that the necessary resources are available to achieve the agreed strategic priorities. During 2022, the Group has been focused on capital allocation and operational performance to achieve a more reliable and consistent operating performance and a sustainable improvement in operating margins. Our purpose is to build a better future through responsible oil and gas development.

The Board operates through a governance framework with clear procedures, lines of responsibility and delegated authorities to ensure that strategy is implemented and key risks are assessed and managed effectively. These are underpinned by the Board's work to set the Group's core Values, behaviours, culture and standards of business conduct and to ensure that these are clearly understood by the workforce, shareholders and other stakeholders.

The Board also ensures that there is sufficient engagement with the Group's stakeholders such that their views can be considered in Board decision making. The Group's stakeholders are divided into the following main groups: our investors, our host countries and their communities, our people.

Division of responsibilities

The Chair is responsible for leadership of the Board and its overall effectiveness whilst the Chief Executive Officer is responsible for the operational management of the business, for developing strategy in consultation with the Board and for implementation of the strategy with the Senior Leadership Team. One of the non-executive Directors has been selected by the Board to be the Senior Independent Director. The Board is fully satisfied that the Senior Independent Director demonstrates complete independence and robustness of character in this role. The Senior Independent Director is available to meet shareholders if they have concerns that cannot be resolved through discussion with the Chair or for matters where such contact would be inappropriate. In addition, during the year the Senior Independent Director meets with the other non-executive Directors, without the Chair present, to discuss the Chair's performance. The Chair meets regularly with the other non-executive Directors, without Executive Directors present, to review Board discussions and engagement as well as the performance of the Senior Leadership Team.

The Chair offers governance meetings with shareholders at least once a year to receive their direct feedback. In line with the guidance issued by the Institute of Chartered Secretaries and Administrators (ICSA), the Board has approved formal terms of reference for a Committee of the Executive Directors. The separation of responsibilities between the Chair, the Senior Independent Director and the Chief Executive Officer is clearly defined and agreed by the Board and is published on the Group's website.

Until 20 October 2022, the Board consisted of seven independent non-executive Directors and one Executive Director. As previously announced by the Company, Jeremy Wilson, non-executive Director completed nine years on the Board on 20 October 2022 but remained on the Board until the subsequent Board meeting on 30 November 2022, after which he stepped down. It was resolved by the Board that, given the events of the year, the Company and the Board would benefit from Mr Wilson's attendance and contribution at the Board meeting in November. Nonetheless, in accordance with Provision 10 of the UK Corporate Governance Code, from 20 October 2022, he ceased to be considered an independent Director by the Board, and accordingly, stepped down as the Senior Independent Director and from the Nominations, Remuneration and Audit Committees from that date.

As at the date of this Report, the Board consists of seven independent non-executive Directors and two Executive Directors. On 8 December 2022, the Company announced that Richard Miller would be appointed as Chief Financial Officer and Executive Director with effect from 1 January 2023. The Company appointed Roald Goethe as an independent non-executive Director with effect from 24 February 2023.

The Board of Directors

Chair, Executive Directors, Senior Independent Director and non-executive Directors

The Board operates under the leadership of the Chair and is collectively responsible for setting the Company's strategy to deliver long-term value to shareholders and other stakeholders. The Board ensures that the appropriate resources, leadership and effective controls are in place to deliver the strategy. The Board also sets out the Company's culture and Values, monitors business performance, oversees risk management and determines the Company's risk appetite. The Board delegates some of its responsibilities to the Board sub-committees. The Board is accountable for the stewardship of the Company's business to the shareholders and other stakeholders.

Audit Committee

Responsible for financial reporting, audit, internal control and risk management processes.

pages 63 to 68

Nominations Committee

Responsible for Board composition, appointment of Directors and succession planning.

pages 69 and 70

Safety and Sustainability Committee

Responsible for health, safety, environment, climate change, shared prosperity, security and business sustainability.

pages 71 and 72

Remuneration Committee

Responsible for reward and compensation for the Chair, Executive Directors and Senior Managers and reviewing the remuneration arrangements of the workforce.

pages 73 to 97

Senior Leadership Team

Chief Executive Officer, Chief Financial Officer and three Senior Managers

The Senior Leadership Team operates under the leadership of the Chief Executive Officer and is responsible for the delivery and execution of the Board's strategy as well as the day-to-day management of the Company's business including operational performance. The Senior Leadership Team is accountable to the Board.

Following the appointment of the Chair of the Board, the Board undertook a review of the schedule of matters reserved for the Board and also the division of responsibilities between the Chair of the Board, the Chief Executive and the Senior Independent Director, and all of these are available on our website.

The Board has reviewed the criteria set out in the Corporate Governance Code and the FRC's Guidance on Board Effectiveness and considers each of the non-executive Directors to be independent in character and judgement with no conflicts of interest. In addition, the Board is satisfied that all non-executive Directors have disclosed their other significant commitments and confirmed that they have sufficient time to discharge their duties effectively. The Board is also of the view that no one individual or group of individuals dominates decision making.

As part of the governance framework, the Board has delegated some of its responsibilities to four Committees: the Audit Committee, the Nominations Committee, the Safety and Sustainability Committee and the Remuneration Committee. The Board is satisfied that the Committees have sufficient time and resources to carry out their duties effectively. Their terms of reference are reviewed and approved annually by the Board and the respective Committee Chairs report on their activities to the Board. The individual Committee terms of reference can be found on the Group's website. Director attendance at Board and Committee meetings is summarised in the table overleaf.

Committee Reports on pages 63 to 97

Board and Board Committee attendance 2022

Director	Board (6)	Audit Committee (5)	Nominations Committee (3)	Safety and Sustainability Committee (6)	Remuneration Committee (6)
Phuthuma Nhleko	6		3		
Rahul Dhir	6				
Mitchell Ingram	6			6	6
Jeremy Wilson[1]	6	4	3		5
Mike Daly	6	5	3	6	
Sheila Khama	6			6	
Genevieve Sangudi	6	1[2]		6	6
Martin Greenslade	6	5			1[2]

1. Denotes Director(s) who are no longer Directors of the Company.
2. Denotes Director(s) who joined a committee part way through the year.

The Board is supported and advised by the Company Secretary who ensures that it has the policies, processes, information, time and resources it needs for it to function effectively and efficiently. The Company Secretary is also responsible for ensuring compliance with all Board procedures and for providing advice to Directors when required. The Company Secretary acts as secretary to the Audit, Nominations, Safety and Sustainability and Remuneration Committees and has direct access to the Chairs of these Committees.

The Board typically meets six times a year, in person. One of those meetings is devoted to an extensive review of the long-term strategy of the business and another is usually held at an overseas office of the Group to provide the Board with deeper insights into the Company's operations and an opportunity to engage with stakeholders. Due to the Board's focus on the potential corporate transaction with Capricorn during the course of the year, it did not travel as a group to an overseas office. However, the Chair of the Safety and Sustainability Committee and also the Chair of the Audit Committee travelled together to visit the Group's offices, operations and certain stakeholders in Ghana, including an overnight stay on the Group's offshore facilities. The Directors' observations and feedback was provided to both the Board and the business, and the business is implementing certain actions in response to those observations, which are being tracked by the Board.

The focus of the Board's meetings during the first half of the year was on operational performance and the oversight of the Business Plan. The second half of the year focused on capital allocation and the Company's long-term strategy, stakeholder engagement, and the energy transition and sustainability. Later in the year, the Board focused on culture, and the Employee Value Proposition. At various meetings during the year, the Board also reviewed the key risks facing the Company and discussed the Group's appetite for those risks.

Composition, succession and evaluation

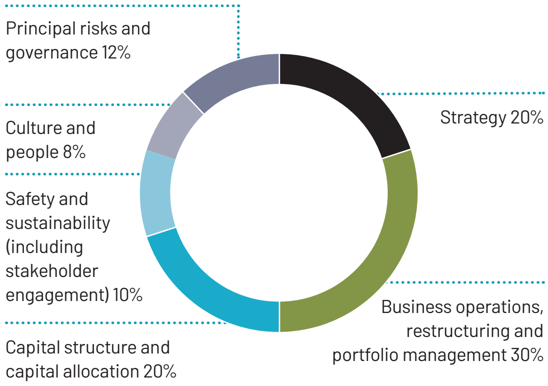
To ensure that serving Executive Directors and Senior Managers of the Company continue to possess the necessary skills and experience required for the strategy of the business, the Board has established a Nominations Committee to oversee the process of appointments and succession planning for Directors and other Senior Managers. The role of the Nominations Committee is critical in ensuring that the Group's Board and Committee composition and balance support both the Group's business ambitions and best practice in the area of corporate governance.

Upon joining the Board, Directors receive induction programmes which are specifically designed to complement their background, experience and knowledge with a more detailed understanding of the upstream industry and other matters regularly discussed by the Board. The programmes include one-to-one meetings with Senior Management, functional leaders and, where possible, visits to the Group's principal offices and operations. The Directors also receive an overview of their duties, corporate governance policies and Board processes.

Directors are initially appointed for a term of three years. With the exception of Mike Daly, who will have served nine years on the Board by the end of May 2023, all of the Directors will seek election or re-election at the next Annual General Meeting. The Board will set out in the Notice of Annual General Meeting its reasons for supporting the election or re-election of each of the Directors. In October 2022, Jeremy Wilson completed nine years on the Board and retired from the Board at the end of the last Board meeting of the year, on 30 November 2022.

Following an extensive search process assisted by the executive search consultant, Cripps Sears & Partners, the Nominations Committee recommended, and the Board appointed, Richard Miller as an Executive Director and Chief Financial Officer with effect from 1 January 2023. Richard had previously served as interim Chief Financial Officer since Les Wood's departure on 31 March 2022 and, following a thorough search, including a diverse and inclusive pool of external candidates, the Board was delighted to appoint an internal candidate to the role, which further demonstrates the Committee's commitment to developing a pipeline of future talent amongst its senior managers. Cripps Sears & Partners is independent of the Company and its Group.

Board time* (%)



* Percentages are approximate.

Nominations Committee Report on pages 69 and 70

Audit, risk and internal control

The Board has delegated responsibility to the Audit Committee to satisfy itself on the integrity of the Financial Statements and announcements on financial performance, overseeing the relationship with the external auditor and reviewing significant financial reporting and accounting policy issues.

The Audit Committee has also assumed responsibility for overseeing the Group's internal audit programme and the process of identifying principal and emerging risks and ensuring that they are managed effectively. As part of that process, the Company's internal financial controls and internal control and risk management systems are assessed annually.

The Directors acknowledge their responsibility for the Group's systems of internal control which are designed to safeguard the assets of the Group and to ensure the reliability of financial information for both internal use and external publication and to comply with the requirements of the Code. Overall control is ensured by a regular detailed reporting system covering both operational and commercial performance and the state of the Group's financial affairs.

The Board has procedures for identifying, evaluating and managing principal risks that impact the Group and these are regularly reviewed. Tullow recognises that any systems of risk management and internal control can only provide reasonable, and not absolute, assurance that material financial irregularities will be detected or that the risk of failure to achieve business objectives is eliminated. However, the Board does seek to ensure that Tullow has appropriate systems in place for the identification and management of key risks, including emerging risks.
In accordance with the requirements of the Code, the Board has established procedures to manage risk, oversee the internal control framework and determine the nature and extent of the principal risks the Company is willing to take in order to achieve its long-term strategic objectives.

Safety and Sustainability Committee

The Board has delegated to this Committee the responsibility and oversight of the Company's occupational and process safety, people and asset security, health and environmental stewardship. The Committee monitors performance and key risks associated with these areas. The Committee also provides oversight of the implementation of the Company's strategic priorities with respect to sustainability, namely; a Net Zero delivery plan, Safe Operations, Shared Prosperity, Environmental Stewardship, and Equality and Transparency.

Safety and Sustainability Committee Report pages 71 and 72

Audit Committee

The Audit Committee retains responsibility for oversight of the external audit of reserves and resources. Board governance was strengthened by the nomination of a non-executive Director with appropriate technical expertise who has responsibility for engagement with the Chief Petroleum Engineer on all matters relating to reserves and resources. The same non-executive Director is available to assist with technical concerns raised through the Company's confidential speaking-up service, Safe Call, replaced by ComplianceLine in November 2022. The Company's external independent reserves auditor meets with the Audit Committee at least once a year to provide the Committee with an opportunity to ask questions and provide challenge to Senior Management's assumptions.

Audit Committee Report pages 63 to 68

Remuneration Committee

The policies and practices for determining the remuneration of the Executive Directors and the Senior Managers have been delegated to the Remuneration Committee. The principal role of the Remuneration Committee is to develop and maintain a Remuneration Policy that ensures Executive Directors and Senior Managers are rewarded in a manner that closely aligns with the successful delivery of the Company's long-term purpose and strategy as well as those of the shareholders and other stakeholders, including the workforce.

Remuneration Committee Report pages 73 to 97

Board oversight of climate change and disclosures in compliance with TCFD

Climate change remains one of Tullow's nine Principal Risks with governance over climate-related transition and physical risks provided at Board, senior Management and operational levels. The Board has ultimate accountability for ensuring Tullow maintains sound climate risk management and internal control systems. Our CEO, a Board member, is ultimately accountable for Tullow's strategic response to climate change and the energy transition. Directors are responsible for ensuring they remain sufficiently informed of climate related risks to Tullow and the broader energy sector, required to be able to meet their fiduciary duties under the UK Companies Act 2006.

The Board:

- takes account of the financial impact on Tullow's portfolio arising from reduced oil price and demand, and potential carbon taxes, identified in a range of climate scenarios used to test the resilience of our business;
- ensures mitigation of climate change risks is embedded in Tullow's strategy, decision making on capital allocation and Management compensation;
- monitors indications of any changes in Tullow's access to and cost of capital and debt stemming from shifts in investor sentiment or regulator pressure on investors towards the oil and gas sector in response to climate-related risks; and
- approves Tullow's carbon management and performance, including targets for emissions reductions and alignment with host nations' strategies to manage climate change.

The Board undertakes these responsibilities primarily through three sub-committees. The Safety and Sustainability Committee provides full oversight and assurance in relation to operational performance on carbon emissions and management of climate-related issues. Sustainability performance, which includes implementation of decarbonisation initiatives and our approach to offsetting hard to abate emissions to meet our Net Zero Commitment, was a key focus for 2022. The Audit Committee is responsible for ensuring the effectiveness of risk management processes and internal control systems, including for climate-related risks, and oversees the assessment of Tullow's financial resilience considering the forecasts of various scenarios on our portfolio and ensures the findings are appropriately and transparently reflected in our financial disclosures. Through the Remuneration Committee the Board ensures climate and sustainability performance, including performance against our Net Zero target, is embedded in the corporate scorecard and annual performance KPIs. The Board approved the inclusion of a Sustainability KPI in the 2023 Scorecard with a weighting of 5%. The Board receives reports from all three Committees at each Board meeting.

Tullow's approach to climate-related risk management is focused on integrating the identification, assessment and management of climate-related risk across the business and delegating responsibility for achieving climate-related performance targets.

Further information on our carbon emissions, and our Net Zero Pathway can be found in our Strategic Report.

Tullow's Senior Leadership Team, led by the Group Director of People & Sustainability, is responsible and accountable for overseeing and monitoring risks that fall under their remit, and for leading the incorporation of climate risks, opportunities, and scenario assumptions into enterprise risk registers. This accounts for the policy positions and regulations within our host nations.

The Ghana Managing Director is furthermore accountable for the implementation of decarbonisation initiatives in our Ghana operations. The Group Sustainability function, which reports to the Director of People & Sustainability, is responsible for leading the integration of climate-related transition and physical risk management across the business. The function works closely with Group Internal Audit & Risk, Finance, Legal, Commercial and business teams to enhance the identification, assessment and management of climate risk and lead business teams in understanding the transmission pathways which could affect our business. Each part of the business therefore evaluates climate-related risks and opportunities within their remit as part of an ongoing risk review cycle; climate risk management reflects Tullow's 'top-down, bottom-up' approach to risk, recognising the cross-cutting nature of physical and transition climate risks which may affect other principal risk categories.

Audit Committee

Beyond its fiduciary duties in relation to the integrity of the Company's Financial Statements, the Audit Committee is also responsible for ensuring there is a sufficient level of assurance provided on risk management and internal controls systems, including for Climate Risk, and whether it is sufficient for the Board to satisfy itself that they are operating effectively. During 2022 this included a review of the climate scenario analysis and methodologies used to test the resilience of our business, including the potential financial impacts of climate-related transition and physical risk. The Committee also reviewed the assurance and audit process in support of annual climate-related disclosures.

Safety and Sustainability Committee

Tullow modified the scope of its standing EHS Committee to include safety and sustainability in 2019 to reflect the material nature of ESG and sustainability risks. Embedding sustainability across the organisation, which includes progress against Tullow's Net Zero Commitment, was a key focus of the Committee for 2022. Among others, this included a review of enterprise-wide climate risk identification and management processes and the third-party assurance process for annual disclosures.

Compliance

The Board is satisfied that the Group has complied in full with the Code during the year ended 31 December 2022, with the following exception:

- The Directors' Remuneration Policy, approved by shareholders in 2020, provided that Executive Director pension contributions for new Executive Directors are aligned (as a percentage of salary) with those available to the workforce. However, it provided that pension contributions for existing Executive Directors would be frozen at the 2019 cash amount and adjusted downwards so they are aligned (as a percentage of salary) with those available to the workforce by 1 January 2023. Between 1 January 2022 and 31 March 2022, Les Wood (Executive Director and Chief Financial Officer) was paid pension contributions at the frozen 2019 cash amount. This does not comply with Provision 38 of the Code which requires these contributions to be aligned with those available to the workforce; however, this is reflective of Provision 143 of the FRC's Guidance on Board Effectiveness, which acknowledges that it may not be practical to alter existing contractual arrangements. The Board confirms that the pension contributions for the Chief Executive Officer appointed in 2020 and those of the new Chief Financial Officer appointed on 1 January 2023 are aligned (as a percentage of salary) with those available to the workforce and that, following the departure of Les Wood by mutual agreement of the Board on 31 March 2022, there is no longer any Executive Director receiving pension contributions which are not in line with the workforce, and therefore the Corporate Governance Code.

Phuthuma Nhleko
Chair

7 March 2023

Board of Directors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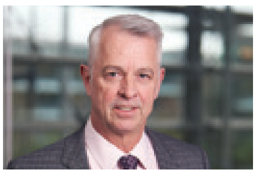
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1. Phuthuma Nhleko

Independent non-executive Chair

Age: **62**

Tenure: **<2 years**

Appointment: **October 2021**

Independent: **Yes**

Key strengths

Executive leadership, public company governance and leadership, emerging markets, engineering, investor relations, corporate finance, business development, risk management, technology and innovation.

Experience

Phuthuma brings extensive emerging markets experience to Tullow having worked successfully across Africa over the past three decades. Phuthuma was Chief Executive of MTN Group, the leading pan-African telecommunications company, from 2002 to 2011. During his time with MTN, the Group grew rapidly in Africa and the Middle East, gaining over 185 million subscribers to become one of the largest listed companies in Africa. In 2013, Phuthuma returned to MTN as a non-executive Director and Chairman until 2019. This included a period as Executive Chairman from 2015 to 2017. He remained part of the international advisory board for the business until August 2021. After stepping down as Chief Executive of MTN in 2011, Phuthuma was a non-executive Director at BP plc (2011–16) and Anglo-American plc (2011–15). He also served previously on the Boards of Nedbank and Old Mutual in South Africa.

Current external roles

Phuthuma is Chairman of Phembani Group, an investment group which he founded in 1994, and is Chairman of the Johannesburg Stock Exchange Ltd. Phuthuma is also a non-executive Director of South African downstream energy company, Engen Petroleum, and a non-executive Director of IHS Towers, the NYSE-listed Emerging Markets Telecom Infrastructure Provider.

2. Rahul Dhir

Chief Executive Officer

Age: **57**

Tenure: **3 years**

Appointment: **July 2020**

Independent: **No**

Key strengths

Upstream business, exploration, development and operations, executive leadership, capital markets, M&A, environment, health, safety and sustainability.

Experience

Rahul brings substantial leadership experience in the oil and gas industry to Tullow, having founded Delonex Energy, an Africa-focused oil and gas company in 2013. Prior to establishing Delonex, Rahul spent six years at Cairn India as chief executive officer and managing director. Under his leadership Cairn India successfully completed a $2 billion IPO and grew to a market value of nearly $13 billion with operated production of over 200,000 barrels of oil equivalent per day. Rahul started his career as a Petroleum Engineer, before moving into investment banking where he led teams at Morgan Stanley and Merrill Lynch, advising major oil & gas companies on merger and acquisition and capital market related issues.

Current external roles

Member of the International Board of Advisors at the University of Texas at Austin.

3. Richard Miller

Chief Financial Officer

Age: **40**

Tenure: **< 1 year**

Appointment: **January 2023**

Independent: **No**

Key strengths

Upstream oil and gas, capital markets, M&A, financial management, audit and assurance.

Experience

Richard brings extensive oil & gas and financial experience to the role. He has been acting as Interim CFO since April 2022 and has been with Tullow for over 11 years. During that time Richard led the Tullow Finance team, supporting a number of acquisitions, disposals and capital markets transactions. Richard played a significant role in the continued turnaround of Tullow with the successful rebasing of Tullow's cost structure, the resetting of the balance sheet and the change to a more focused capital allocation. Richard is a Chartered Accountant and he joined Tullow from Ernst and Young LLP where he worked in the audit and assurance practice.

Current external roles

None.

4. Mike Daly

Non-executive Director

Age: **69**

Tenure: **8 years**

Appointment: **June 2014**

Independent: **Yes**

Key strengths

Upstream business, exploration and appraisal executive leadership, business development, executive and public company leadership, technology and innovation, environment, health, safety and sustainability.

Experience

Mike brings significant upstream experience to Tullow from a 40-year career in the oil and gas business. Mike spent 28 years at BP plc where he held a number of senior executive and functional roles within the exploration and production division across Europe, South America, the Middle East and Asia, including eight years as head of exploration and new business development. He also served on BP's executive team as executive vice president exploration, accountable for the leadership of BP's exploration business. Mike was a member of the World Economic Forum's Global Agenda Council on the Arctic and has served on the advisory board of the British Geological Survey. He is a visiting professor at the Department of Earth Sciences, Oxford University. He holds a BSc in Geology from the University College of Wales and a PhD in Geology from Leeds University. Mike is also a graduate of the Program for Management Development, Harvard Business School, and in 2014 was awarded The Geological Society of London's Petroleum Group Medal.

Current external roles

Non-executive director of Compagnie Générale de Géophysique, a global provider of geoscience and geophysical services to the oil and gas industry, where he is chair of the health, safety, environment and sustainable development committee and a member of the investment committee. President of the Geological Society of London, a registered UK charity.

5. Martin Greenslade

Senior Independent Director

Age: **58**

Tenure: **4 years**

Appointment: **November 2019**

Independent: **Yes**

Key strengths

Corporate finance, accounting and audit, risk management and executive and public company leadership.

Experience

Martin, a chartered accountant, brings extensive corporate financial experience to Tullow from a 35-year career in the property, engineering and financial sectors in the UK and across Africa, Scandinavia and Europe. From 2005 to 2021 Martin was chief financial officer at Land Securities Group plc, a listed UK real estate company. Previously, he spent five years as group finance director of Alvis plc, an international defence and engineering company. Martin holds an MA in Computer and Natural Sciences from Cambridge University and is also a graduate of the Stanford Executive Program, Stanford University California.

Current external roles

Martin is a board trustee of the UK arm of International Justice Mission, a human rights charity focused on protecting the poor from violence and ending human slavery.

6. Sheila Khama

Non-executive Director

Age: **65**

Tenure: **4 years**

Appointment: **April 2019**

Independent: **Yes**

Key strengths

Extractives project and policy reform, executive leadership, corporate governance, business development, public-private partnership and sustainability.

Experience

Sheila brings to Tullow a wealth of executive experience in the banking and natural resources sectors across Africa. Sheila served as the chief executive officer of De Beers Botswana from 2005 to 2010, after which she served as a director of the extractives advisory programme at the African Centre for Economic Transformation. In 2013, Sheila took up a position as director of the Natural Resources Centre at the African Development Bank, Abidjan, Côte d'Ivoire. Sheila subsequently became a policy adviser at the World Bank in Washington in 2016. In both roles she advised host governments on sustainable development policies for natural resources. During this time she also represented the African Development Bank as an observer on the international board of directors of the Extractive Industries Transparency Initiative. Sheila holds a BA from the University of Botswana and an MBA from the Edinburgh University Business School.

Current external roles

Sheila is currently a member of the Advisory Board of the Centre for Sustainable Development Investment, Columbia University, and the audit committee of the United Nations Office of Operations, a non-executive director of the Development Partner Institute, a non-executive director of Base Resources Limited and a non-executive Director of The Metals Company, which is listed on the NASDAQ Stock Exchange in New York.

7. Mitchell Ingram

Non-executive Director

Age: **60**

Tenure: **3 years**

Appointment: **September 2020**

Independent: **Yes**

Key strengths

Upstream business, corporate finance, accounting and audit, business development, risk management, executive leadership, investor and government relations.

Experience

Mitchell brings a wealth of oil and gas executive experience to Tullow, having established a distinguished career spanning over 28 years of experience in the oil and natural gas industry. Mitchell joined Anadarko in 2015 and became executive vice-president of International, Deep Water, and Exploration in 2018. Prior to this, he served as development director and then asset general manager for the Karachaganack field in Kazakhstan at BG Group, following his time as managing director of QGC Australia. Mitchell began his career at Occidental and spent 22 years in a number of technical and operational roles in the UK North Sea, Qatar and Libya. Mitchell holds a BSc in Engineering Technology from Robert Gordon University in Aberdeen.

Current external roles

None.

8. Genevieve Sangudi

Non-executive Director

Age: **46**

Tenure: **4 years**

Appointment: **April 2019**

Independent: **Yes**

Key strengths

Corporate finance, accounting and audit, business development, risk management, executive leadership and investor relations.

Experience

Genevieve brings considerable marketing, investment and fund management experience to Tullow from a 22-year career in the financial sector in the US and across Africa. Genevieve began her career in business development as a marketing executive at Procter & Gamble, Boston, before joining Emerging Capital Partners, a pan-African private equity firm, as a partner and managing director. At Emerging Capital Partners Genevieve served on the boards of portfolio companies working closely with the executive teams and set up the company's operations in Nigeria. Since 2011, Genevieve has been managing director, Sub-Saharan Africa, for the American private equity company Carlyle Group, based in Johannesburg, South Africa, leading on a number of significant transactions in Gabon, Tanzania, Nigeria and Uganda. Genevieve holds a BA from Macalester College, St Paul, Minnesota, an MA in International Affairs from Columbia University, New York, and an MBA from the Columbia Business School, Columbia University.

Current external roles

Genevieve is currently managing director, Sub-Saharan Africa, for the American private equity company Carlyle Group.

9. Roald Goethe

Non-executive Director

Age: **63**

Tenure: **<1 year**

Appointment: **February 2023**

Independent: **Yes**

Key strengths

Upstream business, finance, development, executive leadership, capital markets, M&A.

Experience

Roald is a highly experienced oil and gas executive with extensive commercial knowledge of the energy industry in Africa. In 2006 he founded Delaney Petroleum Ltd, trading crude oil and petroleum products predominantly within West Africa and the Middle East. Prior to establishing Delaney, Roald spent 11 years at Trafigura Group, where he had an integral role in the development of the group's oil trading activities, primarily in West Africa. Roald has an excellent understanding of Tullow's business and vision, and he will provide a unique commercial and entrepreneurial perspective to Tullow's Board.

Current external roles

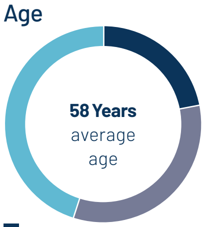
Roald is a Director of ROFGO Racing Limited.

Board composition statistics

Tenure

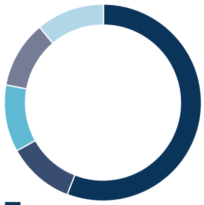
0–5 Years	8
6–10 Years	1

Age



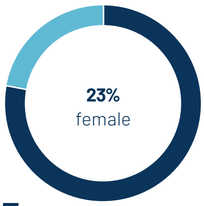
40–50 Years	2
51–60 Years	3
61–70 Years	4

Nationality



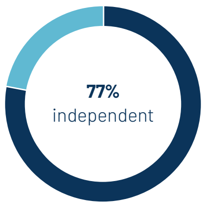
British	5
Motswana	1
South African	1
Tanzanian	1
German	1

Gender



Male	7
Female	2

Independence



Independent	7
Non-independent	2

Committee membership key

- Committee Chair
- A Audit Committee
- N Nominations Committee
- R Remuneration Committee
- S Safety and Sustainability Committee

Engaging with our stakeholders

Strong relationships built on trust remain key to the delivery of the Company's strategy and goals. During 2022 frequent engagement was carried out with our investors, host nations and Tullow staff. This was carried out by the Chairman, Executive Directors and non-executive Directors. Feedback was then regularly communicated to the Board as a whole and taken into consideration during Board decision making.

Our key stakeholders | **How the Board engaged**

Our investors

- Throughout the year, Tullow management and the Investor Relations team met both virtually and physically with investors to discuss operational and financial performance. Significant engagement was also carried out with regards to the proposed combination with Capricorn, which was terminated in October 2022.
- Tullow attended a number of equity and debt conferences during the year; and hosted a large number of group and 1-2-1 meetings with current or prospective investors. This included a dedicated webinar for Retail Investors to engage with this important part of our shareholder base.
- The Chair and Senior Independent Director met with major shareholders to discuss governance issues.
- Tullow hosted a hybrid Annual General Meeting which was also attended by the Directors and a number of investors. At the AGM on 25 May 2022, a significant number of votes were cast against Special Resolution 14 (43.95%) to authorise the Board to allot or sell equity securities for cash) and Special Resolution 16 (24.44%) to authorise the Company to make market purchases of its own shares. Members of the Board have since engaged with our major shareholders who voted against the resolutions and have received their feedback, which will be incorporated into the Board's considerations and communications in the lead up to the next AGM in 2023.

Our host nations

- The Chair had the opportunity to meet H.E. the President of Ghana and other government officials in April. The CEO also had quarterly updates with H.E. the President in Accra and London. Additionally, the CEO, other senior business leaders proactively engaged with several other government officials, including the Minister of Energy, Minister of Finance, Minister of State for Finance, and senior officials of Petroleum Commission, Ghana National Petroleum Corporation and Ghana National Gas Company Ltd., among others.
- The Non-Executive Board members Martin Greenslade and Mitchell Ingram also engaged with the Vice President of Ghana during a working visit to Ghana in November. Members of the Tullow Ghana Advisory Board also had the opportunity to engage with HE the President of Ghana, the Minister of Energy, Bank of Ghana and other senior government officials.
- In November, Tullow held its inaugural "Ghana Energy Evening" in London. The event, hosted jointly by the CEO and Ghana's High Commissioner to the United Kingdom and the Republic of Ireland, was Tullow's maiden platform to engage with Ghanaian diaspora in the United Kingdom.
- The CEO and other senior business leaders met the Minister of Mines, Hydrocarbon and Energy for Côte d'Ivoire at Africa Oil Week in Capetown.
- The CEO met Gabon's Minister of Water, Forest, the Sea and Environment, the Minister of Foreign Affairs and the Secretary General of the Presidency in London during the Commonwealth Gabonese flag raising event.
- Additionally, the CEO met virtually with many of our key stakeholders across our business in connection with Tullow's major transactions during the year.
- In 2023, Tullow's Chair will meet with a range of key stakeholders from across Tullow's countries of operations.

Our people

- Non-executive Directors of the Board met with members of the Tullow Advisory Panel on four occasions during the course of the year. These meetings provided an opportunity to gather feedback from employees to help shape decisions with regards to improving our overall Employee Value Proposition. Such feedback led to the launch of some significant initiatives to improve further the Tullow employee experience in areas such as performance management, hybrid working and compensation policies.
- The CEO and the Senior Leadership Team hosted regular virtual town hall events which included open Q&A throughout the year, which was complemented by an Employee Engagement Survey conducted in the second quarter of 2022.
- As travel restrictions lifted, the CEO and Senior Leadership Team were able to meet with our employees across our locations in person, hosting many small group discussions.

Audit Committee Report

Martin Greenslade
Chair of the Audit Committee

> "The Committee continued to review the performance of the Group's control environment and strengthened risk management process."
>
> **Martin Greenslade**
> Chair of the Audit Committee

Dear shareholder

The Audit Committee continues to focus on ensuring that Tullow has a strong system of financial and non-financial controls, risk management processes and internal audit programme. In particular, the Audit Committee's activities in 2022 included oversight of Tullow's financial reports, disclosures in key transactional documents, as well as assessing the effectiveness of the Company's risk management and internal control processes. In this report, I also outline key areas of financial judgement and estimation, which were considered in Tullow's accounts and the action taken by the Committee to ensure they fairly reflect Tullow's financial position. In 2022 particular focus was given to judgements made in respect of tax treatments and the Group's going concern assessment. The Committee continued to review the performance of our finance and supply chain outsourcing partner and reviewed climate risk, including its TCFD analysis, scenarios and disclosure.

The Committee has monitored the performance of Ernst & Young LLP as the Company's statutory external auditor. We continue to be encouraged by the focus and insight provided by Ernst & Young, especially in the areas of significant judgements and their use of data analytics.

The Committee oversaw the appointment of the new Head of Internal Audit and Risk in 2022. This was particularly important due to the significant changes that occurred within the organisational structure of the business and that of the internal audit function during 2020 and 2021. The focus on delivery of Internal Audit in 2022 led to an increase in the number of internal audits performed, with 15 completed in 2022 and one in progress at the year end.

The Committee also met with the Group Head of Ethics and Compliance and received updates on matters including the Code of Ethical Conduct, avenues available to our staff and suppliers for speaking up, and procedures for the detection and prevention of fraud.

Based on the results of the annual effectiveness review of risk management and internal control, the Audit Committee concluded that the system of internal controls operated effectively throughout the financial year and up to the date on which the Financial Statements were signed. There were areas identified for improvement and the Audit Committee is confident that they are in the process of being addressed.

During 2022, the Financial Reporting Council (FRC) reviewed Tullow's Annual Report and Accounts for 2021 in their sample for the thematic review of judgement and estimate disclosures. We are pleased with the outcome of the review and no questions or queries were reported by the FRC. It did, however, suggest some improvements around the Group's disclosures on certain areas of judgement and uncertainty, which have been addressed in our 2022 Annual Report where material and relevant. The FRC's role is to consider compliance with reporting standards and is not to verify the information provided. Therefore, given the scope and inherent limitations of their review, which does not benefit from any detailed knowledge of the Group, it would not be appropriate to infer any assurance from their review that our 2021 Annual Report and Accounts are correct in all material respects.

Before advising the Board on the approval of the 2022 Annual Report and Accounts, the Committee asked the Senior Leadership Team to demonstrate to the Committee its processes and procedures for ensuring that the report contains the relevant information necessary for shareholders to assess Tullow's position, performance, business model and strategy and that it is fair, balanced and understandable. Furthermore, the Committee, in conjunction with the Board provided detailed feedback to Management on the 2021 Annual Report and Accounts process, which has been addressed through the 2022 process.

Martin Greenslade
Chair of the Audit Committee

7 March 2023

Governance

Martin Greenslade was appointed Audit Committee Chair in 2020 following the AGM. Martin is a Chartered Accountant. He was Chief Financial Officer at Land Securities Group plc from 2005 to 2021 thus meeting the requirement of the UK Corporate Governance Code for the Audit Committee to have at least one member who has recent and relevant financial experience. The other members of the Audit Committee during the year were Mike Daly, Genevieve Sangudi and Jeremy Wilson. Genevieve Sangudi joined the Committee in September in advance of Jeremy Wilson stepping off the Committee in October. Together, the members of the Committee demonstrate competence in finance, the oil and gas industry and investing in Africa. Mike Daly has significant prior experience in oil and gas companies and Genevieve Sangudi has considerable pan-African and North American marketing, investment and fund management experience. The Company Secretary serves as the secretary to the Committee.

The Chief Financial Officer, the Group General Counsel, the Group Financial Controller, the Head of Internal Audit and Risk and representatives of the external auditor are invited to attend each meeting of the Committee and participated in all of the meetings during 2022. The Chair of the Board and the CEO also attend meetings of the Committee by invitation and were present at most of the meetings in 2022. The external auditor and the Head of Internal Audit and Risk have unrestricted access to the Committee Chair.

In 2022, the Committee met on five occasions and also held conference calls between meetings to consider specific items. Meetings are scheduled to allow sufficient time for full discussion of key topics and to enable early identification and resolution of risks and issues. Meetings are aligned with the Group's financial reporting calendar.

The Committee reviewed its terms of reference during the year to ensure they comply with relevant regulation, including the UK Corporate Governance Code 2018, the Companies Act 2006, the FRC's 2016 Guidance on Audit Committees, the FRC's 2014 Guidance on Risk Management, Internal Control and Related Financial and Business Reporting and the FRC's Revised Ethical Standards 2019. The Audit Committee's terms of reference can be accessed via the corporate website. The Board most recently approved the terms of reference on 30 November 2022.

Summary of responsibilities

The Committee's detailed responsibilities are described in its terms of reference and include:

- monitor the integrity of the Financial Statements of the Group, reviewing and reporting to the Board on significant financial reporting issues and judgements including going concern and viability statement assessments;
- review and, where necessary, challenge the consistency of significant accounting policies, and whether appropriate accounting standards have been used;
- review the content of the Annual Report and Accounts and advise the Board on whether it is fair, balanced and understandable and if it provides the information necessary for shareholders to assess Tullow's position, performance, business model and strategy;
- monitor and review the adequacy and effectiveness of the Company's internal financial controls and internal control and risk management systems;
- consider the level of assurance being provided on the risk management and internal controls systems and whether it is sufficient for the Board to satisfy itself that they are operating effectively;
- review the adequacy of the whistleblowing system, and the Company's procedures for detecting and preventing fraud;
- review and assess the annual Internal Audit Plan, its alignment with key risks of the business and coordination with other assurance providers and receive a report on the results of the Internal Audit function's work on a periodic basis;
- oversee its relationship with the external auditor including assessing its independence and objectivity, review the annual audit plan to ensure it is consistent with the scope of the audit engagement, and review the findings of the audit;
- meet with the Chief Petroleum Engineer and receive reports from the independent reserves auditor (TRACS);
- assess the qualifications, expertise and resources of the external auditor and the effectiveness of the audit process; and
- oversee the system of ethics and compliance, including its procedures to prevent bribery and corruption, and response to any significant instances of non-compliance.

Key areas reviewed in 2022

The Committee fully discharged its responsibilities during the year and the following describes the work completed by the Audit Committee in 2022:

Annual Report

For the Audit Committee and the Board to be satisfied with the overall fairness, balance and clarity of the final report, the following steps are taken:

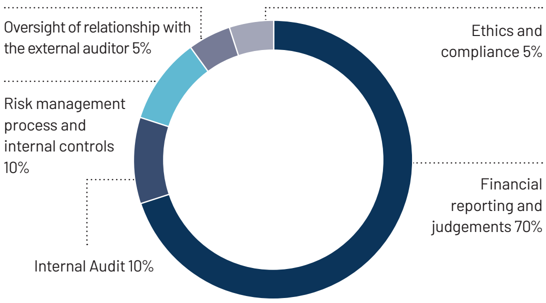
- collaborative approach taken by the Group, with support from the Executives and Group functions and direct input from the Board;
- a central dedicated project team working closely with our external auditor;
- early engagement and planning, taking into consideration investors' feedback, regulatory changes and leading practice;
- comprehensive guidance issued to key report contributors across the Group;
- validation of data and information included in the report both internally and by the external auditor;
- a series of key proof dates for comprehensive review across different levels in the Group that aim to ensure consistency and overall balance;
- the approach by management and resultant disclosure associated with climate change and TCFD; and
- Senior Management and Board review and sign-off.

Financial reporting

As part of the financial reporting process, the Committee kept under review ongoing and emerging financial reporting risks and judgements. The Committee met in September 2022 to review half-year Financial Statements and in November 2022 to discuss an initial view of key financial reporting risks and judgements before the year end process. Finally, the Committee met for the full-year accounts approval in February 2023. At each stage of the process, the Committee considered the key risks identified as being significant to the 2022 Annual Report and Accounts as well as accounting policy changes and their most appropriate treatment and disclosure. The primary areas of judgement considered by the Committee in relation to the 2022 accounts and how these were addressed are detailed below. The related Group accounting policies can be found on pages 119 to 130.

Significant financial judgements and areas of estimation	How the Committee addressed these judgements and areas of estimation
Carrying value of intangible exploration and evaluation assets	A detailed accounting paper was received by the Committee from Management on the Group's exploration and evaluation assets, with a separate paper for Kenya, given its materiality. The papers documented Management's assessment of indicators for impairment and, if required, showed calculations for the impairments. The Committee reviewed these papers and challenged Management's position, with particular focus on the Kenya development project given key changes to the project in 2022, at the February 2023 Audit Committee meeting. The Committee supported Management's assessment that an impairment was not required in respect of Kenya based on the judgemental assessment performed.
Carrying value of property, plant and equipment (PP&E)	The Committee received and reviewed the papers prepared by Management on the Group's oil price and discount rate assumptions, which are used in the assessment of the carrying value of PP&E. At the September 2022, November 2022 and February 2023 Audit Committee meetings these assumptions were challenged by the Committee compared to independent oil price forecasts. The Committee also challenged the Company's calculation of discount rates, with particular focus on the asset and exploration risk adjustments made by Management to a peer group weighted average cost of capital. At the September and February Audit Committee meetings the Audit Committee reviewed and challenged detailed papers on Management's assessment of impairment triggers and resulting impairment tests for PP&E. The Committee gave particular focus to TEN, given the materiality of historical impairments made to that asset. The Committee also discussed the Group's reserves and resources with the Group's principal external reserves auditor, TRACS, at the February Committee meeting to gain comfort over Management's view of the carrying value of PP&E. The Committee concurred with the impairments proposed by Management and ensured there was an adequate disclosure of this judgement in the Annual Report and Accounts.
Going concern and viability	A detailed accounting paper and cash flow analysis was prepared by Management and provided to the Committee, which then reviewed and challenged the assumptions and judgements in the underlying going concern and viability statement forecast cash flows. The Committee discussed with Management the risks, sensitivities and mitigations identified by Management to ensure the Company can continue as a going concern. The Committee also discussed the five-year time horizon used by Management for the viability statement which extends beyond the revised debt maturities following the refinancing in 2021. The Committee concurred with Management's assessment and ensured there was an adequate disclosure of this judgement in the Annual Report and Accounts.
Ghana Pre-emption	A detailed paper was prepared by Management and reviewed by the Committee documenting the background and the accounting treatment of Tullow's acquisition of additional interest in TEN and Jubilee fields in Ghana and its impact on the Group results. The acquisition of additional interests in TEN and Jubilee by the Group has met the definition of a business combination under IFRS 3 and has been accounted for using the acquisition method. This required the Group to fair value assets acquired and liabilities assumed at the acquisition date which gave rise to a gain on bargain purchase recognised in the income statement during the year.
Provisions	A detailed accounting paper was prepared by Management on provisions and reviewed by the Committee. This included a summary of independent legal advice on such disputes where appropriate. The Committee regularly monitors the risk by receiving regular summaries of all open litigations and disputes as part of the Group's Quarterly Performance reporting. The Committee challenged Management's position at the December and March Audit Committee meetings. The Committee concurred with Management's assessment and ensured there was an adequate disclosure of this judgement in the Annual Report and Accounts.
Uncertain tax and regulatory treatments	Detailed accounting papers on all tax and regulatory exposures were prepared by Management for the Committee's review. Where relevant, the papers included summaries of external legal or tax advice on particular tax claims and assessments received. The Committee also met with the Head of Tax in the September and February meetings to discuss and challenge the key judgements and estimates made including the likelihood of success and the quantum of the total exposure for which provision had been made. The Committee concurred with Management's assessment and ensured there was an adequate disclosure of this judgement in the Annual Report and Accounts.

Allocation of Audit Committee time* (%)



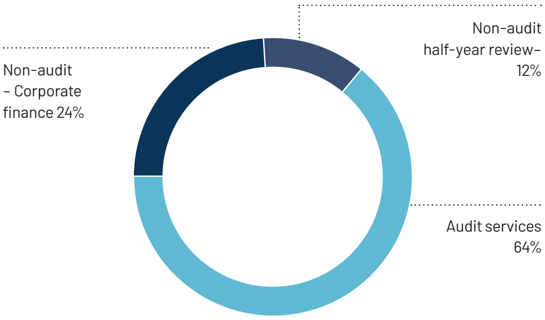
* Percentages are approximate.

External auditor

Making recommendations to the Board on the appointment or re-appointment of the Group's external auditor, overseeing the Board's relationship with the external auditor and overseeing the selection of a new external auditor, and assessing the effectiveness of the external audit process is a key responsibility of the Audit Committee.

- The UK Corporate Governance Code states that the Audit Committee should have primary responsibility for making a recommendation on the appointment, re-appointment or removal of the external auditor. On the basis of the competitive tender process carried out in 2018, the Committee recommended to the Board the appointment of Ernst & Young LLP as Tullow's statutory auditor for the 2021 financial year, which was approved by shareholders at the 2021 AGM. Under current regulations, the Group will be required to retender the audit by no later than the 2030 financial year.
- The external auditor is required to rotate the audit partner responsible for the Group audit every five years. Mr Paul Wallek is Ernst & Young LLP's lead audit partner with effect from 2020.
- The Audit Committee assessed the qualifications, expertise and resources, and independence of Ernst & Young LLP as well as the effectiveness of the audit process. This review covered all aspects of the audit service provided by Ernst & Young LLP, including obtaining a report on the audit firm's own internal quality control procedures and consideration of the audit firm's annual transparency reports in line with the UK Corporate Governance Code. The Audit Committee also approved the external audit terms of engagement and remuneration. During 2022 the Committee held private meetings with the external auditor. The Audit Committee Chair also maintained regular contact with the audit partner, Mr Paul Wallek, throughout the year. These meetings provide an opportunity for open dialogue with the external auditor without Management being present.
- Matters discussed included the auditor's assessment of significant financial risks and the performance of Management in addressing these risks, the auditor's opinion of Management's role in fulfilling obligations for the maintenance of internal controls, the transparency and responsiveness of interactions with Management, confirmation that no restrictions have been placed on it by Management, maintaining the independence of the audit, and how it has exercised professional challenge.
- In order to ensure the effectiveness of the external audit process, Ernst & Young LLP conducts an audit risk identification process at the start of the audit cycle. This plan is presented to the Audit Committee for its review and approval and, for the 2022 audit, the key audit risks identified included: oil and gas reserve estimation; impairment of Kenya exploration and evaluation ('E&E') assets; impairment and impairment reversal assessment of Oil & Gas assets; manipulation of period-end manual journals in order to overstate revenue and management override of controls; accounting for Ghana pre-emption rights and uncertain tax treatments. These and other identified risks are reviewed through the year and reported at Audit Committee meetings where the Committee challenges the work completed by the auditor and tests Management's assumptions and estimates in relation to these risks. The Committee also seeks an assessment from Management of the effectiveness of the external audit process. In addition, a separate questionnaire addressed to all attendees of the Audit Committee and Senior Finance Managers is used to assess external audit effectiveness. As a result of these reviews, the Audit Committee considered the external audit process to be operating effectively.
- The Committee closely monitors the level of audit and non-audit services provided by the external auditor to the Group. Non-audit services are normally limited to assignments that are closely related to the annual audit or where the work is of such a nature that a detailed understanding of the Group is necessary. An internal Tullow standard for the engagement of the external auditor to supply non-audit services is in place to formalise these arrangements. It was revised in January 2022 and is reviewed bi-annually. It requires Audit Committee approval for all non-trivial categories of non-audit work. A breakdown of the fees paid in 2022 to the external auditor in respect of audit and non-audit work is included in note 4 to the Financial Statements and summarised on the next page.
- In addition to processes put in place to ensure segregation of audit and non-audit roles, Ernst & Young LLP is required, as part of the assurance process in relation to the audit, to confirm to the Committee that it has both the appropriate independence and the objectivity to allow it to continue to serve the Members of the Company. This confirmation is received every six months and no matters of concern were identified by the Committee.

Fees payable to auditor (%)



Internal controls and risk management

Responsibility for reviewing the effectiveness of the Group's risk management and internal control is delegated to the Audit Committee by the Board.

In 2022, the Audit Committee reviewed, discussed and briefed the Board on risks, controls and assurance, including the annual assessment of the system of risk management and internal control, to monitor the effectiveness of the procedures for internal control over financial reporting, compliance and operational matters.

The Audit Committee obtained comfort over the effectiveness of the Group's risk management and internal control systems through various assurance activities that included:

- audits undertaken by the Internal Audit team;
- enterprise risk management and assurance processes;
- the external auditor's observations on internal financial controls identified as part of its audit; and
- regular performance, risk and assurance reporting by the Business Unit and Corporate teams to the Board.

During the year, in concert with the Board, the Audit Committee completed a robust assessment of the significant risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity. This assessment included the identification of emerging risks. The assessment process included engagements with the Senior Leadership Team helping to support understanding, ownership and accountability of enterprise-wide risks across all layers of the Company. For each of the principal risk categories, the Board reviewed the risk strategies to ensure they were still valid and their associated risk appetites.

Internal Audit periodically presented its findings to the Audit Committee over delivery of the assurance plan, progress of issues raised and their timely resolution. On occasions, Senior Management representatives from the business were also invited to the Audit Committee to provide updates on key matters such as the annual tax strategy review and TCFD reporting.

In addition, during the year, the Audit Committee received reports from the principal independent reserves auditor TRACS and reviewed the arrangements in place for managing cyber risk relating to the Group's critical information systems.

All identified findings were assessed, with no indications of fraud noted.

Based on the results of the annual effectiveness review of risk management and internal control systems, the Audit Committee concluded that the system of internal controls operated effectively throughout the financial year and up to the date on which the Financial Statements were signed. There were areas identified for improvement and the Audit Committee is confident that they are in the process of being addressed.

Internal audit requirements

The Audit Committee's role is to consider how the Group's internal audit requirements are satisfied and make relevant recommendations to the Board. Throughout 2022 the Committee requested and received reports from Management on its resource and budget planning for the Internal Audit function in order to assess the effectiveness of internal audit and satisfy itself that the quality, experience and expertise of the function is appropriate for the business. The level of internal resource available to the function was in line with target from March. In addition, the internal audit function uses external expertise for specialist reviews and so the Committee challenged Management to ensure sufficient budget was made available for additional external resource where required. The Committee also regularly provided feedback on progress against the 2022 internal audit plan and guidance on the prioritisation of certain audits focused on the effectiveness of the control environment and approved changes to the Internal Audit plan throughout the year to meet emerging demands.

- A new Head of Internal Audit and Risk joined the Group in March 2022. The position's responsibilities include evaluating the Group's assessment of the overall control environment.
- The Committee reviewed and challenged the 2022 programme of internal audit work developed to address both financial and overall risk management objectives identified within the Group during the planning phase. The plan was subsequently adopted with progress reported at the Audit Committee meetings. A total of 16 internal audits were planned for 2022 of which 15 were completed with one in progress at the year end. The plan is dynamic and changes are approved by the Committee. The primary changes in the plan were due to re-assessments of the priorities of the organisation and results of audits completed. Based on the nature of the audits completed, the assurance performed by Management and subsequently assessed by the Committee and the scale of organisation, the Committee believes an appropriate level of assurance has been performed over the Group's internal control environment.
- Internal Audit also ran a systematic programme of audits of suppliers' compliance with commercial and business ethics clauses, including bribery and corruption, with a focus on significant and high-risk contracts.

Internal audit requirements continued

- Detailed results from the internal audits were reported to Management and in summary to the Audit Committee during the year. Where required, the Audit Committee receives full reports and details on any key findings. The Audit Committee receives regular reports on the status of the implementation of Internal Audit recommendations.
- The Audit Committee assessed the effectiveness of Internal Audit through meeting with the Head of Internal Audit, its review and assessment of the Internal Audit Plan and the results of audits reported.

Whistleblowing procedure

We ensure that an effective whistleblowing procedure is in place.

- In line with best practice and to ensure Tullow works to the highest ethical standards, an independent whistleblowing procedure was established in 2011 and operated throughout 2022 to allow staff to confidentially raise any concerns about business practices. This procedure complements established internal reporting processes. A new provider to support the whistleblowing procedure was engaged during 2022. The whistleblowing policy is included in the Code of Ethical Conduct which is available to all staff in printed form and on the corporate intranet. Each member of staff is annually required to complete an online awareness course to refresh their knowledge of key provisions of Tullow's Code of Ethical Conduct, which was included as a Group-wide KPI. The Committee considers the whistleblowing procedures to be appropriate for the size and scale of the Group.
- The Committee receives from the Group Ethics and Compliance Manager summaries of investigations of significant known or suspected misconduct by third parties and employees including ongoing monitoring and following up of internal investigations.

Review of effectiveness of the Audit Committee

- In late November 2022, the Audit Committee undertook a review of its effectiveness during 2022, with the results reported to the Board. The Committee was considered to be operating effectively and in accordance with the UK Corporate Governance Code and the relevant guidance. The feedback provided has been used to shape the agendas and the annual rolling agenda of the Committee in 2023.

Nominations Committee Report

Phuthuma Nhleko
Chair of the Nominations Committee

> "Identifying and obtaining the right balance of competencies to deliver on our strategy is a priority for the Committee."
>
> **Phuthuma Nhleko**
> Chair of the Nominations Committee

Dear shareholder

The main function of the Nominations Committee is to ensure that the Board and its Committees are appropriately constituted and have the necessary skills and expertise to support the Company's current and future activities and deliver its strategy for sustainable long-term success. Below Board level, the Committee focuses on the recruitment, development and retention of a diverse pipeline of managers who will occupy the most senior positions in the Company in the future.

The diversity of a board contributes to its success and I am pleased that we continue to have a strong African membership and a strong female membership on the Board.

The key activities of the Committee in 2022 were 1) the search for a new Chief Financial Officer and Executive Director, which resulted in the appointment of Richard Miller with effect from 1 January 2023 and 2) commissioning the externally facilitated evaluation of the performance of the Board, its committees, the Chair and individual directors.

The appointment of Richard Miller as CFO followed an extensive externally facilitated search process, assisted by Cripps Sears & Partners. Among a number of other search consultants, Cripps Sears & Partners have carried out search processes on behalf of the Company and its Group before, but have no other connection with the Company. A diverse and inclusive group of candidates were shortlisted and interviewed for the CFO role and the Committee was pleased to ultimately appoint Richard who was an internal candidate, having previously served as Interim CFO since April 2022 and Group Financial Controller. Richard brings extensive oil & gas and financial experience to the role and has been with Tullow for over 11 years. During that time Richard led the Tullow Finance team, supporting a number of acquisitions, disposals and capital markets transactions. Richard played a significant role in the continued turnaround of Tullow with the successful rebasing of Tullow's cost structure, the resetting of the balance sheet and the change to a more focused capital allocation. He is a proven leader of Tullow's culture and his appointment is testament to the Committee and Company's work to ensure there is a pipeline of managers who will occupy the most senior positions in the Company in the future.

The externally facilitated evaluation of the performance of the Board, its Committees, the Chair and individual Directors was assisted by Heidrick & Struggles. Among a number of other search consultants, Heidrick & Struggles have carried out search processes on behalf of the Company and its Group before, but have no other connection with the Company. The evaluation was conducted by first setting out the scope of the evaluation, which would include assisting the Committee build a view on the skills and experience it should seek in the next appointments to the Board, to achieve an appropriate composition to deliver the Company's strategy. The process then included individual interviews, a desktop review of Board materials and an anonymous online survey tool completed by each of the Directors and certain key contributors to the Board and Committees, including the members of the Senior Leadership Team and the Company Secretary. The facilitator presented its findings to the Chairman and then the Board. Key strengths identified were a clear understanding and alignment on the purpose and strategy of the business but further consideration should be given to articulating, energising and galvanising both internally and externally the longer-term strategy of the business through the energy transition. Another key strength identified was the quality of debate, challenge and dialogue amongst the Board members, but further consideration should be given to providing more opportunities for engagement among the Board members, and the Board members with the Senior Leadership Team, staff and stakeholders since the risks associated with the COVID-19 pandemic have subsided in our areas of operation. Another strength identified was the diversity of experience and capabilities on the Board but consideration should be given to focusing on long term succession planning of the Board, looking years in advance for both Executives and Non-Executives, to ensure spaced rotations.

A number of these suggestions for consideration have already resulted in action and response from the Board, including planning for the Board's long-term strategy session in July, visits by our Non-Executive Directors to our overseas offices in Accra, including facilities at Takoradi and an offshore FPSO, and the appointment of recruitment consultants to initiate searches for a new Non-Executive Director and certain roles within Senior Management. Several further initiatives have been included into the Board's annual rolling agenda and timetable of events to address the suggested considerations, and the Chair has also implemented one on one meetings with each of the Directors to discuss their individual feedback.

The Committee is also responsible for ensuring there are plans in place for the orderly succession of Senior Manager positions within the business. The Committee and the Board reviewed the proposals and arrangements for the recruitment, development and retention of managers occupying the senior positions in the Company. In 2023, the Committee will continue in this work and will be particularly focused on ensuring the team has the necessary skills and expertise to deliver the future business strategy whilst achieving a diverse and inclusive workforce population with a nationality mix which is representative of our assets' geographic footprint and improves our gender diversity. Further details of our Inclusion and Diversity policy and how it has been implemented in 2022, including our diversity statistics, can be found on pages 36 and 37. The Committee is conscious that, following the resignation of Dorothy Thompson from the Board on 31 December 2021, the Board is no longer composed of at least 33% women. However it is pleased that, following my appointment, the Board has increased its diversity of nationalities and is more representative of our assets' geographic footprint. The Committee will continue to review the diversity of skills and experience at the Board, and the need for gender diversity remains one of the priorities.

Phuthuma Nhleko
Chair of the Nominations Committee

7 March 2023

Committee's role

The Committee reviews the composition and balance of the Board and Senior Managers on a regular basis. It also ensures robust succession plans are in place for all Directors and Senior Managers. When recruiting new Executive or non-executive Directors, the Committee appoints external search consultants to provide a list of possible candidates, from which a shortlist is produced. External consultants are instructed that diversity is one of the criteria that the Committee will take into consideration in its selection of the shortlist. The Committee's terms of reference are reviewed annually and are set out on the corporate website.

Committee's main responsibilities

The Committee's main duties are:

- reviewing the structure, size and composition of the Board (including the skills, knowledge, experience and diversity of its members) and making recommendations to the Board about any changes required;
- identifying and nominating, for Board approval, candidates to fill Board vacancies as and when they arise;
- succession planning for Directors and other Senior Managers;
- reviewing annually the time commitment required of non-executive Directors; and
- making recommendations to the Board regarding membership of the Audit, Remuneration and other Committees in consultation with the Chair of each Committee.

Committee membership and meetings

The membership and attendance of the Committee meetings held in 2022 are shown on page 56.

In addition to three formal meetings, the Committee held several informal discussions, telephone conference calls and interviews during the year and were assisted in the critical decisions arising from these discussions through consultation with the whole Board.

Safety and Sustainability Committee report

Mitch Ingram
Chair of Safety and Sustainability Committee

> "The Committee continued to review the Groups safety and environmental performance and the progress achieved throught the year, embedding Sustainability in our organisation."
>
> Mitch Ingram
> Chair of the Safety and Sustainability Committee

Dear shareholder

The Safety and Sustainability Committee monitors the performance and sets the forward-looking agenda for the Company in relation to Safe Operations, Shared Prosperity, Environmental Stewardship and Equality and Transparency.

The Committee also executes in-depth reviews of strategically important areas of concern for the Group. In 2022 the Committee continued to recognise the importance of process safety and particularly the need for a focus on asset integrity and maintenance in Ghana with performance reviewed at each Committee meeting. There was also renewed focus on maximising the learning from both occupational and process safety related incidents across every part of the business, including the non-operated part of our activities.

The Committee also had several deep dives relating to progress on taking over the operations and maintenance (O&M) of the KNK FPSO in Ghana from mid-2022. The Committee reviewed the plans for implementation ahead of the project and also continues to monitor progress since the transfer of operatorship took place.

Tullow continued to review its overall approach to sustainability, with a focus on embedding sustainability in the organisation. This involved regular review of the performance of our Net Zero plan; our socio-economic investments; our local content plans and also the performance of our teams and their engagement. The Group reviewed its business for a fourth year against the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and was particularly pleased when the Financial Reporting Council, recognised our disclosure as an example of better practice in articulating the likely timing of any impacts of climate change.

The Committee continued to the review the progress of the Net Zero Plan; the decarbonisation initiatives identified to reduce emissions and eliminate routing flaring on Jubilee and TEN and progress in identifying nature-based carbon offset opportunities in Ghana, that included the completion of a Feasibility Study and signing of a Letter of Intent with the Forestry Commission in late 2022.

MWIngram

Mitch Ingram
Chair of the Safety and Sustainability Committee

7 March 2023

Committee's role

The Committee's role is to monitor the performance and key risks that the Company faces in relation to safety and sustainability. The Committee oversees the processes and systems put in place by the Company to meet our stated objectives of protecting employees, the communities in which we operate and the natural environment, and potential future changes in external market drivers.

Additionally, it monitors the effectiveness of operational organisations across the Company in delivering continuous improvement in EHS through reviewing a wide range of EHS leading and lagging indicators to gain an insight into how EHS policies, standards and practices are being implemented.

The Committee continues to review high-potential incidents (seven in 2022), especially where they have occurred repeatedly in one location or activity.

During 2022 we reviewed incident trends, including events where there was a loss of containment of a hazardous fluid in order to identify common causations and ensure that improvement activities, including initiatives/campaigns, were appropriately targeted. The Committee also scrutinises the outcome of audits and investigations and importantly the closure of related actions.

Additionally, the Committee reviews Tullow's broader sustainability performance against our goals, aligned to our overall purpose and business strategy. This includes receiving updates on Tullow's performance as evaluated by ESG ratings agencies, our shared prosperity performance, progress of our Net Zero strategy and also the health of the organisation through employee engagements.

Committee's main responsibilities

The Committee's main responsibilities are:

- to review and provide advice regarding the Safety and Sustainability, Climate and Human Rights policies of the Company;
- to monitor the performance, including regulatory compliance, of the Company in the progressive implementation of its environmental, health, security and asset protection, and safety policies, including process safety management;
- to review matters relating to material environmental, health, security and asset protection, and safety risks, and to consider material regulatory and technical developments in the fields of environmental, health, security and asset protection, and safety management;
- to review the pathways to decarbonise Tullow's operations, and the associated costs and risks and to approve the timeframe in which Tullow intends to achieve Net Zero; and
- to review Tullow's approach to delivering shared prosperity, including local content, social investment and social performance.

The Committee's terms of reference are reviewed annually and are available on the corporate website.

The Committee currently comprises four non-executive Directors. The membership of the Committee and attendance throughout the year is set out on page 56. The Committee is supported by the Company Secretary and the principal members of the Senior Leadership Team who report to the Committee are Julia Ross, Director of People and Sustainability and Wissam Al-Monthiry, Ghana MD.

The safety and sustainability related KPIs that the Company measured its performance on in 2022 can be found on pages 79 and 80 of this report.

The Committee's focus in 2023

- A continuing emphasis on process safety, the asset integrity in Ghana, topsides and subsea.
- Continually improving performance of safety, operational, environmental and risk management.
- Reviewing the capability and organisation to deliver safety and sustainability performance.
- Ensuring sustainable value creation through the delivery of the sustainability strategy.
- A continuing focus on progress of the Net Zero delivery plan in the near term (elimination of flaring by 2025) and the long-term Net Zero on scope 1 and 2 emissions, on a net equity basis by 2030.-

For our SECR disclosures, please go to pages 36 and 37 of the Strategic Report.

Annual statement on remuneration

Genevieve Sangudi
Chair of Remuneration Committee

"The Remuneration Committee seeks to align reward with the Company's strategy, culture and delivery of long-term shareholder value."

Genevieve Sangudi
Chair of the Remuneration Committee

The Remuneration Committee is focused on ensuring Executive Directors and Senior Managers are rewarded for promoting the long-term sustainable success of the Company and delivering on its strategy.

Dear shareholder

On behalf of the Board, I am presenting the Remuneration Committee's report for 2022 on Directors' remuneration. The report is divided into three main sections:

- this **Annual Statement**, which contains a summary of performance and pay for 2022, the Committee's activities during the year, and the proposed changes to the Directors' Remuneration Policy for 2023;
- the **2022 Annual Report on Remuneration**, which provides details of the remuneration earned by Directors in the year ended 31 December 2022 and how the Policy will be operated in 2023; and
- the **Directors' Remuneration Policy Report**, which will be subject to a binding vote at the 2023 AGM and sets out the forward-looking Directors' Remuneration Policy for the Company for the next three years.

2022 context

The year has been one of continued progress, with strong operational delivery and rigorous focus on costs and capital discipline. This resulted in free cash flow of $267m, beating expectations and accelerating the Group's deleveraging towards a net debt to EBITDAX ratio of 1.3 times and liquidity headroom of c.$1.1 billion by the year-end. This performance was driven by revenues of c.$1.7 billion (including hedge costs of c.$313 million) at an average realised oil price (post hedging) of $87/bbl.

2022 was the second successive year of industry top quartile safety performance, with no recordable incidents in the year and one Tier 2 LOPC.

There were significant operational achievements, with Ghana facilities uptime of c.97% and four Jubilee wells and two Enyenra wells brought online and the transition of operatorship on the Jubilee FPSO to our internal teams resulting in increased uptime and reduced operating costs. We also executed an Interim Gas Sales Agreement for 19 bcf of Jubilee gas in December, representing the first commercialisation of Jubilee gas.

We have also made progress on our ESG strategy, with decarbonisation work continuing across the portfolio and a Letter of Intent signed with the Ghana Forestry Commission in December for a nature-based carbon offset project. The Final Investment Decision for this project is expected in 2023. During 2022, Tullow continued to invest in education and enterprise across our host nations, supporting a range of programmes from primary to tertiary education and creating new entrepreneurship opportunities in Ghana and Kenya. Thousands of beneficiaries of these programmes are now leveraging new knowledge and skills as productive members of their communities. Tullow's multi-year flagship senior high school programme has provided accommodation and classroom facilities for 3,000 pupils, increasing school enrolment.

Earlier in 2022 we announced the intention to enter a combination with Capricorn Energy. The Board were disappointed that Capricorn subsequently withdrew its support for this proposal. Despite this, the teams have remained focused on delivery of our plans, and we are pleased with the operational and financial progress made during the year to position Tullow for growth.

Summary of Executive Director remuneration for 2022

Following the end of the year the Committee reviewed the performance achieved against the KPI scorecard. The assessment of 30% of maximum for 2022 reflects the continued progress led by the Executive Directors to strengthen Tullow and to position the Group to create long-term value. The details of the KPI scorecard can be found on page 15. It was noted that there had been strong performance across a number of our KPIs including safety, production, business plan implementation and sustainability. As such, the Committee felt it appropriate to award a TIP to Rahul Dhir of 120% of salary (i.e. 30% of the maximum 400% of salary potential), which takes into account the progress against annual KPIs and the TSR measurement period, which commenced 1 July 2020 and ended 31 December 2022. In line with the Policy, 50% of the TIP award is paid in cash, with the remaining 50% deferred into shares which vest after five years.

Board changes

As reported last year, Les Wood stepped down from the Board on 31 March 2022. In line with the terms disclosed last year, he remained eligible for a TIP award in respect of the 1 January to 31 March 2022 period. Based on the scorecard performance achieved (discussed above), Les received a pro-rated cash TIP award of 30% of salary. In accordance with the Policy and TIP rules he did not receive an award of deferred shares.

In March 2022 we announced that Jonathan Swinney would join Tullow as Chief Financial Officer later in the year, and that Richard Miller would act as interim CFO until that time. Due to the subsequent discussions with Capricorn regarding the potential combination, it was mutually agreed with Jonathan that he would not take up the role at Tullow. The Board were pleased to confirm in December that Richard would be appointed as CFO and an Executive Director with effect from 1 January 2023. Details on Richard's remuneration for the coming year is found on page 85.

Directors' Remuneration Policy

The current Directors' Remuneration Policy was approved by shareholders at the 2020 AGM and therefore expires at the 2023 AGM. Therefore, the Committee undertook a comprehensive review of the approach to remuneration at Tullow during the course of 2022. The primary aim of the review was to ensure that executive remuneration supported and incentivised performance that delivered long-term value growth.

The current TIP is an unusual structure that was introduced in a different phase of Tullow's development. From a practical perspective the Committee has had to adapt the plan to operate effectively in recruitment scenarios. Following feedback from focus groups with the wider management team and input from our major shareholders it was agreed that Tullow should move away from this structure to better incentivise future value growth.

During 2022 the Committee explored a number of potential approaches, and subsequently discussed proposals with a number of our shareholders with interest representing over 40% of share capital. I would like to take the opportunity to thank those shareholders for taking the time to review our proposals and provide comments for the Committee to consider. Based on this feedback, the proposal has one central element:

Transition from the TIP to a bonus and LTIP model

We intend to move the ongoing incentive package from the TIP to separate annual bonus and LTIP plans which are more aligned with market practice amongst our peers and with the expectations of our shareholders. The LTIP structure will also provide a better incentive to achieve forward-looking multi-year growth targets than the TIP with its backward-looking multi-year performance assessment.

This will be a simpler and more transparent approach and will be structured in accordance with good practice guidance with features that align management to the experience of our shareholders. At least one third of annual bonus awards will be deferred into shares for three years and LTIP awards will be subject to a three-year performance period followed by a two-year holding period.

The overall maximum incentive opportunity will remain unchanged at 400% of salary for Executive Directors but will be divided up between an annual bonus of up to 150% of salary and an LTIP award of up to 250% of salary to increase the weighting toward long-term performance.

The performance measures will be set based on the strategic priorities at the time. The first LTIP award to be granted in 2023 will be subject to stretching TSR conditions, split between relative performance (50% weighting) and absolute performance (50% weighting). Details of the relative TSR peer group and the absolute TSR targets are found on page 85.

It is proposed that the transition from the TIP to this structure for our CEO is undertaken in a measured and balanced way, with no gaps or overlaps in the performance periods that apply to awards. Therefore for 2023 and 2024 the TIP will continue to be assessed for our CEO in accordance with the current Policy. The first LTIP awards will be granted in 2023 and will vest based on performance to the end of 2025. For our CEO, the first separate annual bonus award will be made based on performance in 2025. Our CFO, as a newly appointed Executive Director, will participate in the annual bonus from 2023 (see illustration on page 93).

The proposal has been developed based on the feedback from a number of our largest shareholders and best practice principles. The Committee believes that the separate LTIP and annual bonus will provide for an incentive structure that would more closely align our management team with the interest of shareholders and would provide appropriate reward for achieving stretching value growth targets.

In order to facilitate these awards, we will put forward a resolution at the 2023 AGM for the 2023 Tullow Executive Share Plan that will be used to make LTIP awards and deferred bonus awards. We hope that you are able to support the Policy and this resolution.

Summary of Executive Director remuneration for 2023

Considering the higher inflation environment, the typical pay increase awarded to UK based employees will be 6.5% and the Committee has agreed a 3.5% increase for Rahul Dhir which will apply with effect from 1st April 2023

We have finalised our KPI scorecard for 2023 with a focus on production, safety, cash flow, sustainability, and unlocking value through the delivery of critical activities. Details can be found on page 15. We believe all targets to be suitably challenging.

As discussed above, performance for the 2021 to 2023 period will continue to be rewarded through the TIP, which will be based 50% on relative TSR over three years, and 50% on the KPI scorecard performance in 2023.

If approved by shareholders, the LTIP awards for 2023 will be granted following the 2023 AGM, with TSR performance assessed from 1 January 2023. Details can be found on page 90.

Remuneration arrangements for the wider workforce

As noted in the statement last year, the Committee reviewed the revised Employee Value Proposition in December 2020 and was pleased to report its alignment with the Values and culture of the Company. The Committee has monitored the implementation and effectiveness of the new arrangements throughout 2021 and 2022 and is confident that the new arrangement continues to support the high-performance culture encouraged in the Company. The Committee will continue to consider the alignment of remuneration arrangements through the workforce ensuring all employees are rewarded fairly and consistently for their contribution to the overall Company performance.

Following a review of Ghana remuneration, the committee supported a workforce pay arrangement which led to the salaries of our Ghanaian employees being denominated into USD, with monthly payments converted into and paid in GHS at prevailing rate. This was due to the ongoing depreciation of the GHS, inflation increases and following employee feedback and engagement. The conversion was implemented 1st September 2022 and has been widely appreciated by our employees in Ghana.

Employee engagement and well-being were very much in the minds of the committee this year and with high levels of inflation and cost of living challenges impacting our employee, the committee supported a one-off cost of living payment to employee’s whose salary was below £50,000 or equivalent.

Stakeholder engagement

During the year, members of the Committee met with the workforce Tullow Advisory Panel (TAP), a staff panel, which collectively represents Tullow's global workforce. These meetings provided an opportunity to gather feedback from employees to help shape decisions with regards to the ongoing implementation of the new Employee Value Proposition. Such feedback led to the launch of some significant initiatives to improve further the Tullow employee experience in areas including benefits and compensation policies.

Concluding thoughts

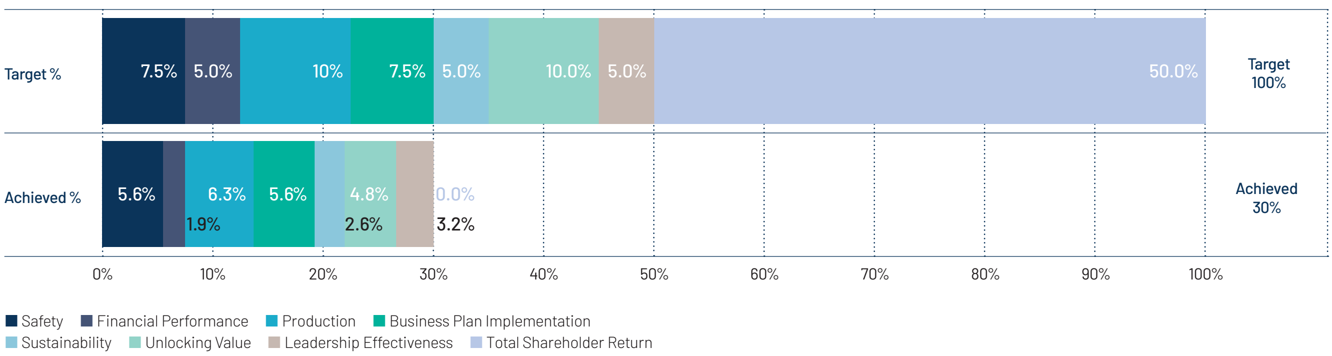
On behalf of the Committee, I would like to again thank shareholders for providing comments and shaping the final proposals presented in this report. I hope you are able to continue to support our approach to remuneration at the 2023 AGM. If you have any comments or questions on any element of the report, please contact me via our Company Secretary, Adam Holland, at companysecretary@tullowoil.com.

Genevieve Sangudi
Chair of the Remuneration Committee

7 March 2023

Executive remuneration at a glance

Assessment of TIP Awards



Annual Report on Remuneration

Directors' remuneration (audited)

The remuneration of the Directors for the year ended 31 December 2022 payable by Group companies in respect of qualifying services and comparative figures for 2021 and 2022 are shown in the table below:

		Fixed pay			Tullow Incentive Plan				
		Salary/fees[1] £	Pensions[2] £	Taxable benefits[3] £	TIP cash £	Deferred TIP shares[4] £	Total £	Total fixed pay	Total variable pay
Executive Directors									
Rahul Dhir	**2022**	**593,050**	**88,958**	**20,513**	**358,440**	**358,440**	**1,419,400**	**702,520**	**716,880**
	2021	580,000	87,000	7,010	580,000	606,796	1,860,806	674,010	1,186,796
Les Wood[5]	**2022**	**115,374**	**28,843**	**32,129**	**138,449**	**–**	**314,795**	**176,346**	**134,449**
	2021	461,500	115,374	78,291	461,495	482,816	1,599,476	655,165	944,311
Subtotal 2022	**2022**	**708,430**	**117,801**	**52,642**	**496,889**	**358,440**	**1,734,195**	**878,867**	**855,329**
Subtotal 2021	2021	1,041,500	202,374	85,301	1,041,495	1,089,612	3,460,282	1,329,175	2,131,107
Non-executive Directors									
Dorothy Thompson[6]	**2022**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**n/a**
	2021	300,000	–	–	–	–	300,000	300,000	n/a
Mike Daly	**2022**	**65,000**	**–**	**256**	**–**	**–**	**65,256**	**65,256**	**n/a**
	2021	65,000	–	–	–	–	65,000	65,000	n/a
Jeremy Wilson[9]	**2022**	**77,718**	**–**	**–**	**–**	**–**	**77,718**	**77,718**	**n/a**
	2021	95,000	–	890	–	–	95,890	95,890	n/a
Genevieve Sangudi[7]	**2022**	**73,981**	**–**	**10,242**	**–**	**–**	**84,223**	**84,223**	**n/a**
	2021	65,000	–	–	–	–	65,000	65,000	n/a
Sheila Khama	**2022**	**65,000**	**–**	**9,311**	**–**	**–**	**74,311**	**74,311**	**n/a**
	2021	65,000	–	–	–	–	65,000	65,000	n/a
Martin Greenslade	**2022**	**87,962**	**–**	**279**	**–**	**–**	**88,241**	**88,241**	**n/a**
	2021	85,000	–	–	–	–	85,000	85,000	n/a
Mitchell Ingram	**2022**	**80,000**	**–**	**4,210**	**–**	**–**	**84,210**	**84,210**	**n/a**
	2021	80,000	–	–	–	–	80,000	80,000	n/a
Phuthuma Nhleko[8]	**2022**	**300,000**	**–**	**31,064**	**–**	**–**	**331,064**	**331,064**	**n/a**
	2021	11,082	–	–	–	–	11,082	11,082	n/a
Subtotal 2022	**2022**	**749,661**	**–**	**55,362**	**–**	**–**	**805,023**	**805,023**	**n/a**
Subtotal 2021 (includes former non-executive Directors)	2021	766,082	–	890	–	–	766,972	766,972	n/a
Total	**2022**	**1,458,090**	**117,801**	**108,004**	**496,889**	**358,440**	**2,539,218**	**1,683,889**	**885,329**
Total (includes former non-executive Directors)	2021	1,807,582	202,374	86,191	1,041,495	1,089,612	4,227,254	2,096,147	2,131,107

1. Base salaries of the Executive Directors have been rounded up to the nearest £10 for payment purposes, in line with established policy.
2. None of the Executive Directors have a prospective entitlement to a defined benefit pension by reference to qualifying services. Both Rahul Dhir and Les Wood receive cash in lieu of pension contribution.
3. Taxable benefits comprise private medical insurance for all Executive Directors and any other taxable expenses. Travel and subsistence benefits provided to Executive Directors and NEDs have also been included on a grossed-up basis as Tullow meets the UK tax liability on their behalf.
4. These figures represent that part of the TIP Award required to be deferred into shares.
5. 2021 benefits for Les Wood include a cash buyout of five days, annual leave equating to £8,875. This was an arrangement for all employees as a response to the COVID-19 pandemic and the ability to utilise annual leave. Expenses include outplacement services in relation to his planned departure.
6. Dorothy Thompson stepped down from the Board on 31 December 2021.
7. Genevieve Sangudi was appointed Chair of the Remuneration Committee following the AGM on 25 May 2022.
8, Phuthuma Nhleko was appointed Non-Executive Director and Chair Designate effective 25 October 2021 and Non-Executive Chair effective 1 January 2022.
9. Jeremy Wilson stepped down from the Board on October 20, 2022.

Annual Report on Remuneration continued

Material contracts

There have been no contracts or arrangements during the financial year in which a Director of the Company was materially interested and/or which were significant in relation to the Group's business.

Payments to past Directors

No payments were made to past Directors in 2022.

Payments for loss of office

As announced September 2021, Les Wood stepped down from the Board on 31 March 2022 following publication of Tullow's 2021 results.

Les Wood continued to receive his base salary, pension and benefits through to his departure date. A payment of £265,361 was made in relation to his base salary, pension and benefits for the remaining 5½ months of his notice period. He remained eligible for a TIP award for service in 2022, subject to performance criteria assessed at the end of the year, as set out in the section below, and pro-rated for the period of service rendered.

Les was treated as a good leaver for the purposes of outstanding TIP awards. As per the TIP rules, these awards will continue to vest on their normal vesting dates. Shares will continue to be subject to the post-cessation shareholding requirement for a period of two years after cessation. The shares that Les holds pursuant to the HMRC tax favoured Tullow Share Incentive Plan will be released on termination of his employment. Les will also receive a capped contribution of £7,500 towards his legal fees and has been provided outplacement services.

Determination of 2023 TIP Award based on performance to 31 December 2022 (audited)

The corporate scorecard is made up of a collection of Key Performance Indicators (KPIs) which indicate the Company's overall performance across a range of operational, financial, and non-financial measures. The corporate scorecard is central to Tullow's approach to performance management and the 2022 indicators were agreed with the Board and focus on targets that were deemed important for the year. Each KPI measured has a percentage weighting and financial indicators have trigger, base, and stretch performance targets.

For the Executive Directors, an additional TSR metric was included, which represents a weighting of 50% of the total Company Scorecard. The Group's progress against its corporate scorecard is tracked during the year to assess its performance against its strategy. Following the end of the 2022 financial year, the corporate scorecard KPI performance was assessed as 60% of the maximum for the workforce and 30% for the Executive Directors taking into account the additional TSR metric. The Committee is satisfied with the outcome based on the broader view of performance and stakeholder experience.

Details of variable pay earned in the year

Determination of 2023 TIP Award based on performance to 31 December 2022 (audited)

Details of the performance targets and performance against those targets are as follows:

Performance metric	Performance	% of award (% of salary maximum)	Actual Rahul Dhir	Actual Les Wood
Safety Measure of Total Recordable Incident Rate (TRIR) and Loss of Primary Containment (LOPC) Tier 1& 2 as per IOGP	Health and safety of our staff and everyone who is associated with our operations. We have maintained our strong EHS performance in 2022.	7.5% (30)%	5.6% (23)%	1.4% (6)%

	Trigger	Base	Stretch	2022 Performance
TRIR as per IOGP	0.78	0.64	0.51	0.00
Payout	0%	50%	100%	100%

	Trigger	Base	Stretch	2022 Performance
Number of LOPC Tier 1 & 2 as per IOGP	Tier 1: 1 Tier 2: 2	Tier 1: 0 Tier 2: 1	Tier 1: 0 Tier 2: 0	Tier 1: 0 Tier 2: 1
Payout	0%	50%	100%	50%

In 2022 there were no recordable injuries (versus 2 in 2021) and no process safety events related to Loss of Primary Containment (LOPC) at Tier 1. There was one Tier 2 LOPC recorded in 2022.

Performance metric	Performance	% of award (% of salary maximum)	Actual Rahul Dhir	Actual Les Wood
Financial Performance	Key value driver for our business and the delivery of this KPI is driven by cost and working capital management.	5% (20)%	2.0% (8)%	0.5% (2)%

	Trigger	Base	Stretch	2022 Performance
Operating Cash Flow (OCF) ($mm)	513	570	627	557
Payout	0%	50%	100%	39%

Normalised operating cash flow of $557 million (from our absolute OCF of $972 million) is close to the midpoint. This has been achieved despite inflationary cost pressure during the year.

Performance metric	Performance	% of award (% of salary maximum)	Actual Rahul Dhir	Actual Les Wood
Production **Targets related to oil production and vessel efficiency**		10% (40)%	6.3% (25)%	1.6% (6)%

	Trigger	Base	Stretch	2022 Performance
Group production (kbopb)	55	59	61	57.4
Payout	25%	87%	100%	60%

	Trigger	Base	Stretch	2022 Performance
Jubilee production efficiency (% of uptime)	96%	97%	98%	96.6%
Payout	25%	75%	100%	65%

	Trigger	Base	Stretch	2022 Performance
TEN production efficiency (% of uptime)	97%	98%	99%	97.7%
Payout	25%	75%	100%	67%

The percentage of the award which is payable for the Base level of performance differs for each measure to reflect the relative challenge associated with each performance target.

Normalised production of 57.4 kbopb for 2022 (after benefit of the Ghana pre-emption is deducted from absolute production of 61.1 kbopb). Strong production growth at Jubilee offsets the production declines at TEN.

Annual Report on Remuneration continued

Details of variable pay earned in the year continued

Determination of 2023 TIP Award based on performance to 31 December 2022 (audited) continued

<table>
<tr><th>Performance metric</th><th>Performance</th><th>% of award (% of salary maximum)</th><th>Actual Rahul Dhir</th><th>Actual Les Wood[4]</th></tr>
<tr><td>Business Plan implementation</td><td>
Budget Adherence[1]
<table>
<tr><th></th><th>Trigger</th><th>Base</th><th>Stretch</th><th>2022 Performance</th></tr>
<tr><td>Budget Adherence</td><td>1.1 x Mid</td><td>$426m[2]</td><td>0.9 x Mid</td><td>$362m</td></tr>
<tr><td>Payout</td><td>0%</td><td>50%</td><td>100%</td><td>100%</td></tr>
</table>
Work Programme achieved considering Capex & Performance
<table>
<tr><th></th><th>Trigger</th><th>Base</th><th>Stretch</th><th>2022 Performance</th></tr>
<tr><td>Adherence to work programme</td><td>90%</td><td>95%</td><td>100%</td><td>95%</td></tr>
<tr><td>Payout</td><td>0%</td><td>50%</td><td>100%</td><td>48%</td></tr>
</table>
In 2022 we implemented 95% of the planned activity for the year and below Budget.
</td><td>7.5%
(30)%</td><td>5.6%
(22%)</td><td>1.4%
(6%)</td></tr>
<tr><td>Sustainability
Embed Sustainability across the organisation</td><td>
In 2022, we progressed our Net Zero plan with the continued implementation of our decarbonisation initiatives and the signing of a Letter of Intent (LoI) with the Ghana Forestry Commission (FC). The LoI is a key milestone for Tullow in developing a long-term supply of carbon offsets.
During 2022, Tullow supported STEM education through a range of programmes from primary to tertiary education across its countries of operation and created new entrepreneurship opportunities in Ghana and Kenya. Thousands of beneficiaries of these programmes are now leveraging new knowledge and skills as productive members of their communities.
Tullow's multi-year flagship senior high school programme has provided accommodation and classroom facilities for 3,000 pupils, increasing school enrolment.
There has also been increased focus on local content in 2022 with several new initiatives with the supplier base in our host countries to raise awareness of business opportunities, provide practical assistance for businesses and enhance supply chain transparency. Tullow received the 2022 Ghana Oil and Gas Local Content award in recognition of these efforts.
The above performance delivered in overall accordance with the base target set and provides a solid foundation on which to build in the future, therefore, a score of 2.6% out of a possible 5% was deemed as reasonable.
</td><td>5%
(20)%</td><td>2.6%
(10)%</td><td>0.6%
(3%)</td></tr>
<tr><td>Unlocking Value</td><td>
Progress in 2022 against the 6 critical actions:

Deliver Kenya License extension and farm-down: Engagements to secure a strategic partner for the development project in Kenya are ongoing
Resolve GRA exposure: Tullow continues to engage with the Government of Ghana, including the GRA, with the aim of resolving these disputes on a mutually acceptable basis
Deliver O&M transformation: Successful transition to self-operate on the Jubilee FPSO in July 2022
Implement Ghana gas commercialisation plan: An Interim Gas Sales Agreement for 19bcf of Jubilee gas was executed in December 2022
Complete Ghana pre-emption: Deal completed in March 2022
Optimise non-op and exploration portfolio: Targeted resource addition achieved through securing new licences in Gabon and Côte d'Ivoire and portfolio prospect maturation.

</td><td>10%
(40)%</td><td>4.8%
(19)%</td><td>1.2%
(5)%</td></tr>
<tr><td>Leadership Effectiveness</td><td>
The Board made a judgement on the performance and decision making of the senior leadership team over the year. They considered several factors, including the strength and cohesiveness of the leadership team, a clear strategy being set and understood across the organisation, a fully engaged workforce, and the successful delivery of business activities in 2022. The strong performance in 2022 has been driven by the unrelenting focus on business performance and the hard work and dedication of the entire Tullow team, resulting in a score of 3.25%
The leadership team has worked in 2022 to position the organisation for future sustainable success.
</td><td>5%
(20)%</td><td>3.2%
(13)%</td><td>0.8%
(3)%</td></tr>
<tr><td>Relative Total Shareholder Return (TSR)[3]</td><td>
Performance against a bespoke group of listed exploration and production companies measured from July 2020 to 31 December 2022 - 25% is payable at median, increasing to 100% payable at upper quartile.
Tullow placed below median.
</td><td>50%
(200%)</td><td>0%
(0%)</td><td>0%
(0%)</td></tr>
</table>

Performance metric	Performance	% of award (% of salary maximum)	Actual Rahul Dhir	Actual Les Wood[4]
Total		100% (400%)	30% (120%)	7.5% (30%)

1. This is defined as percentage of work programme delivered, assessing Capex efficiency and performance against pre-set objectives and milestones.
2. Normalised to a budget comparable value. $449m times percentage adherence to work programme
3. The TSR comparator group for the 2022 TIP Award was as follows: Africa Oil, Aker BP, APA, Capricorn Energy, DNO, Energean, Enquest, Genel Energy, Harbour Energy, Kosmos Energy, Pharos Energy, Seplat Energy (NSA), and Santos.
4. The calculation for Les Wood reflects a pro-rated TIP award for the 2022 performance year.

In line with the Policy, the TIP outcomes are divided evenly between cash and deferred shares up to the first 200% of base salary. Any amount above 200% of base salary is awarded entirely in deferred shares. Deferred shares are normally subject to deferral until the fifth anniversary of grant, normally subject to continued service. The table below shows the values for the Executive Directors:

Director	Cash TIP	Deferred TIP
Rahul Dhir	£358,440	£358,440
Les Wood	£138,449	–

UK SIP shares awarded in 2022 (audited)

The UK SIP is a tax-favoured all-employee plan that enables UK employees to save out of pre-tax salary. Quarterly contributions are used by the plan trustee to buy Tullow Oil plc shares (partnership shares). The Group funds an award of an equal number of shares (matching shares). The current maximum contribution is £150 per month. Shares held in the plan for five years will be free of income tax and national insurance, as well as Capital Gains tax if retained in the plan until sold. Details of shares purchased and awarded to Executive Directors under the UK SIP are as follows:

Director	Shares held 01.01.22	Partnership shares acquired in year	Matching shares awarded in year	Total shares held 31.12.22 (including dividend shares)	Dividend shares acquired in the year	SIP shares that became unrestricted in year	Total unrestricted shares held at 31.12.22[1]
Les Wood	37,367	917	917	–	–	–	–

1. Unrestricted shares (which are included in the total shares held at 31 December 2021) are those which no longer attract a tax liability if they are withdrawn from the plan.

Executive Director and non-executive Director terms of appointment

Director	Year appointed	Number of complete years on the Board	Date of current engagement commenced	Expiry of current term
Rahul Dhir	2020	2	01.07.20	n/a
Richard Miller	2023	0	01.01.23	n/a
Phuthuma Nhleko	2021	1	25.10.21	24.10.24
Mike Daly	2014	8	30.05.20	31.05.23
Martin Greenslade	2019	3	01.11.19	31.10.24
Sheila Khama	2019	3	26.04.19	26.04.25
Mitchell Ingram	2020	2	09.09.20	08.09.23
Genevieve Sangudi	2019	3	26.04.19	25.04.25
Roald Goethe	2023	0	24.02.23	23.02.26

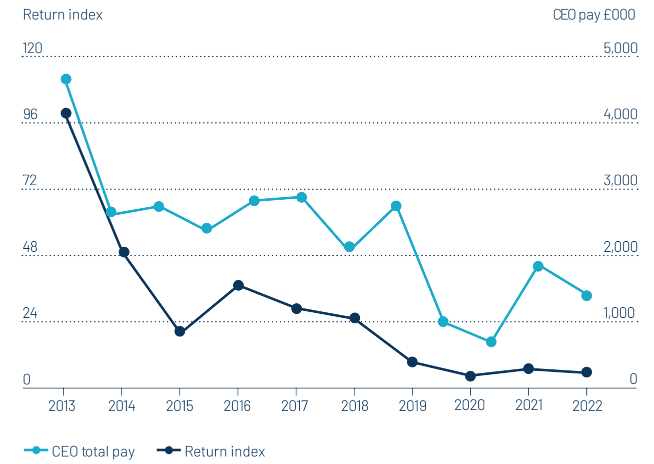
In the case of each non-executive Director, the appointment is renewable thereafter if agreed by the Director and the Board. The appointment of any non-executive Director may be terminated by either party on three months' notice. There are no arrangements under which any non-executive Director is entitled to receive compensation upon the early termination of his or her appointment.

Annual Report on Remuneration continued

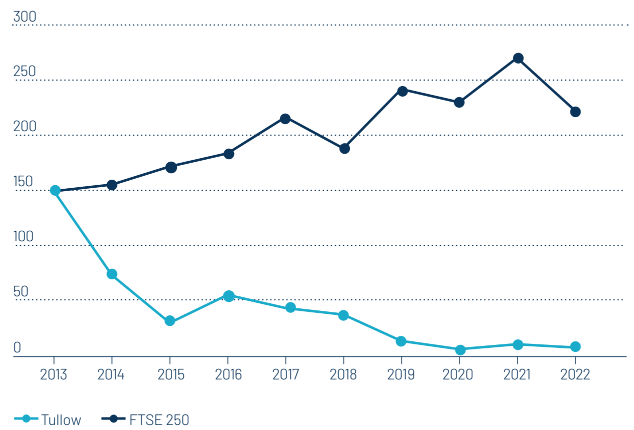
CEO – total pay versus TSR

For 2022 the CEO total pay is based on the summation of the actual base pay, pension, benefits and TIP cash bonus and share award equivalent value for Rahul Dhir for the financial year ending 31 December 2022.

CEO – TOTAL PAY VERSUS RI



TOTAL SHAREHOLDER RETURN



Comparison of overall performance and pay

The Remuneration Committee has chosen to compare the TSR of the Company's ordinary shares against the FTSE 250 index; whilst the Company was placed outside of the index in 2021, we believe the size and complexity of the organisation still makes this a comparable index. The values indicated in the graph above show the share price growth plus re-invested dividends for the period 2013 to 2022 from a £100 hypothetical holding of ordinary shares in Tullow Oil plc and in the index.

The total remuneration figures for the Chief Executive during each of the last 10 financial years are shown in the tables below. The total remuneration figure includes the annual bonus based on that year's performance (2013 to 2022), PSP awards based on three-year performance periods ending in the relevant year (2013) and the value of TIP Awards based on the performance period ending in the relevant year (2013 to 2022). The annual bonus payout, PSP vesting level and TIP Award, as a percentage of the maximum opportunity, are also shown for each of these years.

	Year ending in									
Aidan Heavey[1]	2013	2014	2015	2016	2017	2018	2019	2020	2021	**2022**
Total remuneration	£2,750,273	£2,378,316	£2,835,709	£2,893,232	£1,717,276	–	–	–	–	**–**
Annual bonus	–	–	–	–	–	–	–	–	–	**–**
PSP vesting	–	–	–	–	–	–	–	–	–	**–**
TIP	30%	23%	38%	39%	40%	–	–	–	–	**–**

	Year ending in									
Paul McDade[2]	2013	2014	2015	2016	2017	2018	2019	2020	2021	**2022**
Total remuneration	n/a	n/a	n/a	n/a	£1,416,281	£2,759,684	£986,706	–	–	**–**
TIP	n/a	n/a	n/a	n/a	40%	60.3%	0%	–	–	**–**

	Year ending in									
Dorothy Thompson[3]	2013	2014	2015	2016	2017	2018	2019	2020	2021	**2022**
Total remuneration	n/a	n/a	n/a	n/a	n/a	n/a	37,704	418,452	n/a	**–**

	Year ending in									
Rahul Dhir[4]	2013	2014	2015	2016	2017	2018	2019	2020	2021	**2022**
Total remuneration	n/a	n/a	n/a	n/a	n/a	n/a	n/a	£686,519	£1,860,806	**£1,419,400**
TIP	n/a	n/a	n/a	n/a	n/a	n/a	n/a	20%	51.2%	**30%**

1 & 2. For 2017, total remuneration figures are shown for Aidan Heavey based on the period he held the office of Chief Executive Officer and for the transition period up to 31 October 2017 and for Paul McDade from 27 April 2017 when he commenced in his office of Chief Executive.
3. For 2020, total remuneration is shown for Dorothy Thompson for the period she served as Executive Chair, i.e. 1 January 2020 to 8 September 2020. For 2019, the amount shown is the Executive Chair fee prorata for the period 9 December 2019 to 31 December 2019. Dorothy Thompson did not participate in any incentive plans whilst serving as Executive Chair.
4. For 2020, total remuneration is shown for Rahul Dhir from the commencement of his appointment as Chief Executive Officer on 1 July 2020.

Additional statutory information – percentage change in remuneration for executive and non-executive Directors

The table below shows the percentage change in each of the Directors total remuneration (for Executive Directors excluding the value of any pension benefits receivable in the year) between the financial year ended 31 December 2020, 31 December 2021 and 31 December 2022, compared to that of the average for all employees of the Group.

	% change from 2021 to 2022			% change from 2020 to 2021			% change from 2019 to 2020		
	Salary/fees	**Benefits**	**Bonus**	Salary/fees	Benefits	Bonus	Salary/fees	Benefits	Bonus
Phuthuma Nhleko[1]	**2607%**	**n/a**	**n/a**	n/a	n/a	n/a	n/a	n/a	n/a
Rahul Dhir	**2%**	**193%[2]**	**(40%)**	99%	379%	232%	n/a	n/a	n/a
Les Wood	**(75%)**	**(59%)**	**(70%)**	0%	622%[3]	149%	0%	629%[2]	n/a
Dorothy Thompson	**(100%)**	**(100%)**	**n/a**	(41%)[3]	n/a	n/a	59%	n/a	n/a
Jeremy Wilson	**(18%)**	**(100%)**	**n/a**	0%	(78%)[5]	n/a	5%	(60%)[5]	n/a
Mike Daly	**0%**	**n/a**	**n/a**	(19%)[4]	n/a	n/a	0%	n/a	n/a
Martin Greenslade[7]	**3%**	**n/a**	**n/a**	8%	n/a	n/a	625%	n/a	n/a
Mitchell Ingram[6]	**0%**	**n/a**	**n/a**	295%	n/a	n/a	n/a	n/a	n/a
Genevieve Sangudi[8]	**14%**	**1051%**	**n/a**	0%	(100%)[5]	n/a	46%	(83%)[5]	n/a
Sheila Khama	**0%**	**n/a**	**n/a**	0%	(100%)[5]	n/a	46%	(56%)[5]	n/a
Average employees	**5.4%**	**5.7%**	**(11.7%)**	**2.8%**	**7.0%**	**119.9%**	**(2.7%)**	**11%**	**(35.2)%**

1. Phuthuma Nhleko joined late 2021 therefore shows high movement for 2022.
2. Increase in benefits for Rahul due to increased travel and subsistence post the COVID-19 pandemic.
3. Increase in benefits for Les Wood is due to holiday cash out for 2021 due to the COVID-19 pandemic and outplacement services provided in relation to his planned departure.
4. The decrease in fees for Mike Daly is due to him stepping down from Chair of the Safety & Sustainability Committee on 31 December 2020.
5. Benefits have reduced due to reduced travel during the COVID-19 pandemic.
6. The increase in fees for Mitchell Ingram reflect his appointed to the Board in late 2020, and him also becoming Chair of the Safety & Sustainability Committee from 1 January 2021.
7. The increase in fees for Martin Greenslade reflect a full year in role as Chair of the Audit Committee in 2021 and his appointment as Senior Independent Director.
8. The increase in fees for Genevieve Sangudi reflect her appointment as Chair of the Remuneration Committee after the 2022 AGM. Benefits have increase due increased travel and subsistence post the COVID-19 pandemic.
8. Increase in average employee benefits is driven by changes to annual medical insurance premiums.

CEO pay ratio 2022

Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2022	A	12:1	8:1	6:1
2021	A	16:1	10:1	8:1
2020	A	7:1	5:1	3:1
2019	A	8:1	5:1	4:1
2018 (voluntary disclosure)	A	23:1	15:1	10:1

Tullow has calculated the CEO pay ratio using the methodology described as 'Option A' in the Regulations, as Tullow recognises that this is the most statistically accurate form of calculation.

For each UK employee[1] the STFR has been calculated as a summation of base pay, benefits, employer pension contributions receivable during the year ended 31 December 2022 and cash bonus payable and value of share awards to be granted for the 2022 performance year. The STFR at 25th percentile is £119,884, £183,913 at median and £249,639 at 75th percentile. The wages component at 25th percentile is £85,000, £142,000 at median and £175,130 at 75th percentile.

Annual Report on Remuneration continued

CEO pay ratio 2022 continued

In setting both our CEO remuneration and the remuneration structures for the wider UK workforce, Tullow has adopted a remuneration structure which includes the same core components for employees at all levels (base pay, benefits, pension, cash bonus and share awards). Whilst all employees receive a base salary commensurate to our position in the market, the differences exist in the quantum of variable pay achievable by our Executives and Senior Management; at these levels there is a greater emphasis placed on variable pay given their opportunity to impact directly on Company performance. Based on this distinction, the Company believes taking into account Company performance in a particular financial year and the impact on variable pay, that the median pay ratio is consistent with and reflective of the wider pay, reward and progression policies impacting our UK employees. Performance for 2022 resulted in lower TIP awards and consequently lower pay ratios. The Committee will continue to monitor longer-term trends.

1. All STFRs have been based on a full-time equivalent and annualised to provide a dataset for the full year 31 December 2022.

Relative importance of spend on pay

The following table shows the Group's actual spend on pay for all employees relative to tax and retained profits.

Staff costs have been compared to tax expense and retained profits in order to provide a measure of their scale compared to other key elements of the Group's financial metrics.

	2021	**2022**	% change
Staff costs (£m)	60.4	**63.9**	6%
Tax (credit)/expense (£m)[1]	206.1	**324.3**	57%
Retained profits (£m)[1]	(1,681.6)	**(1,808.9)**	8%

1. Voluntary disclosure.

Summary of past share awards

Details of share awards granted to Executive Directors:

Director	Award grant date	Share price on grant date	As at 01.01.22	Granted during the year	Exercised during the year	As at 31.12.22	Earliest date shares can be acquired	Latest date shares can be acquired
Les Wood[1]	27.04.17	214p	101,249	–	101,249	0	27.04.20	27.07.27
	08.02.18	187p	148,802	–	–	148,802	08.02.23	08.02.28
	14.02.19	219p	288,617	–	–	288,617	14.02.24	14.02.29
	15.03.21	54.7p	338,765	–	–	338,765	15.03.26	15.03.31
	14.03.22	55.95p	–	878,646	–	878,646	14.03.27	14.03.32
Dividend equivalents								
08.02.18	10.05.19	187p	2,605	–	–	2,605	08.02.23	08.02.28
14.02.19	10.05.19	219p	5,052	–	–	5,052	14.02.24	14.02.29
08.02.18	17.10.19	187p	1,372	–	–	1,372	08.02.23	08.02.28
14.02.19	17.10.19	219p	2,661	–	–	2,661	14.02.24	14.02.29
			889,123	878,646	101,249	1,666,520		
Rahul Dhir[2]	05.08.20	27.68p	9,000,000	–	–	9,000,000	01.07.25	30.06.30
	15.03.21	54.7p	319,316	–	–	319,316	15.03.26	15.03.31
	14.03.22	55.95p	–	1,104,269	–	1,104,269	14.03.27	14.03.32

1. Les Wood – all awards granted to Les Wood are TIP Awards.
2. Rahul Dhir – share awards granted on 05 August 2020 represent 'Buy-out Awards' to replace share arrangements that were forfeited upon leaving his former employer (full details of which are available in 2020 Directors' Remuneration Report). The awards granted in 2021 and 2022 are TIP awards.

Share price range

During 2022, the highest mid-market price of the Company's shares was 64.24p and the lowest was 34.96p. The year end price was 36.92p.

The interests of the Directors (all of which were beneficial), who held office during FY 2022, are set out in the table below:

	Ordinary shares held		% of salary under 2022 Remuneration Policy shareholding guidelines[1]	TIP Awards		Buyout Awards		SIP		SIP total
	01.01.22	31.12.22		Unvested	Vested	Unvested	Vested	Restricted	Unrestricted	31.12.22
Executive Directors										
Rahul Dhir[2]	1,346,000	1,346,000	223%	1,423,585	–	9,000,000	–	–	–	–
Les Wood[3]	198,457	237,658		1,666,520	–	–	–	–	–	–
Non-executive Directors										
Mike Daly	4,795	4,795	–	–	–	–	–	–	–	–
Jeremy Wilson[3]	87,959	87,959	–	–	–	–	–	–	–	–
Genevieve Sangudi	–	–	–	–	–	–	–	–	–	–
Sheila Khama	–	7,070	–	–	–	–	–	–	–	–
Martin Greenslade	–	60,000	–	–	–	–	–	–	–	–
Mitchell Ingram	50,000	50,000	–	–	–	–	–	–	–	–
Phuthuma Nhleko	–	–	–	–	–	–	–	–	–	–

1. Calculated using share price of 36.92p at year end. Under the Company's shareholding guidelines, each Executive Director is required to build up their shareholdings in the Company's shares to at least 400% of their current salary. Further details of the minimum shareholding requirement are set out in the Remuneration Policy Report.
2. Ordinary shares and unvested awards held by Rahul Dhir are in respect of his Buyout Award granted on commencement of employment.
3. Retired part way through the year
4. Roald Goethe was appointed as a non-executive director Director on 24 February 2023 and disclosed that he or persons closely associated to him hold 22,000,000 ordinary shares of 10p each in the Company and $2,500,000 Senior Notes due 2025.

There have been no changes in the interests of any Director between 1 January 2023 and the date of this report.

Implementation of Policy for Executive Directors for 2023

The Remuneration Policy will be implemented during 2023 as follows:

- Base salary for Rahul Dhir will be increased by 3.5%, well below the typical increases awarded to UK based employees for 2023. Base salary for Richard Miller was set upon his appointment at £366,000 and is not expected to be increased during 2023.
- Pension provision will be 15% of salary for Rahul Dhir and 10% of salary for Richard Miller (workforce aligned); and
- TIP Award for Rahul Dhir with a maximum opportunity of 400% of salary based on: Safety (7.5%), Financial Performance (5.0%), Production (10.0%), Business Plan Implementation (7.5%), Sustainability (5.0%), Unlocking Value (10.0%), Leadership Effectiveness (5.0%) and Relative TSR (50%) for the 2021-2023 performance period.
- If approved, LTIP Award for Rahul Dhir with a maximum opportunity of 250% of salary based 50% on our relative and 50% on our absolute total shareholder returns during the 2023-2025 performance period:
- If approved, LTIP Award for Richard Miller with a maximum opportunity of 250% of salary based 50% on our relative and 50% on our absolute total shareholder returns during the 2023-2025 performance period:
- If approved, the TSR comparator group for the both the TIP and 2023-2025 LTIP Awards will be as follows: Africa Oil, BW Energy Capricorn Energy, Diversified Energy Co., Energean, EnQuest, Harbour Energy, Kosmos Energy, Maurel and Prom, Pharos Energy and Seplat Energy (NSA).
- If approved, our absolute total shareholder return target for the 2023-2025 LTIP Award will be on average 20% per annum at Threshold and on average 30% per annum at Maximum. Our relative total shareholder return target for the 2023-2025 LTIP Award will be comparator group Median at Threshold and comparator group Upper Quartile at Maximum.
- If approved, 2023 Annual Bonus opportunity for Richard Miller with a maximum of 150% of salary based on the safety, financial performance, production, business plan implementation, sustainability, unlocking value and leadership effectiveness targets mentioned above.

Please see page 15 of this report for further disclosure and details of the 2023 targets and how they are linked to our strategy.

- No changes will be made to the Chair nor the non-executive Director fees from 2022 levels.

Governance

Remuneration Committee members
Genevieve Sangudi (Committee Chair), Mitchell Ingram and Martin Greenslade

Remuneration Committee membership and attendance
Genevieve Sangudi became Committee Chair on 25 May 2022 taking over from Jeremy Wilson. Jeremy Wilson subsequently stepped down as a member on 20 October 2022 with Martin Greenslade assuming membership in his stead. All members of the Committee are independent non-executive Directors. None of the Committee members has day-to-day involvement with the business and nor do they have any personal financial interest, except as shareholders, in the matters to be recommended. The number of formal meetings held and the attendance by each member is shown in the table on page 54. The Committee also held informal discussions as required.

The Group Company Secretary acts as Secretary to the Committee and is available to assist the members of the Committee as required, ensuring that timely and accurate information is distributed accordingly. The Chief Executive and other members of the Management Team may be invited to attend Committee meetings to provide business context and performance updates. However, no member of Management is present when their own remuneration is determined.

Advice received from the Committee during 2022
The Committee received external advice from both FIT Remuneration Consultants (FIT) and Deloitte LLP (Deloitte) during 2022. During the year the Committee reviewed it advisers and following a competitive tender process appointed Deloitte as the Committee's advisers. Both Deloitte and FIT are members of the Remuneration Consultants Group and are a signatories to its Code of Conduct. During the year Deloitte and FIT provided no other services to the Company. Fees (ex VAT) paid to Deloitte respectively for advice provided during 2022 amounted to £77,300, and fees paid to FIT amounted to £27,095. Neither Deloitte or FIT have any other connections to the Company or the Directors that affect their independence. The Committee evaluates the services provided by external advisers and is satisfied that the advice received from Deloitte and FIT was objective and independent.

Activities of the Committee during 2022
A summary of the main Committee activities during 2022 are set out below:

- Setting an appropriately stretching set of key performance metrics for the 2022 KPI scorecard;
- Monitoring progress against the 2022 KPI scorecard;
- Reviewing feedback received from shareholders at the 2022 AGM;
- Undertaking a review of the Directors' Remuneration Policy, including consideration of alternative incentive structures, performance measures, and other Policy elements;
- Review of changes in remuneration-related guidance, shareholder policies and governance matters;
- Reviewing the remuneration arrangements, including benchmarking of Total Remuneration for Senior Managers and reviewing the implementation of the revised pay philosophy and principles for the wider workforce;
- Review of the Committee's performance and terms of reference; and
- Review of draft KPIs for 2023 to align with strategy and culture of Tullow.

Principles of Executive Director remuneration

The Committee seeks to ensure that the Directors Remuneration Policy and its practices are consistent with the six factors set out in Provision 40 of the new UK Corporate Governance Code:

Clarity

Our Policy is well understood by our Senior Executive Team and has been clearly articulated to our shareholders and representative bodies (both on an ongoing basis and during the recent consultation exercise).

Simplicity

The Committee is mindful of the need to avoid overly complex remuneration structures which can be misunderstood and deliver unintended outcomes. Therefore, a key objective of the Committee is to ensure that our Executive remuneration policies and practices are straightforward to communicate and operate.

Risk

Our Policy has been designed to ensure that inappropriate risk taking is discouraged and will not be rewarded via: (i) the balanced use of both annual and three-year performance periods which employ a blend of financial, non-financial and shareholder return targets; (ii) the significant role played by deferred equity in our incentive plans (together with in-employment and post-cessation shareholding guidelines and five-year vesting period); (iii) malus/clawback provisions; and (iv) the ability to exercise negative discretion to remuneration outcomes.

Predictability

The TIP and proposed Annual Bonus and LTIP are subject to an individual annual cap and market standard dilution limits.

Proportionality

There is a clear link between individual awards, delivery of strategy and our long-term performance. In addition, the significant role played by incentive/'at-risk' pay, together with the structure of the Executive Directors' service contracts, ensures that poor performance is not rewarded.

Alignment to culture

Our Executive pay policies are fully aligned to Tullow's culture through the use of metrics in the TIP that measure how we perform against our financial and non-financial KPIs.

Shareholder voting at the AGM

At last year's AGM on 25 May 2022 the remuneration-related resolutions received the following votes from shareholders:

	2021 Annual Statement and Annual Report on Remuneration	
	Total number of votes	% of votes cast
For	830,260,073	91.69
Against	75,227,640	8.31
	Total number of votes	% of ISC votes
Total votes cast (for and against)	905,487,713	62.98%
Votes withheld	8,123,770	

Directors' Remuneration Policy Report

This section of the report sets out the Remuneration Policy (the "Policy") for Executive and Non-Executive Directors which will be put forward for shareholder approval at the 2023 AGM on 24 May 2023. The Committee intends that the Policy will come into effect from the date of the AGM and will apply for a period of up to three years.

Policy overview

The principles of the Remuneration Committee are to ensure that remuneration is linked to Tullow's strategy and promote the attraction, motivation and retention of the highest quality executives who are key to delivering sustainable long-term value growth and substantial returns to shareholders.

Policy review process

The Committee undertook a review of Directors' Remuneration Policy to ensure that it is appropriate to support our strategy. This review included consideration of the effectiveness of the current TIP approach, the Company's experience of operating the TIP since 2017. The central focus of the Committee was developing an incentive structure that would reward growth and value creation and align management with shareholders.

Before the proposal was finalised the relevant members of the senior management team were consulted on the proposed changes to the policy. Importantly the Committee Chair spoke with a number of our major shareholders and their feedback influenced the structure of the proposed Policy.

The Committee was mindful in its deliberations on the new Remuneration Policy of any potential conflicts of interest and sought to minimise them through an open and transparent internal consultation process, by seeking independent advice from its external advisers and by undertaking a broad shareholder consultation exercise.

Policy changes

The main change under this Policy is the transition from the Tullow Incentive Plan to the grant of separate annual bonus and LTIP awards. This transition will be structured to ensure that there are no overlaps or gaps in performance assessment for Executive Directors appointed prior to 2023.

For the current CEO the TIP will continue for 2023 (capturing the 2021-23 performance period) and 2024 (capturing 2022- 24 performance period) in accordance with the structure approved by shareholders at the 2020 AGM. No TIP awards will be made after 2024. Other executive directors will not participate in the TIP for 2023 and 2024.

Executive Directors appointed from 2023 onwards, including the current CFO, will be eligible for an annual bonus award from 2023 onwards. Our current CEO will be eligible for an annual bonus award from 2025 onwards. The maximum opportunity will be 150% of salary and one third of any bonus earned will normally be deferred into Tullow shares for three years.

All Executive Directors will be eligible for an LTIP award from 2023 onwards. The first grant will capture performance over the 2023-25 period. The maximum award will be 250% of salary, and awards will be subject to a two year holding period following vesting.

The policy has also updated for developments in corporate governance and feedback received from our shareholders.

Summary Directors' Remuneration Policy

Base salary

Purpose and link to strategy	Operation	Maximum opportunity
To provide an appropriate level of fixed cash income. To attract and retain individuals with the personal attributes, skills and experience required to deliver our strategy	Generally reviewed annually. Base salaries will be set by the Committee taking into account: - Generally reviewed annually. Base salaries will be set by the Committee taking into account: - the scale, scope and responsibility of the role; - the skills and experience of the individual; - the base salary of other employees, including increases awarded to the wider population; and - the base salary of individuals undertaking similar roles in companies of comparable size and - complexity. This may include international oil and gas sector companies or a broader group of FTSE-listed organisations.	Any increases to current Executive Director salaries, presented in the 'Application of Policy in 2023' column below this Policy table, will not normally exceed the average increase awarded to other UK-based employees. Increases may be above this level in certain circumstances, for instance if there is an increase in the scale, scope or responsibility of the role or to allow the base salary of newly appointed Executives to move towards market norms as their experience and contribution increase.

Performance and provisions for the recovery
A broad assessment of individual and business performance is used as part of the salary review. No recovery provisions apply.

Pension and benefits

Purpose and link to strategy	Operation	Maximum opportunity
To attract and retain individuals with the personal attributes, skills and experience required to deliver our strategy.	Defined contribution pension scheme or salary supplement in lieu of pension. The Company does not operate or have any legacy defined benefit pension schemes. Medical insurance, income protection and life assurance. Additional benefits may be provided as appropriate. Executive Directors may participate in the Tullow UK Share Incentive Plan (SIP) and the Tullow Sharesave (SAYE) plan.	Pension: Workforce aligned for Executive Directors (as a percentage of salary). Employees currently receive an employer contribution of 10% of salary, increasing to 15% of salary for employees over 50. Benefits: The range of benefits that may be provided is set by the Committee after taking into account local market practice in the country where the Executive is based. No monetary maximum is given for benefits provided to the Executive Directors as the cost will depend on individual circumstances. Tullow UK SIP and SAYE: Up to HM Revenue & Customs (HMRC) limits. Maximum participation levels and matching levels for all staff, including Executive Directors, are set by reference to the rules of the plan and relevant legislation.

Performance and provisions for the recovery

Not applicable

Legacy Tullow Incentive Plan (TIP) – applicable only for current CEO and for 2023 and 2024 only

Purpose and link to strategy	Operation	Maximum opportunity
To provide a simple, competitive, performance-linked incentive plan that: - aligns the interests of - management and shareholders; - promotes the long-term success of the Company; - provides a real incentive to achieve our strategic objectives - and deliver superior - shareholder returns; and - will attract, retain and motivate individuals with the required - personal attributes, skills and experience.	The current CEO is eligible to receive a TIP award, subject to performance, for 2023 (for the 2021-23 period) and 2024 (for the 2022-24 period). No further TIP awards will be granted after 2024, and any Executive Directors appointed from 2023 onwards, including the current CFO, are not eligible to participate in the plan An annual TIP award consisting of up to 400% of base salary which is divided evenly between cash and deferred shares up to the first 200% of base salary. Any amount above 200%of base salary is awarded entirely in deferred shares. Deferred shares are normally subject to deferral until the fifth anniversary of grant, normally subject to continued service. TIP awards are non-pensionable and will be made in line with the Committee's assessment of performance targets. At the discretion of the Committee, any portion of the cash component of a TIP award can be satisfied by granting deferred shares with a vesting date set by the Committee being not earlier than the first anniversary of grant.	400% of salary. Dividend equivalents will accrue on TIP deferred shares over the vesting period.

Performance and provisions for the recovery

A balanced scorecard of stretching financial and operational objectives, linked to the achievement of Tullow's long-term strategy, will be used to assess TIP outcomes which may include targets relating to: relative or absolute total shareholder return (TSR); earnings per share (EPS); environmental, health and safety (EHS); financial; production; operations; project; exploration; or specific strategic and personal objectives.

Performance will typically be measured over one year for all measures apart from TSR and EPS, which, if adopted, will normally be measured over the three financial years prior to grant.

No more than 25% of the maximum TIP opportunity will be payable for threshold performance.

Recovery provisions apply (see below).

Directors' Remuneration Policy Report continued

Annual bonus

Purpose and link to strategy	Operation	Maximum opportunity
The executive bonus scheme rewards Executive Directors for achieving financial and strategic targets in the relevant year by reference to operational targets and individual objectives.	The Current CEO will be eligible to participate in the Annual Bonus plan from 2025 onwards. The current CFO and any newly appointed Executive Directors will be eligible to participant from 2023 onwards. Targets are reviewed annually and any pay-out is determined by the Committee after the year end based on targets set for the financial period. The Committee has discretion to amend the pay-out should any formulaic output not reflect the Committee's assessment of overall business performance or if the Committee considers the formulaic outturn is not appropriate in the context of other factors considered by the Committee to be relevant. One third of any bonus earned will normally be deferred into shares for a period of three years. Deferred bonus awards may take the form of nil cost options, conditional awards of shares or such other form as has a similar economic effect. Additional shares may be delivered in respect of shares subject to deferred bonus awards to reflect the value of dividends paid during the period beginning with the date of grant and ending with the date of vesting (this payment may assume that dividends had been reinvested in Tullow shares on a cumulative basis).	Up to 150% of salary.

Performance and provisions for the recovery

A balanced scorecard of stretching financial and operational objectives, linked to the achievement of Tullow's long-term strategy, will be used to assess Annual Bonus outcomes. Performance will typically be measured over one year.

No more than 25% of the maximum opportunity will be payable for threshold performance.

Recovery provisions apply (see below).

Long Term Incentive Plan (LTIP)

Purpose and link to strategy	Operation	Maximum opportunity
The LTIP provides a clear link between the remuneration of the Executive Directors and the creation of value for shareholders by rewarding the Executive Directors for the achievement of longer term objectives aligned to shareholders' interests.	Executive Directors will be eligible to be granted LTIP award from 2023 onwards. Awards are normally made on an annual basis and normally vest three years from grant subject to continued employment and the satisfaction of challenging three-year performance targets. A two-year holding period following LTIP vesting applies to grants to Executive Directors. In total, this results in a five-year combined vesting and holding period. The Committee has discretion to vary the formulaic vesting outturn if it considers that the outturn does not reflect the Committee's assessment of performance or is not appropriate in the context of other factors considered by the Committee to be relevant. Additional shares may be delivered in respect of shares which vest under the LTIP to reflect the value of dividends, which would have been paid on those shares during the period beginning with the date of grant and ending with the vesting date (this payment may assume that dividends had been reinvested in Tullow shares on a cumulative basis).	Up to 250% of salary.

Performance and provisions for the recovery

Performance is usually measured over a three-year period.

Performance measures for LTIP awards will include financial measures which may include, but are not limited to, total shareholder return ("TSR"), and may include strategic measures (which may include ESG measures).

Subject to the Committee's discretion to override formulaic outturns, awards will normally vest as to 25% for threshold performance, increasing to 100% for maximum performance.

Recovery provisions apply (see below).

Shareholding guidelines

Purpose and link to strategy	Operation	Minimum requirement
To align the interests of management and shareholders and promote a long-term approach to performance and risk management.	Executive Directors are required to retain at least 100% of post-tax share awards until a minimum shareholding equivalent to 400% of base salary is achieved in owned shares. Unvested TIP, LTIP and Deferred Bonus shares net of applicable taxes count towards the minimum shareholding requirement. Shares included in this calculation are those held beneficially by the Executive Director and his or her spouse/civil partner. 50% of the shareholding guideline (i.e. 200% of salary) will need to be retained by Executive Directors for two years post cessation.	400% of salary.

Performance and provisions for the recovery
Not applicable.

Non-executive Directors

Purpose and link to strategy	Operation	Maximum opportunity
To provide an appropriate fee level To attract individuals with the necessary experience and ability To make a significant contribution to the Group's activities while also reflecting the time commitment and responsibility of the role.	The Chair is paid an annual fee and the non-executive Directors are paid a base fee and additional responsibility fees, for example for the role of Senior Independent Director or for chairing a Board Committee. Fees are normally reviewed annually. Each non-executive Director is also entitled to a reimbursement of necessary travel and other expenses including associated tax costs. Non-executive Directors do not participate in any share scheme or annual bonus scheme and are not eligible to join the Group's pension schemes.	Non-executive Director remuneration is determined within the limits set by the Articles of Association. There is no maximum prescribed fee increase although fee increases for non-executive Directors will not normally exceed the average increase awarded to Executive Directors. Increases may be above this level if there is an increase in the scale, scope or responsibility of the role.

Performance and provisions for the recovery
Not applicable.

Operation of share plans

The Committee will operate the TIP, LTIP and Deferred Bonus in accordance with the Plan rules, Listing Rules and HMRC rules where relevant. The Committee, consistent with market practice, retains discretion over a number of areas relating to the operation and administration of the plans in relation to Senior Management, including Executive Directors. These include (but are not limited to) the following (albeit with the level of award restricted as set out in the Directors' Remuneration Policy):

- who participates;
- the timing of grant of awards and/or payment;
- the size of awards and/or payment;
- discretion relating to the measurement of performance in the event of a change of control or reconstruction;
- determination of a good leaver (in addition to any specified categories) for incentive plan purposes and a good leaver's treatment;
- adjustments to awards required in certain circumstances (e.g. Rights Issues, corporate restructuring and special dividends); and
- the ability to adjust existing performance conditions for exceptional events so that they can still fulfil their original purpose.

The choice of the performance metrics applicable to the TIP and LTIP awards, which are set by the Committee at the start of the relevant financial year, reflects the Committee's belief that any incentive compensation should be appropriately challenging and tied to the delivery of stretching financial, operational and TSR-related objectives, explicitly linked to the achievement of Tullow's long-term strategy.

In addition to the TIP, LTIP and Deferred Bonus, Executive Directors are also eligible to participate in the UK SIP or any other all employee share plans on the same terms as other employees. All-employee share plans do not operate performance conditions.

Directors' Remuneration Policy Report continued

Calculation of TIP awards

In addition to base salary and other benefits described in the Remuneration Policy, for 2023 and 2024 Executive Director shall be eligible to receive an award issued under the rules of the TIP (a TIP Award). The TIP combines short- and long-term incentive-based pay and includes a cash bonus component and a deferred share award component.

At the beginning of the 2023 and 2024 financial years, the Committee will determine a multiple of base salary, subject to the limits established under this Policy, to apply to a TIP Award. At the same time the Committee will also determine a balanced corporate scorecard of performance metrics applicable to any TIP Award. The choice of the performance metrics and the weightings given to them, which are set by the Committee at the start of the relevant financial year normally, reflect the Committee's belief that any incentive compensation should be appropriately challenging and tied to the delivery of stretching financial, operational and total shareholder return (TSR) related objectives, explicitly linked to the achievement of Tullow's long-term strategy.

Following completion of the financial year, the Committee will review the Company's performance against the corporate scorecard resulting in a percentage score. The multiple set by the Committee is then applied to the percentage score to determine the total TIP Award amount. A TIP Award is divided equally between cash bonus and deferred shares up to the first 200% of base salary. Any portion of a TIP Award above 200% of base salary shall be satisfied in deferred shares only. Deferred shares forming part of a TIP Award are normally deferred for five years and are subject to malus and clawback. In its discretion, the Committee may elect to satisfy any portion of the cash bonus element of a TIP Award in deferred shares which will be deferred for a period determined by the Committee, being not less than one year from the date of grant. Deferred shares issued in lieu of any portion of the cash bonus component of a TIP Award shall be subject to malus, clawback and the minimum shareholding requirements set out on page 89 of this report.

Performance measures for LTIP and annual bonus awards

The choice of the performance metrics and range of targets applicable to the annual bonus plan for Executive Directors reflect the committee's belief that any incentive compensation should be appropriately challenging and tied to both the delivery of robust performance relating to the Group's financial key performance indicators and, where appropriate, specific individual / strategic objectives (including ESG objectives). Performance metrics applicable to the LTIP are selected to support Company strategy and provide shareholder alignment. Targets applying to the annual bonus and LTIP are reviewed annually, based on a range of internal and external reference points. Performance targets are set to be stretching but achievable, with regard to the particular strategic priorities and business environment in a given year.

Legacy remuneration

For the avoidance of doubt, the Committee reserves the right to make any remuneration payments and/or payments for loss of office (including exercising any discretions available to it in connection with such payments) notwithstanding that they are not in line with the 2023 Remuneration Policy set out in the document where the terms of the payment were agreed (i) before the 2023 Remuneration Policy came into effect, provided that the terms of the payment were consistent with any applicable shareholder-approved Directors' Remuneration Policy in force at the time they were agreed or were otherwise approved by shareholders; or (ii) at a time when the relevant individual was not a Director of the Company (or other persons to whom the Policy set out above applies) and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a Director of the Company or such other person.

For these purposes "payments" includes the Committee satisfying awards of variable remuneration and, in relation to an award over shares, the terms of the payment are "agreed" no later than the time the award is granted. This Policy applies equally to any individual who is required to be treated as a Director under the applicable regulations.

Discretion

The Committee reserves the right to exercise its discretion in the event of exceptional and unforeseen positive or negative developments during the performance period. In addition, the Committee reserves the right to reduce the TIP, annual bonus or LTIP payment where the Committee considers that the level of payment is not commensurate with overall corporate performance and returns delivered to shareholders over the performance period.

Recovery provisions

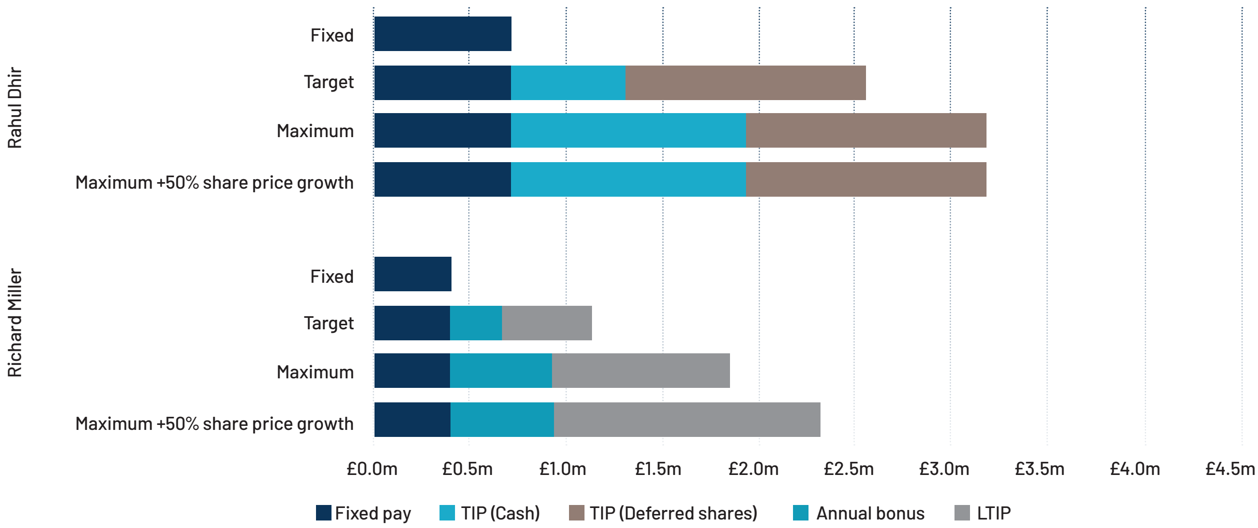
TIP Awards are subject to malus and clawback. The Committee retains discretion to apply malus and clawback to both the cash and deferred share elements of the TIP during the five-year vesting period, triggers are outlined in the TIP rules, including but not limited to a material adverse restatement of the financial accounts or reserves, a catastrophic failure of operational, EHS and risk management or corporate failure or insolvency.

Annual bonus and LTIP awards are subject to malus and clawback. The Committee retains discretion to apply malus and clawback to the cash bonus, deferred bonus and LTIP awards up to three years after the payment or vesting of awards. Malus and clawback triggers are outlined in the plan rules and include but are not limited to a material adverse restatement of the financial accounts or reserves, a catastrophic failure of operational, EHS and risk management or corporate failure or insolvency.

Illustration of remuneration scenarios of Executive Directors

2023 and 2024

The charts below show how the composition of the Executive Directors' remuneration packages varies at different levels of performance under the Remuneration Policy, as a percentage of total remuneration opportunity and as a total value for the current CEO and CFO for 2023 and 2024:



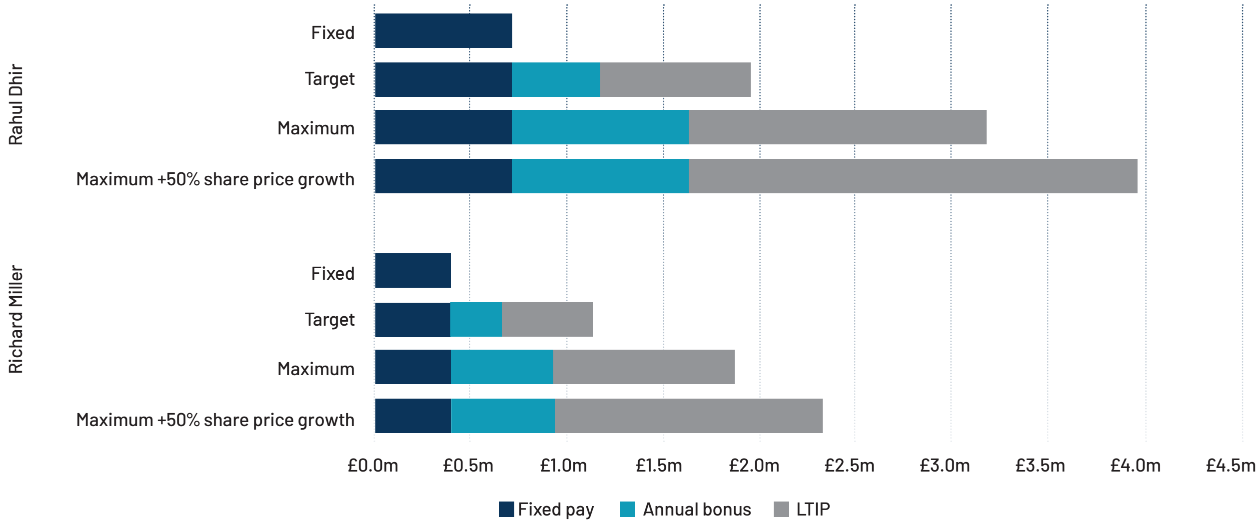
1. Base salary is effective as at 1 April 2023.
2. Fixed pay includes pension in line with wider workforce.
3. For the CEO, the target TIP Award is taken to be 50% of the maximum annual opportunity for 2023 (200% of salary).The maximum value of the TIP is taken to be 400% of salary (i.e. the maximum annual opportunity) for 2023.
4. For the CFO, the target Annual Bonus and LTIP Award is taken to be 50% of the maximum opportunity for 2023 (Annual Bonus: 75% of salary; LTIP Award: 125% of salary). The maximum value of the Annual Bonus is taken to be 150% and LTIP Award is taken to be 250% of salary (i.e. the maximum annual opportunity).
5. No share price appreciation has been assumed for the fixed, target and maximum scenarios.
6. The Committee is aware of the regulations requiring an indication of the impact of 50% share price appreciation on the maximum scenario in the chart above. For the TIP, given that TSR performance is measured over three years prior to grant of award, share price appreciation over the performance period would not impact on the value of the maximum award.

Directors' Remuneration Policy Report continued

Illustration of remuneration scenarios of Executive Directors continued

2025 onwards

The charts below show how the composition of the Executive Directors' remuneration packages varies at different levels of performance under the Remuneration Policy, as a percentage of total remuneration opportunity and as a total value for the current CEO and CFO for 2025:



1. Base salary is effective as at 1 April 2023.
2. Fixed pay includes pension in line with wider workforce.
3. The target Annual Bonus and LTIP Award is taken to be 50% of the maximum opportunity for 2023 (Annual Bonus: 75% of salary; LTIP Award: 125% of salary).The maximum value of the Annual Bonus is taken to be 150% and LTIP Award is taken to be 250% of salary (i.e. the maximum annual opportunity).
4. No share price appreciation has been assumed for the fixed, target and maximum scenarios. 50% share price appreciation is applied to the maximum scenario in the chart above.

Service agreements

Executive Director service agreements set out restrictions on the ability of the Director to participate in businesses competing with those of the Group or to entice or solicit away from the Group any senior employees in the six months after ceasing employment. The above reflects the Committee's policy that service contracts should be structured to reflect the interests of the Group and the individuals concerned, while also taking due account of market and best practice.

The term of each service contract is not fixed. Each agreement is terminable by the Director on six months' notice and by the employing company on 12 months' notice.

The Executive Directors' service agreements and the appointment letters of the non-executive Directors are available for inspection by shareholders at the Company's registered office.

External appointments

The Board operates a formal policy in relation to the external directorships that an Executive Director may hold. Whilst the policy does not prescribe a maximum number of external appointments, it sets out guidance that an Executive Director should not hold more than one non-executive director position in a FTSE 350 company.

Policy for new appointments

The remuneration of a new Executive Director will normally include salary, benefits, pension and participation in the annual bonus and LTIP arrangements in accordance with the policy for Executive Directors' remuneration. A newly appointed Executive Director would not participate in the TIP. In addition, the Committee has discretion to include any other remuneration component or award which it feels is appropriate taking into account the specific circumstances of the recruitment, subject to the principles and limits set out below. The key terms and rationale for any such component would be disclosed as appropriate in the Directors' remuneration report for the relevant year.

	Policy
Salary	Salary will be set taking into account the individual's experience and skills, prevailing market rates in companies of comparable size and complexity and internal relativities. Where appropriate the Committee may set the initial salary below the market level (e.g. if the individual has limited PLC Board experience or is new to the role), with the intention to make phased pay increases over a number of years, which may be above those of the wider workforce, to achieve the desired market positioning. These increases will be subject to continued development in the role.
Buy-out awards	Where an individual forfeits outstanding variable pay opportunities or contractual rights at a previous employer as a result of appointment, the Committee may offer compensatory payments or awards, in such form as the Committee considers appropriate, taking into account all relevant factors including the form of awards, expected value and vesting time frame of forfeited opportunities. When determining any such buy-out, the guiding principle would be that awards would generally be on a like-for-like basis unless this is considered by the Committee not to be practical or appropriate. Award may be facilitated under the existing incentive plans where possible, but also using Rule 9.4.2. of the Listing Rules, if necessary.
Maximum level of variable remuneration	The Committee will not offer non-performance-related variable remuneration and the maximum level of variable remuneration which may be granted (excluding buyout awards) is 400% of base salary, which is in line with the current maximum limit under the annual bonus and LTIP.
Other elements of remuneration	Other elements may be included in the following circumstances: – An interim appointment being made to fill an Executive Director role on a short-term basis. – If exceptional circumstances require that the Chair or a Non-Executive Director takes on an executive function on a short-term basis. – If an Executive Director is recruited at a time in the year when it would be inappropriate to provide an annual bonus or LTIP award for that year. Subject to the limit on variable remuneration set out above, the quantum in respect of the period employed during the year may be transferred to the subsequent year. – If the Executive Director is required to relocate, reasonable relocation, travel and subsistence payments may be provided (either via one-off or ongoing payments or benefits).

For an internal Executive Director appointment, any variable pay element awarded in respect of the prior role may be allowed to pay out according to its terms, adjusted as relevant to take account of the appointment. In addition, any other ongoing remuneration obligations existing prior to appointment may continue. For external and internal appointments, the Committee may agree that the Company will meet certain relocation and/or incidental expenses as appropriate.

Fee levels for non-executive Director appointments will take into account the expected time commitment of the role and the current fee structure in place at that time.

Policy for loss of office

Executive Directors' service contracts are terminable by the Director on six months' notice and by the relevant employing company on 12 months' notice. There are no specific provisions under which Executive Directors are entitled to receive compensation upon early termination, other than in accordance with the notice period.

On termination of an Executive Director's service contract, the Committee will take into account the departing Director's duty to mitigate his loss when determining the amount of any compensation. Disbursements such as legal and outplacement costs and incidental expenses may be payable where appropriate, and payments may be made for accrued holiday, outplacement.

The Committee reserves the right to make payments by way of settlement of any claim arising in connection with the cessation of employment.

Directors' Remuneration Policy Report continued

Policy for loss of office continued

The following payments may also be made to departing Executive Directors:

	Cessation of employment due to death, injury, disability, retirement (for TIP awards only), redundancy, the participant's employing company or business for which they work being sold out of the Company's Group or in other circumstances at the discretion of the Committee.	Cessation of employment due to other reasons (e.g. termination for cause)
TIP (cash)	Cessation during a financial year, or after the year but prior to the normal TIP Award date, may, at the discretion of the Committee, result in the cash part of the TIP being paid following the date of cessation (pro-rated for the proportion of the year worked).	No entitlement to the cash part of the TIP following the date notice is served.
TIP (shares)	Cessation during a financial year, or after the year but prior to the normal TIP Award date, may, at the discretion of the Committee, result in an award of deferred shares being made (pro-rated for the proportion of the year worked). Unvested TIP shares generally vest at the normal vesting date (except on death or retirement – see below) unless the Committee determines they should vest at cessation. On death, TIP shares generally vest immediately unless the Committee determines that they should vest at the normal vesting date. On retirement (as evidenced to the satisfaction of the Committee), TIP shares will vest at the earlier of the normal vesting date and three years from retirement unless the Committee determines they should vest at cessation.	Unvested TIP shares lapse. No entitlement to the deferred share element of the TIP following the date notice is served.
Annual bonus	The Executive Director will normally be considered for a bonus payment. It is the Committee's policy to ensure that any bonus payment reflects the departing Executive Director's performance. Unless the Committee determines otherwise, any bonus payment will be paid at the usual time following the determination of performance measures and be subject to a pro rata reduction for time served during the performance period.	No entitlement to annual bonus award following date notice is served.
Deferred bonus shares	Unvested awards will continue and will vest at the normal vesting date. In exceptional circumstances, the Committee may decide that the Executive Director's deferred share awards will vest at the date of cessation of employment.	Unvested awards will normally lapse on cessation of employment.
LTIP awards	Unvested awards will continue and will remain capable of vesting at the normal vesting date. To the extent that the awards vest, a two-year holding period would then normally apply. In exceptional circumstances, the Committee may decide that the Executive Director's awards will vest and be released early at the date of cessation of employment or at some other time (e.g. following the end of the performance period). In either case, vesting will depend on the extent to which the performance measures have been satisfied and will be subject to a pro rata reduction of the awards for time served from the grant date to the date of cessation of employment (although the Committee has discretion to disapply time pro rating if the circumstances warrant it).	Unvested awards will normally lapse on cessation of employment. If an Executive Director leaves for any reason after an award has vested but before it has been released (i.e. during a holding period), their award will ordinarily continue to be released at the normal release date.

The terms applying to any buyout awards on cessation of employment or change of control would be determined when the award is granted. Such terms would normally be consistent with the principles outlined above.

In the event of a change of control deferred bonus shares will vest in full. LTIP awards will vest early in the event of change of control. The level of vesting will be determined taking into account the extent to which performance measures are satisfied at the date of the relevant event and, unless the Committee determines otherwise, awards will be pro-rated for time served from the grant date to the date of the relevant event. TIP awards will be treated in line with the plan rules.

Consideration of shareholder's views

The Committee considers shareholder feedback received at the AGM each year and, more generally, guidance from shareholder representative bodies. This feedback, plus any additional feedback received during any meetings from time to time, is considered as part of the Company's annual review of the continuing appropriateness of the Remuneration Policy.

Prior to the finalisation of this Policy the Committee consulted with all major shareholders on the proposals. This feedback helped inform the final Policy put forward for shareholder approval. The Committee will seek to engage directly with major shareholders and their representative bodies should any material changes be proposed to be made to the Remuneration Policy.

Employment conditions elsewhere in the Group

In setting the Remuneration Policy and remuneration levels for Executive Directors, the Committee is cognisant of the approach to rewarding employees in the Group and levels of pay increases generally. The Committee does not currently formally consult directly with employees on the executive pay policy, but it does receive regular updates from the Company Secretary and the Director, People and Sustainability. During the year this included updates on discussions with the Executive Leadership Team and the Senior Leadership Team on the proposed changes to the Directors' Remuneration Policy and how these changes would apply more widely to other employees.

Non-executive Directors terms of appointment

Non-executive Director	Year appointed	Number of complete years on the Board	Date of current engagement commenced	Expiry of current term
Phuthuma Nhleko	2021	1	25.10.21	24.10.24
Mike Daly	2014	8	30.05.20	31.05.23
Martin Greenslade	2019	3	01.11.19	31.10.24
Sheila Khama	2019	3	26.04.19	26.04.25
Mitchell Ingram	2020	2	09.09.20	08.09.23
Genevieve Sangudi	2019	3	26.04.19	25.04.25
Roald Goethe	2023	0	24.02.23	23.02.26

In each case, the appointment is renewable thereafter if agreed by the Director and the Board. The appointment of any non-executive Director may be terminated by either party on three months' notice. There are no arrangements under which any non-executive Director is entitled to receive compensation upon the early termination of his or her appointment.

Genevieve Sangudi
Chair of the Remuneration Committee

7 March 2023

Other statutory information

The Directors present their Annual Report and audited Financial Statements for the Group for the year ended 31 December 2022.

Principal activities

Tullow is an independent oil and gas, exploration and production group, quoted on the London and Ghana stock exchanges. The Group has interests in over 30 exploration and production licences across six countries.

Strategic Report

The Group is required by section 414A of the Companies Act 2006 to present a Strategic Report in the Annual Report. This can be found on pages 1 to 53. The Strategic Report contains an indication of the Directors' view on likely future developments in the business of the Group. In addition, following the introduction of the EU Non-Financial Reporting Directive, the Strategic Report also provides direction on where information on the impact of activities on employees, social and environmental matters, human rights and anti-corruption and anti-bribery matters can be found within the Annual Report and Financial Statements, as well as a description of the Group's policies and where these are located. The Corporate Governance Report on pages 54 to 97 is the corporate governance statement for the purposes of Disclosure Guidance and Transparency Rule 7.2.1. The Annual Report and Financial Statements use financial and non-financial KPIs wherever possible and appropriate.

Delisting from Euronext exchange in Dublin

On 10 October 2022, Tullow delisted from the Euronext exchange in Dublin. During this process, a Q&A was made available on our website for any Irish shareholders with concerns.

Listing of Notes

Tullow's Senior Secured Notes due 2026 and Senior Notes due 2025 are listed on the Luxembourg Stock Exchange.

Results and Dividends

The profit on ordinary activities after taxation of the Group for the year ended 31 December 2022 was $49 million (2021: loss of $81 million). In 2022, the Board recommended that no interim and final dividend would be paid.

Subsequent events since 31 December 2022

As announced on 14 February 2023, throughout 2021 and 2022, Tullow has received revised and new tax assessments from the Ghana Revenue Authority (GRA). Tullow believes these assessments are without merit and filed requests for arbitration with the International Chamber of Commerce in London, in accordance with the dispute resolution process set out in the Petroleum Agreements which govern TGL's activities in Ghana. Notwithstanding this formal step, Tullow intends to continue to engage with the Government of Ghana, including the GRA, with the aim of resolving these disputes on a mutually acceptable basis.

In March 2023, Tullow and its JV Partners submitted an updated Field Development Plan to the Ministry of Energy and Petroleum and the Energy and Petroleum Regulatory Commission Authority in Kenya, for their approval. This is currently under review by the relevant authorities.

In 2023, there were two new appointments:

Richard Miller appointed as Chief Financial Officer (CFO) from January 2023.

Roald Goethe appointed as independent non-executive Director from February 2023.

There have not been any other events since 31 December 2022 that have resulted in a material impact on the year end results.

There have not been any other events since 31 December 2022 that have resulted in a material impact on the year end results.

Share capital

As at 7 March 2023, the Company had an allotted and fully paid up share capital of 1,441,255,150 ordinary shares each with a nominal value of £0.10.

Substantial shareholdings

As at 31 December 2022, the Company had been notified in accordance with the requirements of provision 5.1.2 of the Financial Conduct Authority's Disclosure Guidance and Transparency Rules of the following significant holdings in the Company's ordinary share capital:

Shareholder	Number of shares	% of issued capital (as at date of notification)
Petrolin Group (Samuel Dossou-Aworet)	1,408,609,725	13.07%
Azvalor Asset Management S.G.I.I.C., S.A.	173,325,714	12.05%
RWC Asset Management LLP	71,022,015	5.09%
Summerhill Trust Company (Isle of Man) Limited	58,838,104	4.19%
The Goldman Sachs Group, Inc	40,116,703	2.79%

Shareholders' rights

The rights and obligations of shareholders are set out in the Company's Articles of Association (which can be amended by special resolution). The rights and obligations attaching to the Company's shares are as follows:

- dividend rights – holders of the Company's shares may, by ordinary resolution, declare dividends but may not declare dividends in excess of the amount recommended by the Directors. The Directors may also pay interim dividends. No dividend may be paid other than out of profits available for distribution. Subject to shareholder approval, payment or satisfaction of a dividend may be made wholly or partly by distribution of specific assets;
- voting rights – voting at any general meeting may be conducted by a show of hands unless a poll is duly demanded. On a show of hands every shareholder who is present in person at a general meeting (and every proxy or corporate representative appointed by a shareholder and present at a general meeting) has one vote regardless of the number of shares held by the shareholder (or represented by the proxy or corporate representative). If a proxy has been appointed by

more than one shareholder and has been instructed by one or more of those shareholders to vote 'for' the resolution and by one or more of those shareholders to vote 'against' a particular resolution, the proxy shall have one vote for and one vote against that resolution. On a poll, every shareholder who is present in person has one vote for every share held by that shareholder and a proxy has one vote for every share in respect of which he has been appointed as proxy (the deadline for exercising voting rights by proxy is set out in the form of proxy). On a poll, a corporate representative may exercise all the powers of the Company that has authorised him;

- a poll may be demanded by any of the following: (a) the Chairman of the meeting; (b) at least five shareholders entitled to vote and present in person or by proxy or represented by a duly authorised corporate representative at the meeting; (c) any shareholder or shareholders present in person or by proxy or represented by a duly authorised corporate representative and holding shares or being a representative in respect of a holder of shares representing in the aggregate not less than one-tenth of the total voting rights of all shareholders entitled to attend and vote at the meeting; or (d) any shareholder or shareholders present in person or by proxy or represented by a duly authorised corporate representative and holding shares or being a representative in respect of a holder of shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sums paid up on all the shares conferring that right;
- return of capital – in the event of the liquidation of the Company, after payment of all liabilities and deductions taking priority, the balance of assets available for distribution will be distributed among the holders of ordinary shares according to the amounts paid up on the shares held by them. A liquidator may, with the authority of a special resolution, divide among the shareholders the whole or any part of the Company's assets, or vest the Company's assets in whole or in part in trustees upon such trusts for the benefit of shareholders, but no shareholder is compelled to accept any property in respect of which there is a liability;
- control rights under employee share schemes – the Company operates a number of employee share schemes. Under some of these arrangements, shares are held by trustees on behalf of employees. The employees are not entitled to exercise directly any voting or other control rights. The trustees will generally vote in accordance with employees' instructions and abstain where no instructions are received. Unallocated shares are generally voted at the discretion of the trustees; and
- restrictions on holding securities – there are no restrictions under the Company's Articles of Association or under UK law that either restrict the rights of UK resident shareholders to hold shares or limit the rights of non-resident or foreign shareholders to hold or vote the Company's ordinary shares.

There are no UK foreign exchange control restrictions on the payment of dividends to US persons on the Company's ordinary shares.

Material agreements containing 'change of control' provisions

The following significant agreements will, in the event of a 'change of control' of the Company, be affected as follows:

- to the extent that a 'change of control' occurs, as a result of: (i) a disposal of all or substantially all the properties or assets of the Company and all its restricted subsidiaries (other than through a merger or consolidation) in one or a series of related transactions; (ii) a plan being adopted relating to the liquidation or dissolution of the Company; or (iii) any person becoming the beneficial owner, directly or indirectly, of shares of the Company which grant that person more than 50% of the voting rights of the Company;
- under the $600 million senior secured revolving facility agreement between, among others, the Company and certain subsidiaries of the Company, ABSA Bank, Barclays, BNP Paribas, DNB (UK), JP Morgan, ING Belgium, Nedbank, Standard Chartered Bank, Standard Bank of South Africa, Glas Trust Corporation and the lenders specified there in, the Company is obliged to notify the agent (who notifies the lenders) upon the occurrence of a change of control. Each lender shall be entitled to repayment of all outstanding amounts owed by the Company and certain subsidiaries of the Company to it under the agreement and any connected finance document. Each lender shall be entitled to cancel its commitments immediately under the agreement. So long as such lender states its requirement to be repaid within 30 days of being notified by the agent, the repayment amount will become due and payable by no later than 30 days after the agent has notified the Company to request such payments;
- under an Indenture relating to $1.8 billion of 10.25% senior secured notes due in 2026 between, among others, the Company, certain subsidiaries of the Company and Deutsche Trustee Company Limited as the Trustee, the Company must make an offer to noteholders to repurchase all or any part the notes at 101% of the aggregate principle amount of the notes, plus accrued and unpaid interest on the notes repurchased to the date of purchase in the event that a change of control of the Company occurs. The repurchase offer must be made by the Company to all noteholders within 30 days following the change of control and the repurchase must take place no earlier than du days and no later than 60 days from the date of the repurchase offer; and
- relating to $800 million of 7% Senior Notes due in 2025 between, among others, the Company certain subsidiaries of the Company and Deutsche Trustee Company Limited as the Trustee, the Company must make an offer to noteholders to repurchase all the notes at 101% of the aggregate principle amount of the notes, plus accrued and unpaid interest in the event that a change of control of the Company occurs. The repurchase offer must be made by the Company to all noteholders within 30 days following the change of control and the repurchase must take place no earlier than 10 days and no later than 60 days from the date the repurchase offer is made. Each noteholder may take up the offer in respect of all or part of its notes.

Directors

The biographical details of the Directors of the Company at the date of this report are given on pages 60 and 61.

Details of Directors' service agreements and letters of appointment can be found on page 81. Details of the Directors' interests in the ordinary shares of the Company and in the Group's long term incentive and other share option schemes are set out on page 85 in the Directors' Remuneration Report.

Directors' indemnities and insurance cover

As at the date of this report, indemnities are in force under which the Company has agreed to indemnify the Directors, to the extent permitted by the Companies Act 2006, against claims from third parties in respect of certain liabilities arising out of, or in connection with, the execution of their powers, duties and responsibilities as Directors of the Company or any of its subsidiaries. The Directors are also indemnified against the cost of defending a criminal prosecution or a claim by the Company, its subsidiaries or a regulator provided that where the defence is unsuccessful the Director must repay those defence costs. The Company also maintains directors' and officers' liability insurance cover, the level of which is reviewed annually.

Conflicts of interest

A Director has a duty to avoid a situation in which he or she has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Group. The Board requires Directors to declare all appointments and other situations that could result in a possible conflict of interest and has adopted appropriate procedures to manage and, if appropriate, approve any such conflicts. The Board is satisfied that there is no compromise to the independence of those Directors who have appointments on the boards of, or relationships with, companies outside the Group.

Powers of Directors

The general powers of the Directors are set out in Article 104 of the Articles of Association of the Company. It provides that the business of the Company shall be managed by the Board which may exercise all the powers of the Company whether relating to the management of the business of the Company or not. This power is subject to any limitations imposed on the Company by applicable legislation. It is also limited by the provisions of the Articles of Association of the Company and any directions given by special resolution of the shareholders of the Company which are applicable on the date that any power is exercised.

Please note the following specific provisions relevant to the exercise of power by the Directors:

- Pre-emptive rights and new issues of shares – the holders of ordinary shares have no pre-emptive rights under the Articles of Association of the Company. However, the ability of the Directors to cause the Company to issue shares, securities convertible into shares or rights to shares, otherwise than pursuant to an employee share scheme, is restricted under the Companies Act 2006 which provides that the directors of a company are, with certain exceptions, unable to allot any equity securities without express authorisation, which may be contained in a company's articles of association or given by its shareholders in general meeting, but which in either event cannot last for more than five years. Under the Companies Act 2006, the Company may also not allot shares for cash (otherwise than pursuant to an employee share scheme) without first making an offer on a pre-emptive basis to existing shareholders, unless this requirement is waived by a special resolution of the shareholders;
- Repurchase of shares – subject to authorisation by shareholder resolution, the Company may purchase its own shares in accordance with the Companies Act 2006. Any shares that have been bought back may be held as treasury shares or must be cancelled immediately upon completion of the purchase. The Company received authority at the last Annual General Meeting to purchase up to a maximum of 143,623,893 ordinary shares. The authority lasts until the earlier of the conclusion of the Annual General Meeting of the Company in 2023 or 30 June 2023; and
- Borrowing powers – the net external borrowings of the Group outstanding at any time shall not exceed an amount equal to four times the aggregate of the Group's adjusted capital and reserves calculated in the manner prescribed in Article 105 of the Company's Articles of Association, unless sanctioned by an ordinary resolution of the Company's shareholders.

Appointment and replacement of Directors

The Company shall appoint (disregarding Alternate Directors) no fewer than two and no more than 15 Directors. The appointment and replacement of Directors may be made as follows:

- the shareholders may by ordinary resolution elect any person who is willing to act to be a Director;
- the Board may elect any person who is willing to act to be a Director. Any Director so appointed shall hold office only until the next Annual General Meeting and shall then be eligible for election;
- each Director is required in terms of the Articles of Association to retire from office at the third Annual General Meeting after the Annual General Meeting at which he or she was last elected or re-elected, although he or she may be re-elected by ordinary resolution if eligible and willing. However, to comply with the principles of best corporate governance, the Board intends that each Director will submit him or herself for re-election on an annual basis;
- the Company may by special resolution remove any Director before the expiration of his or her period of office or may, by ordinary resolution, remove a Director where special notice has been given and the necessary statutory procedures are complied with; and
- there are a number of other grounds on which a Director's office may cease, namely voluntary resignation, where all the other Directors (being at least three in number) request his or her resignation, where he or she suffers physical or mental incapacity, where he or she is absent from meetings of the Board without permission of the Board for six consecutive months, becomes bankrupt or compounds with his or her creditors or where he or she is prohibited by law from being a Director.

Encouraging diversity in our workforce

Tullow is committed to eliminating discrimination and encouraging diversity amongst its workforce. Decisions related to recruitment selection, development or promotion are based upon merit and ability to adequately meet the requirements of the job, and are not influenced by factors such as gender, marital status, race, ethnic origin, colour, nationality, religion, sexual orientation, age or disability.

We want our workforce to be truly representative of all sections of society and for all our employees to feel respected and able to reach their potential. Our commitment to these aims and detailed approach are set out in Tullow's Code of Ethical Conduct and Equal Opportunities Policy.

We aim to provide an optimal working environment to suit the needs of all employees, including those of employees with disabilities. For employees who become disabled during their time with the Group, Tullow will provide support to help them remain safely in continuous employment.

Employee involvement and engagement

We use a range of methods to inform and consult with employees about significant business issues and our performance. These include webcasts, the Group's intranet and town hall meetings. In 2019, we established the workforce Tullow Advisory Panel (TAP) in conjunction with existing means to continue engaging with our workforce. Further details on the TAP and employee engagement are described on page 62 of this report.

We have an employee share plan for all permanent employees, which gives employees a direct interest in the business' success.

Political donations

In line with Group policy, no donations were made for political purposes.

Corporate responsibility

The Group works to achieve high standards of environmental, health and safety management. Our performance in these areas can be found on pages 30 to 37 of this report. Further information is available on the Group website: www.tullowoil.com, and our 2022 Sustainability Report.

Auditor and disclosure of relevant audit information

Having made the requisite enquiries, so far as the Directors are aware, there is no relevant audit information (as defined by section 418(3) of the Companies Act 2006) of which the Company's auditor is unaware and each Director has taken all steps that ought to have been taken to make him or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

A resolution to re-appoint Ernst & Young as the Company's auditor will be proposed at the 2023 AGM on 24 May 2023. More information can be found in the Audit Committee Report on pages 63-68.

Annual General Meeting

The AGM is expected to be held on Wednesday 24 May 2023. The Notice of Annual General Meeting will set out the resolutions to be proposed at the forthcoming AGM, which will be sent to shareholders in due course and in accordance the the requirement of the Listing Rules.

This Corporate Governance Report (which includes the Directors' Remuneration Report) and the information referred to herein have been approved by the Board and signed on its behalf by:

Adam Holland
Company Secretary

7 March 2023

Registered office:
9 Chiswick Park
566 Chiswick High Road
London W4 5XT

Company registered in England and Wales No. 3919249

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable United Kingdom law and regulations.

Company law requires the directors to prepare Financial Statements for each financial year. Under that law the directors have elected to prepare the Group and Parent Company financial statements in accordance with UK-adopted international accounting standards (IFRSs), and the Parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). Under company law the directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group and the Company for that period.

Under the Financial Conduct Authority's Disclosure Guidance and Transparency Rules and the Transparency (Directive 2004/109/EC) Regulations 207 (as amended), Group Financial Statements are required to be prepared in accordance with UK adopted international accounting standards and international Financial Reporting Standards adopted pursuant to Regulation (EC) No. 1606/2002 as it applies in the European Union.

In preparing these Financial Statements the Directors are required to:

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs and in respect of the Parent Company Financial Statements, FRS 101 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group and Company financial position and financial performance;
- in respect of the Group Financial Statements, state whether UK-adopted international accounting standards and IFRSs adopted pursuant to Regulation (EC) No. 1606/2002 as it applies in the European Union;
- have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- in respect of the Parent Company Financial Statements, state whether applicable UK Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company and/or the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the Company and the Group Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and Parent Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a strategic report, Directors' report, Directors' remuneration report and corporate governance statement that comply with that law and those regulations. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Directors' responsibility statement (DTR 4.1 and the Transparency (Directive 2004/109/EC) Regulations (as amended))

The Directors confirm, to the best of their knowledge:

- that the consolidated Financial Statements, prepared in accordance with UK-adopted international accounting standards and IFRSs adopted pursuant to Regulation (EC) No. 1606/2002 as it applies in the European Union;
- give a true and fair view of the assets, liabilities, financial position and profit of the Parent Company and undertakings included in the consolidation taken as a whole;
- that the Annual Report, including the Strategic Report, includes a fair review of the development and performance of the business and the position of the Company and undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- that they consider the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

Rahul Dhir

Rahul Dhir
Chief Executive Officer

7 March 2023

Independent auditor's report to the members of Tullow Oil plc

Opinion

In our opinion:

- Tullow Oil plc's group financial statements and parent company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2022 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted international accounting standards and International Financial Reporting Standards adopted pursuant to Regulation (EC) No. 1606/2002 as it applies in the European Union;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Tullow Oil plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise:

Group	Parent company
Group balance sheet as at 31 December 2022	Company balance sheet as at 31 December 2022
Group income statement for the year then ended	Company statement of changes in equity for the year then ended
Group statement of comprehensive income and expense for the year then ended	Related notes 1 to 7 to the financial statements including a summary of significant accounting policies
Group statement of changes in equity for the year then ended	
Group cash flow statement for the year then ended	
Related notes 1 to 31 to the financial statements, including a summary of significant accounting policies	

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK adopted international accounting standards and International Financial Reporting Standards adopted pursuant to Regulation (EC) No. 1606/2002 as it applies in the European Union. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

Independence

We are independent of the group and parent in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting the audit.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors’ assessment of the group and parent company’s ability to continue to adopt the going concern basis of accounting included:

- evaluating whether management’s going concern period, of 12 months from signing of the financial statements, was appropriate;
- with the assistance of our business modelling specialists reviewing the integrity of management’s corporate model by checking consistency of the central assumptions and formulas;
- comparing the forecasted cash expenditure incorporated in the model with the board approved budget to ensure consistency;
- assessing historical forecasting accuracy through comparing forecast versus actual analysis;
- ensuring assumptions, such as hedging, provision utilisation and decommissioning escrow payments, were consistent with other areas of our audit;
- checking that the cash flows assumptions used in the going concern model were consistent with those used for impairment testing purposes and ensuring any differences were appropriate;
- ensuring the commercial reserves profile used in the impairment testing is consistent the model used to determine the availability of the Revolving Credit Facility (‘RCF’);
- evaluating the reasonableness of management’s downside scenario;
- evaluating the sensitivity of the RCF availability to reductions in future oil prices to determine the impact on available liquidity under different price scenarios;
- performing independent reverse stress test analysis on the cash flow forecasts to assess the oil price at which a drawdown on the RCF would become necessary;
- confirming that the forecast decarbonisation costs were included in the model; and
- reviewing management’s proposed disclosures to ensure that they were appropriate and met current accounting requirements.

Our key observations

In forming our conclusions, we have considered the 2021 refinancing of debt, which has extended maturities of borrowings to 2025 and 2026 with annual capital payments of $100m. Considering the maturities of the bonds is in 2025 and 2026, we consider the going concern period of 12 months to be reasonable. Forecast oil prices and the hedge position of the Group provides significant headroom under the base case and downside case. The Group has access to a committed Revolving Credit Facility (RCF) of up to $500m throughout the going concern period and it is considered remote that this will not be available for the remainder of the going concern period. Under management’s reverse stress test, a drawdown on the RCF would be required at an oil price of $20/bbl for the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company’s ability to continue as a going concern for a period up to March 2024.

In relation to the group and parent company’s reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors’ statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group’s ability to continue as a going concern.

Overview of our audit approach

Audit scope	- We performed an audit of the complete financial information of 4 components and audit procedures on specific balances for a further 7 components. - The components where we performed full or specific audit procedures accounted for 99% of Adjusted EBITDAX, 100% of Revenue and 99% of Total assets.
Key audit matters	- Recoverability of Kenya intangible exploration and evaluation asset - Uncertain Tax Treatments - Recoverability of Property plant and equipment - Fair valuation of additional interest acquired in Ghana assets - Impairment reversal of investment in subsidiaries (parent company only)

Materiality	– Overall Group materiality of £26.2m which represents 2.5% of average normalised Adjusted Earnings before Interest Tax Depreciation Amortisation and Exploration ('EBITDAX').

An overview of the scope of the parent company and group audits

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each company within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. We take into account size, risk profile, the organisation of the group and effectiveness of group-wide controls, changes in the business environment the potential impact of climate change and other factors such as recent Internal audit results when assessing the level of work to be performed at each company.

In assessing the risk of material misstatement to the Group financial statements, and to ensure we had adequate quantitative coverage of significant accounts in the financial statements, of the 48 reporting components of the Group, we selected 14 components covering entities within Australia, Argentina, Côte D'Ivoire, Gabon, Ghana, Guyana, Kenya, Netherlands and the United Kingdom, which represent the principal business units within the Group.

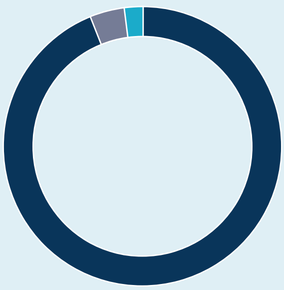
Of the 11 components selected, we performed an audit of the complete financial information of 4 components ("full scope components") which were selected based on their size or risk characteristics. For the remaining 7 components ("specific scope components"), we performed audit procedures on specific accounts within that component that we considered had the potential for the greatest impact on the significant accounts in the financial statements either because of the size of these accounts or their risk profile.

The reporting components where we performed audit procedures accounted for 97% (2021: 96%) of the Group's Adjusted EBITDAX, 97% (2021: 92%) of the Group's Revenue and 90% (2021: 97%%) of the Group's Total assets. For the current year, the full scope components contributed 103% (2021: 101%) of the Group's Adjusted EBITDAX, 99% (2021: 92%) of the Group's Revenue and 83% (2021: 64%) of the Group's Total assets. The specific scope component contributed -6% (2021: -1%) of the Group's Adjusted EBITDAX, -2% (2021: 0%) of the Group's Revenue and 7% (2021: 27%) of the Group's Total assets. The audit scope of these components may not have included testing of all significant accounts of the component but will have contributed to the coverage of significant accounts tested for the Group. We also performed specified procedures over certain aspects of Revenue, Intangible Exploration and Evaluation assets and Non-Current Provisions at 3 locations.

The remaining 37 components together represent 3% of the Group's Adjusted EBITDAX. For these components, we performed other procedures, including analytical review and testing of consolidation journals and intercompany eliminations to respond to any potential risks of material misstatement to the Group financial statements.

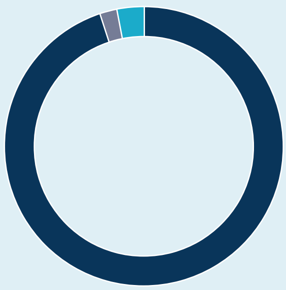
The charts below illustrate the coverage obtained from the work performed by our audit teams.

Adjusted EBITDAX



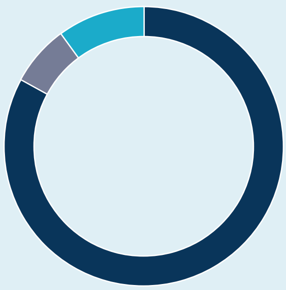
- 103% – Full scope components
- -6% – Specific scope components
- 3% – Other procedures

Revenue



- 99% – Full scope components
- -2% – Specific scope components
- 3% – Other procedures

Total assets



- 83% – Full scope components
- 7% – Specific scope components
- 10% – Other procedures

Changes from the prior year

We have reduced the number of full scope components by 1 this year, as all the hedging positions of the Group were concentrated in the Parent company. For other scopes, we have updated our assessment this year to remove entities which are no longer material, due to sale, liquidation, settlements or write-offs. This has limited impact on coverage.

In a change in approach from the prior year, audit work for the Ghana component, which covers 2 full scope components, has been performed by an integrated primary audit team comprising of team members from EY UK and EY Ghana and led by the Senior Statutory Auditor ("primary audit team").

During the current year's audit cycle, visits were undertaken by the Group audit team to Ghana in November 2022 and February 2023. These visits involved meetings with local management, including members of finance, legal and commercial teams. We held discussions on the audit approach, reviewed working papers to validate that the required procedures have been performed and discussed the issues arising in the component audit.

All audit work performed for the purposes of the audit was undertaken by the Group audit team.

In the prior year this audit work was performed by a separate Ghana component team.

Climate change

Stakeholders are increasingly interested in how climate change will impact Tullow Oil Plc. The Group has determined that the most significant future impacts from climate change on their operations will be from potential falls in oil prices, carbon pricing mechanisms, accessibility to debt and equity funding and ability to retain employee and stakeholder confidence in their commitments. These are explained on page 27 in the Task Force for Climate related Financial Disclosures and on pages 42 to 45 in the principal risks and uncertainties. They have also explained their climate commitments on pages 36 to 39. All of these disclosures form part of the "Other information," rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

In planning and performing our audit we assessed the potential impacts of climate change on the Group's business and any consequential material impact on its financial statements.

The Group has explained in note 26 how they have reflected the impact of climate change in their financial statements including how this aligns with their commitment to being Net Zero on Scope 1 and Scope 2 emissions on a net equity basis by 2030 supporting the goal of limiting global temperature rise to well below 2o C as per Article 2 of the Paris Agreement. Significant judgements and estimates relating to climate change are included in note 26. These disclosures also explain where governmental and societal responses to climate change risks are still developing, and where the degree of certainty of these changes means that they cannot be taken into account when determining asset and liability valuations under the requirements of UK adopted international accounting standards and International Financial Reporting Standards adopted pursuant to Regulation (EC) No. 1606/2002 as it applies in the European Union. In note 26 to the financial statements supplementary sensitivity disclosures of the impact of changes in oil price under IEA scenario-Net Zero Emission by 2050 have been provided.

Our audit effort in considering the impact of climate change on the financial statements was focused on evaluating management's assessment of the impact of climate risk, physical and transition, their climate commitments, the effects of material climate risks disclosed on pages 42 to 45 and the significant judgements and estimates disclosed in note 26 and whether these have been appropriately reflected in asset values where these are impacted by future cash flows and associated sensitivity disclosures (see note 26), and in the timing and nature of liabilities recognised, (see note 26) following the requirements of UK adopted international accounting standards and International Financial Reporting Standards adopted pursuant to Regulation (EC) No. 1606/2002 as it applies in the European Union. As part of this evaluation, we performed our own risk assessment, supported by our climate change internal specialists. This included making inquiries of Head of Sustainability and Group Finance teams, and a review of peer disclosures and sector guidance on climate change and energy transition to determine the risks of material misstatement in the financial statements from climate change which needed to be considered in our audit.

We also challenged the Directors' considerations of climate change risks in their assessment of going concern and viability and associated disclosures. Where considerations of climate change were relevant to our assessment of going concern, these are described above.

Based on our work we have considered the impact of climate change on the financial statements to impact certain key audit matters. Details of our procedures and findings are included in our explanation of key audit matters below.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters continued

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Recoverability of Kenya Intangible Exploration and Evaluation Asset ('E&E') This is an estimate based on uncertain outcomes. The recoverability of the Kenya E&E asset carries inherent risks that the project does not progress to development, requiring the write-off or impairment of the related capitalised costs or the reversal of previously recorded impairment charges, when the relevant IFRS requirements are met. *Refer to the Audit Committee Report (page 65); Accounting policies (page 119); and Note 9 of the Consolidated Financial Statements (page 129)* Determining the recoverable value of the Kenya E&E asset is judgemental given the uncertainties surrounding the progression of the project to Final Investment Decision ('FID'). Management has performed an impairment assessment under the value-in-use ('VIU') methodology where estimates are made for key inputs including oil prices; discount rates; inflation rates; production profiles; cost profiles and fiscal terms. The VIU recoverable value is risk-adjusted for uncertainties associated with the Group's ability to recover the value of the asset. These uncertainties include securing a strategic partner, obtaining government deliverables (for example access to land and water and improved fiscal terms), and arranging financing to develop the asset, which represent a source of potential management bias. As a result of these factors, there is significant judgement relating to the Kenya E&E asset and whether an impairment or impairment reversal is required at year end. As disclosed in Note 9, changes in significant assumptions can result in a material impairment charge, or impairment reversal. No impairment or impairment reversal has been recorded. We consider that the risk associated with this key audit matter has remained consistent with the previous year.	Our procedures included, amongst others: - obtaining, reviewing and comparing the draft Field Development Plan ('FDP') submitted to the Government of Kenya in December 2021 and the revised FDP in March 2023; - reconciling the oil and gas resources and cost estimates used in the model to the resources report produced by management's external expert and included in the FDP; - engaging an EY partner with significant oil and gas reserves expertise to review the resources reports generated by management's external expert; - evaluating the professional qualifications and objectivity of management's external experts who performed the detailed preparation of the reserve estimates; - engaging our valuation specialists to test the mathematical accuracy and formulae integrity of management's model; - evaluating the appropriateness of management's discount rate for Kenya based on an independent re-calculation of the discount rate including an assessment of country specific risks; - evaluating the appropriateness of the oil prices used in management's model; - sensitising the valuation based on less favourable fiscal terms, oil price and discount rate and auditing sensitivities performed by Tullow including using the IEA's Net Zero Emissions oil price forecast post 2030; - engaging our valuation specialists to evaluate management's probabilistic methodology for reflecting certain risks in the valuation. - assessing the appropriateness of the probabilistic assessment used to adjust for the uncertainties in computing the recoverable amount of the asset by independently evaluating each uncertainty's facts and circumstances through inspection of supporting evidence including communications with a potential farm down partner and the Government of Kenya and discussions with management outside of the finance function; - assessing potential physical risks arising from climate change and carbon intensity of the project and whether this may impact the chances of development; and - assessing whether the disclosures provided in the financial statements reflect management's judgements, risks and uncertainties of the project. The audit procedures were primarily performed by our group engagement team with the assistance of valuation specialists.	We consider acceptable the judgements used by management in calculating a gross NPV and then applying probabilities to reflect the remaining project uncertainties to calculate the recoverable amount We also reported that costs relating to carbon offset projects for the Kenya project to be carbon neutral have not yet been assessed by management and are therefore not incorporated into the recoverable value of the asset. On sensitivity disclosures, management appropriately disclosed the impact on the value of the Kenya asset under the IEA's NZE scenario.

Key audit matters continued

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Uncertain Tax Treatments This is an estimate based on uncertain outcomes. The risk is that tax provisions are not appropriate given the nature of the tax matter. *Refer to the Audit Committee Report (page 65); Accounting policies (page 120-121); and Note 6 of the Consolidated Financial Statements (pages 126-127)* Auditing the uncertain tax treatments and the related provisions is subjective because the estimation requires significant judgement, including evaluating the outcome of the tax matter, the timescale for resolution and the need to negotiate with various stakeholders. Furthermore, the outcome of the tax matter in most instances is outside of Tullow's control. As described in note 1(ag) of the accounting policies to the Consolidated Financial Statements Tullow's contingent liabilities in respect to uncertain tax matters amounts to $1024.0 million. Tullow have recognised a total provision of $127.9 million, which is split into an income tax payable of $70.6 million and $35.8 million in provisions. Outcomes not in Management's favour, that are not provided for appropriately, could result in material charges through the Group's profit and loss once settled. The risk has increased this year due to increased engagement and new disputes raised by the tax authorities.	Our procedures included, amongst others: - obtained correspondence with tax authorities and when required used our local teams and tax specialists on specific regimes to assess management's assumptions and judgements regarding the level of provisions made; - inspecting external legal and tax opinions, where considered necessary, to corroborate management's assessment of the risk profile in respect of tax claims; - evaluating the professional qualifications and objectivity of management's external experts; - discussed the likelihood and quantum of any potential settlement with management outside the finance/tax function including the General Counsel, CEO and Chair; - reviewed publicly available information regarding other significant tax claims against multi-nationals in Ghana, in particular MTN, to understand the basis of the claim and the outcome; - obtained direct confirmation from external legal counsel to corroborate the status and management position for material litigation; - obtained Tullow's uncertain tax treatment assessments and audited the associated workings, including assessing any exposures and provisions were appropriately extrapolated for periods which have yet to be audited; and - considered the relevant disclosures made within the financial statements to ensure they appropriately reflect the facts and circumstances of the tax exposures and are in accordance with the requirements of IAS 37 Provisions, IAS 12 Income Taxes and IFRIC 23 Uncertainty over Income tax treatments. Our audit responses was executed by the primary audit team, with support from our Ghana tax team. Our audit procedures over this risk area covers 100% of the reported risk amount.	Based on the evidence obtained and audit procedures performed, including inspecting external legal and tax opinions on the most significant exposures, we are satisfied that the accounting treatment in respect of potential tax exposures is appropriate. We also concluded that the disclosures made in the financial statements are appropriate.

Key audit matters continued

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Recoverability of Property, Plant and Equipment ('PP&E') This is a forecast-based estimate. The risk is that potential impairments are not identified on a timely basis. The risk is similar to 2021 given lower reservoir performance in TEN offset by additions to reserves following the acquisition of additional stakes in the Ghana assets. *Refer to the Audit Committee Report (page 65); Accounting policies (pages 119-120); and Note 10 of the Consolidated Financial Statements (pages 130-131)* Auditing the impairment of PP&E involves estimation of key inputs in particular commodity price assumptions and discount rates. Changes to any of these key inputs could lead to a further impairment or a reversal of impairment, hence this is considered a key audit matter. Following the identification of indicators of impairment in the TEN CGU and impairment reversals for Group's remaining CGUs, the carrying values were tested for impairment or impairment reversal. A net impairment of $391.2 million was recorded. We consider that the risk associated with this key audit matter has remained consistent with the previous year.	Our procedures included, amongst others: - confirming our understanding of Tullow's impairment testing process, as well as the control environment implemented by management by performing a walkthrough of the process; - engaging our valuation specialists to test the mathematical accuracy and formulae integrity of management's model; - comparing Tullow's commodity price scenarios to assessments provided by our valuation specialists and to prices used by peer companies. We also compared Tullow's prices to the IEA's Net Zero Emissions 2050 (NZE) and to the Announced Pledges Scenario (APS) price assumptions as potential contradictory evidence for best estimates of future oil prices; - assessing the appropriateness of management's impairment discount rates including an independent re-calculation of the discount rate including an assessment of country specific risks; - reconciling production profiles used in the impairment model to the reserves report produced by management's external expert; - evaluating the professional expertise and objectivity of management's external experts; - performing benchmarking on cost estimate profiles, the inflation rate and foreign exchange rates based on comparison with recent actuals and our understanding obtained from other areas of the audit; - tested whether decarbonisation costs were incorporated in the models; and - auditing sensitivities performed by Tullow including using the IEA's Net Zero Emissions oil price forecast. The audit procedures were performed by our group engagement team with the assistance of valuation specialists.	We reported to the Audit Committee that, based on our testing performed and the subsequent adjustments made by management, we considered the current period impairment charge is fairly stated. We also reported that management had appropriately included costs for decarbonisation projects identified within the Ghana asset impairment models. On sensitivity disclosures, management appropriately disclosed the impact on the value of PP&E under the IEA's NZE scenario.

Key audit matters continued

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Fair valuation of additional interest acquired in Ghana assets This is a forecast-based estimate. The risk is that fair value recorded is not appropriate considering significant estimation involved and judgement required in determining technical accounting considerations. *Refer to the Audit Committee Report (pages 63 to 69); Business combinations (page 120); Accounting policies (pages 119 to 130); and Note 15 of the Consolidated Financial Statements (pages 142 t0 143)* Auditing the fair valuation of the additional interest involves estimation of key inputs including commodity price assumptions, discount rates, commercial reserves and related costs profiles. This is consistent with the estimates referred to above in the Recoverability of Kenya Intangible Exploration and Evaluation Asset ('E&E') and Recoverability of Property, Plant and Equipment ('PP&E'). A gain on bargain purchase of $196.8m was recorded in the profit and loss account. Changes to any of these key inputs could result in material changes to asset values, hence this is considered a key audit matter.	Our procedures included, amongst others: - reading the SPA between Tullow and the seller to ensure Management's calculation and narrative was consistent with the underlying agreements; - assessing whether the acquisition of an additional stake in the TEN and Jubilee where Tullow has existing interests, and where no change of control has taken place, qualifies as a business combination; - agreeing consideration paid to bank statements; - in auditing the valuation of the acquired tangible oil and gas assets refer to the key audit matters on Recoverability of PP&E and Recoverability of E&E with respect to procedures performed on the key assumptions; - assessing the appropriateness of management's approach in relying on estimates produced for 31 December 2021 Annual Report and Accounts and challenging management on whether key assumptions such as prices had changed between 31 December 2021 and the acquisition date; and - reviewing management's proposed IFRS 3 disclosures for appropriateness; assessed the appropriateness of management's methodology of assigning fair value to legal exposures taken on by Tullow; The audit procedures were performed by our group engagement team with the assistance of valuation specialists.	The acquisition of an additional interest in the TEN and Jubilee fields meets the definition of a business under accounting standards resulting in the fair valuation of the additional interest acquired. The previously held interest does not require a fair value assessment as there was no change in joint control status. We considered management bias and potential incentive in using the 2021 year-end assumptions as management's prices and discount rate were at the low end of our ranges. We have carried out a sensitivity using a middle of the range oil price and adjusting discount rate for changes in macro factors, which supports the fair value computed by management. We concluded that the final bargain gain of $197m recognised , and associated disclosures are appropriate

Key audit matters continued

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Impairment Reversal of Investment in Subsidiaries (Parent company only) This is a forecast-based estimate. The risk is that potential impairments triggers at the subsidiary level are not identified on a timely basis and would impact the recoverability of the parent company's investments in subsidiaries. *Refer to Parent Accounting policies (page 159); and Note 1 of the Parent Financial Statements (page 160)* Investments in subsidiaries in parent company financial statements are more sensitive to changes in recoverable value than the Group's underlying assets because certain assets have not been subject to impairment in the past. The principle driver of the recoverable amount of investments in subsidiaries is the estimated value of underlying net assets held by the Group's subsidiaries. Refer to Recoverability of PP&E and Recoverability of E&E above for related key audit matters. Changes to assumptions could lead to material changes in estimated recoverable amounts, resulting in either impairment (2022 aggregate impairment taken of $502.5 million) or reversals or impairment taken (2021 aggregate impairment reversal of $1017.6 million). We consider that the risk associated with this key audit matter has remained consistent with the prior year.	Our procedures included, amongst others: - assessing the methodology used by management to estimate the recoverable value of each investment for which an impairment test was performed, to ensure that it was consistent with the accounting standards; - testing that the relevant assets and liabilities of each investment have been appropriately included in the assessment of recoverable value, including the effects of intercompany balances; - testing the appropriateness of correction of prior year restatement and associated disclosures; and - refer to the key audit matters on Recoverability of PP&E and Recoverability of E&E with respect to procedures performed on the recoverable value of individual assets tested for impairment, including our consideration of climate change. The audit procedures were performed by our group engagement team with the assistance of valuation specialists.	We confirmed that our observations with respect to the recoverable amount of underlying assets are also relevant for the recoverable amount of investments in subsidiaries. We agree with the impairment recorded. We agree that the final disclosures in the parent Company financial statements are appropriate.

In the prior year, our auditor's report included a key audit matter in relation to the Estimation of Ghana decommissioning provision. In the current year, this has not been considered as a KAM following the reduction in executive involvement and lower allocation of resources. This was due to the reduced level of judgement involved in the decommissioning estimation process in the current year as management's base cost estimate has not changed from the prior year. There were limited movements in the Ghana decommissioning provisions other than changes from discount rate and inflation rate and therefore did not require significant effort and time from the audit team.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be $26.2 million (2021: $24 million), which is 2.5% (2022: 2.4%) of normalised Adjusted EBITDAX.

Our key criterion in determining materiality remains our perception of the needs of Tullow's stakeholders. We consider which earnings, activity or capital-based measure aligns best with the expectations of the users of Tullow's financial statements. In doing so, we apply a 'reasonable investor perspective', which reflects our understanding of the common financial information needs of the members of Tullow as a group. We believe that Adjusted EBITDAX provides us with the most appropriate measure upon which to calculate materiality as it represents a key performance indicator used by Tullow's investors.

Our application of materiality continued

Materiality continued

We have determined that the basis of planning materiality should be normalised Adjusted EBITDAX (i.e. excluding non-recurring items), calculated as the average of 2020 and 2021 actuals as well as management's 2022 budget (2021: normalised adjusted EBITDAX) to account for short term oil and gas price volatility experienced in 2022. In determining the use of a normalised measure, we recognised oil & gas prices are volatile caused by the pandemic receding and the war in Ukraine. The views of economists and market participants are that short term increase in oil prices is from the management of supply of oil in the market which will be addressed over time. Given this, we believed it was important that, in setting materiality, we did not overact to what is expected to be a temporary phenomenon – especially when Tullow continues to be the same company structurally.

By applying a normalised approach, large year-on-year swings in materiality are minimised. We have excluded non-recurring items such as impairments of E&E assets and producing oil & gas assets, non-cash movements in provisions and gains on sale to ensure we are using a consistent measure representative of the underlying business.

The non-recurring items excluded in 2022 were impairment of E&E assets ($105 million), impairment of oil and gas assets ($391 million) and non-cash movement in provisions ($4 million) offset by gains on disposal and gains on hedging instruments ($1 million).

The non-recurring items excluded in 2021 were impairment of E&E assets ($60 million), impairment of oil and gas assets ($54 million), non-cash movement in provisions ($59 million) and restructuring costs ($3 million), offset by gains on disposal ($120 million).

The non-recurring items excluded in 2020 were impairment of E&E assets ($987 million), impairment of oil and gas assets ($251 million), non-cash movement in provisions (nil), and restructuring costs ($92 million), offset by gains on disposal ($3.4 million) and gains on hedging instruments ($1 million).

We determined materiality for the Parent Company to be $28.2 million (2021: $25.7 million), which is 1.4% (2021: 1.4%) of equity.

During the course of our audit, we reassessed initial materiality and concluded that the Group's actual performance in 2022 did not affect our initial materiality. As such, our materiality was unchanged from planning.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 50% (2021: 50%) of our planning materiality, namely $13.1m (2021: $12m). We have set performance materiality at this percentage due to our assessment of the nature, number and impact of the adjusted and unadjusted audit differences identified in 2021 audit.

Audit work at component locations for the purpose of obtaining audit coverage over significant financial statement accounts is undertaken based on a percentage of total performance materiality. The performance materiality set for each component is based on the relative scale and risk of the component to the Group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was $2.6m to $13.1m (2021: $2.7m to $11.5m).

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of $1.3m (2021: $1.2m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report set out on pages 1 to 93 and 164 to 167 including Strategic report, Corporate Governance and Supplementary information, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Corporate Governance Statement

We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the group and company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 93;
- Directors' explanation as to its assessment of the company's prospects, the period this assessment covers and why the period is appropriate set out on pages 110 to 111;
- Director's statement on whether it has a reasonable expectation that the group will be able to continue in operation and meets its liabilities set out on page 111;
- Directors' statement on fair, balanced and understandable set out on page 93;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 67;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 67; and;
- The section describing the work of the audit committee set out on page 63

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 93, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Auditor's responsibilities for the audit of the financial statements continued

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant are those that related to the reporting framework (UK-adopted IAS, IFRS, Companies Act 2006, the UK Corporate Governance Code and Listing Rules of the UK Listing Authority) and the relevant tax compliance regulations in the jurisdictions in which Tullow operates. In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements and those laws and regulations relating to health and safety, employee matters, environmental matters and bribery and corruption practices. We understood how Tullow Oil plc is complying with those frameworks by making inquiries of management, internal audit and those responsible for legal and compliance procedures. We corroborated our enquiries through review of board minutes, papers provided to Audit committees and correspondence received from regulatory bodies
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved journal entry testing, with a focus on journals meeting defined risk criteria based on our understanding of the business; inquiries with legal counsel, group management, internal audit and all full and specific scope management; review of volume and nature of whistleblowing complaints received during the year. Where instances of non-compliance were identified, we consulted the relevant EY local teams and EY specialists who aided us in determining sufficient, and executing appropriate, procedures to respond to the risk identified.
- We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur by meeting with management together with our forensic specialists. We gained an understanding of where there was susceptibility to fraud, how the company is complying with international tax laws and regulations, procedures in place to address the risk of bribery and corruption in high-risk countries, procedures around setting key performance indicators and assessment of whistleblowing incidences for those with a potential financial reporting impact.
- In addition, we utilised internal and external information to perform a fraud risk assessment for each of the countries of operation. We considered the risk of fraud and the possibility of fraudulent or corrupt payments made through the purchase to pay process through management override and, in response, we incorporated data analytics across manual journal entries into our audit approach. Where exceptions and instances of risk behaviour patterns were identified, we tested of transactions back to the source information.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters we are required to address

- Following the recommendation from the audit committee we were appointed by the company on 21 July 2020 to audit the financial statements for the year ending 31 December 2020 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments is 3 years, covering the years ending 2020 to 2022.
- The audit opinion is consistent with the additional report to the audit committee.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

P Wallek.

Paul Wallek (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

7 March 2023

Group income statement
Year ended 31 December 2022

	Notes	2022 $m	2021 Restated[1] $m
Continuing activities			
Revenue	2	**1,783.1**	1,285.4
Cost of sales	4	**(697.5)**	(638.9)
Gross profit		**1,085.6**	646.5
Administrative expenses	4	**(51.0)**	(64.1)
Gain on bargain purchase	15	**196.8**	–
Gain on disposals	8	**–**	120.3
Other gains and losses	19	**3.1**	–
Exploration costs written off	9	**(105.2)**	(59.9)
Impairment of property, plant and equipment, net	10	**(391.2)**	(54.3)
Restructuring costs and other provisions	4	**(4.2)**	(61.8)
Operating profit		**733.9**	526.7
Gain on hedging instruments	18	**0.8**	–
Finance income	5	**42.9**	44.3
Finance costs	5	**(335.5)**	(356.1)
Profit from continuing activities before tax		**442.1**	214.9
Income tax expense	6	**(393.0)**	(295.6)
Profit/(loss) for the year from continuing activities		**49.1**	(80.7)
Attributable to:			
Owners of the Company		**49.1**	(80.7)
Earnings/(loss) per ordinary share from continuing activities	7	**¢**	¢
Basic		**3.4**	(5.7)
Diluted		**3.3**	(5.7)

1. Refer to Note 6 for details on prior year restatement.

Group statement of comprehensive income and expense
Year ended 31 December 2022

	Notes	2022 $m	2021 $m
Profit/(loss) for the year		**49.1**	(80.7)
Items that may be reclassified to the income statement in subsequent periods			
Cash flow hedges			
Loss arising in the year	18	**(399.5)**	(159.3)
Gains/ (losses) arising in the year – time value	18	**21.7**	(182.1)
Reclassification adjustments for items included in profit on realisation	18	**288.5**	112.3
Reclassification adjustments for items included in loss on realisation – time value	18	**30.8**	40.7
Exchange differences on translation of foreign operations		**10.2**	(1.4)
Other comprehensive expense		**(48.3)**	(189.8)
Tax relating to components of other comprehensive expense		**–**	2.7
Net other comprehensive expense for the year		**(48.3)**	(187.1)
Total comprehensive income/(expense) for the year		**0.8**	(267.8)
Attributable to:			
Owners of the Company		**0.8**	(267.8)

Group balance sheet

As at 31 December 2022

	Notes	2022 $m	2021 $m
ASSETS			
Non-current assets			
Intangible exploration and evaluation assets	9	**288.6**	354.6
Property, plant and equipment	10	**2,981.4**	2,914.6
Other non-current assets	11	**327.1**	489.1
Deferred tax assets	21	**14.5**	354.4
		3,611.6	4,112.7
Current assets			
Inventories	12	**181.6**	134.8
Trade receivables	13	**26.8**	99.8
Other current assets	11	**567.9**	704.5
Current tax assets	6	**15.4**	19.7
Cash and cash equivalents	14	**636.3**	469.1
		1,428.0	1,427.9
Total assets		**5,039.6**	5,540.6
LIABILITIES			
Current liabilities			
Trade and other payables	16	**(750.2)**	(751.1)
Borrowings	17	**(100.0)**	(100.0)
Provisions	20	**(98.8)**	(296.5)
Current tax liabilities		**(186.0)**	(115.1)
Derivative financial instruments	18	**(186.3)**	(80.9)
		(1,321.3)	(1,343.6)
Non-current liabilities			
Trade and other payables	16	**(780.0)**	(987.1)
Borrowings	17	**(2,372.8)**	(2,468.7)
Provisions	20	**(415.6)**	(431.0)
Deferred tax liabilities	21	**(551.5)**	(677.3)
Derivative financial instruments	18	**(57.9)**	(99.0)
		(4,177.8)	(4,663.1)
Total liabilities		**(5,499.1)**	(6,006.7)
Net liabilities		**(459.5)**	(466.1)
EQUITY			
Called-up share capital	22	**215.2**	214.2
Share premium	22	**1,294.7**	1,294.7
Foreign currency translation reserve		**(238.6)**	(248.8)
Hedge reserve	18	**(150.3)**	(39.3)
Hedge reserve – time value	18	**(94.4)**	(146.9)
Merger reserve		**755.2**	755.2
Retained earnings		**(2,241.3)**	(2,295.2)
Equity attributable to equity holders of the Company		**(459.5)**	(466.1)
Total equity		**(459.5)**	(466.1)

Approved by the Board and authorised for issue on 7 March 2023.

Rahul Dhir
Chief Executive Officer

7 March 2023

Richard Miller
Chief Financial Officer

7 March 2023

Group statement of changes in equity

Year ended 31 December 2022

	Notes	Share capital $m	Share premium $m	Equity component of convertible bonds $m	Foreign currency translation reserve[1] $m	Hedge reserve[2] $m	Hedge reserve – time value[2] $m	Merger reserve $m	Retained earnings $m	Total equity $m
At 1 January 2021		211.7	1,294.7	48.4	(247.4)	4.8	(5.4)	755.2	(2,272.0)	(210.0)
Loss for the year		–	–	–	–	–	–	–	(80.7)	(80.7)
Hedges, net of tax	18	–	–	–	–	(44.1)	(141.5)	–	–	(185.6)
Derecognition of the convertible bond[3]	17	–	–	(48.4)	–	–	–	–	48.4	–
Currency translation adjustments		–	–	–	(1.4)	–	–	–	–	(1.4)
Exercise of employee share options	22	2.5	–	–	–	–	–	–	(2.5)	–
Share-based payment charges	23	–	–	–	–	–	–	–	11.6	11.6
At 1 January 2022		**214.2**	**1,294.7**	**–**	**(248.8)**	**(39.3)**	**(146.9)**	**755.2**	**(2,295.2)**	**(466.1)**
Profit for the year		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**49.1**	**49.1**
Hedges, net of tax	18	**–**	**–**	**–**	**–**	**(111.0)**	**52.5**	**–**	**–**	**(58.5)**
Currency translation adjustments		**–**	**–**	**–**	**10.2**	**–**	**–**	**–**	**–**	**10.2**
Exercise of employee share options	22	**1.0**	**–**	**–**	**–**	**–**	**–**	**–**	**(1.0)**	**–**
Share-based payment charges	23	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**5.8**	**5.8**
At 31 December 2022		**215.2**	**1,294.7**	**–**	**(238.6)**	**(150.3)**	**(94.4)**	**755.2**	**(2,241.3)**	**(459.5)**

1. The foreign currency translation reserve represents exchange gains and losses arising on translation of foreign currency subsidiaries, monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment in a foreign operation.
2. The hedge reserve represents gains and losses on derivatives classified as effective cash flow hedges.
3. On 12 July 2021 Tullow repaid the $300 million Convertible Bond due 2021 (note 17). As the conversion option was not exercised, the equity component of $48.4 million has been transferred from the separate reserve to retained earnings.

Group cash flow statement

Year ended 31 December 2022

	Notes	2022 $m	2021 Restated[1] $m
Cash flows from operating activities			
Profit from continuing activities before tax		**442.1**	214.9
Adjustments for:			
Depreciation, depletion and amortisation	10	**425.8**	378.9
Gain on bargain purchase	15	**(196.8)**	–
Gain on disposals	8	**–**	(120.3)
Other gains and losses	19	**(3.1)**	–
Taxes paid in kind	6	**(21.4)**	(12.2)
Exploration costs written off	9	**105.2**	59.9
Impairment of property, plant and equipment, net	10	**391.2**	54.3
Restructuring costs and other provisions		**4.2**	61.8
Payment under restructuring costs and other provisions		**(127.3)**	(12.6)
Decommissioning expenditure		**(57.7)**	(52.8)
Share-based payment charge	23	**5.8**	11.6
Gain on hedging instruments	18	**(0.8)**	–
Finance income	5	**(42.9)**	(44.3)
Finance costs	5	**335.5**	356.1
Operating cash flow before working capital movements		**1,259.8**	895.3
Decrease/ (increase) in trade and other receivables		**288.4**	(17.9)
Increase in inventories		**(48.0)**	(41.9)
(Decrease)/ increase in trade payables		**(193.1)**	7.5
Cash generated from operating activities		**1,307.1**	843.0
Income taxes paid		**(229.3)**	(56.1)
Net cash from operating activities		**1,077.8**	786.9
Cash flows from investing activities			
Proceeds from disposals	11	**68.1**	132.8
Purchase of additional interest in joint operation	15	**(126.8)**	–
Purchase of intangible exploration and evaluation assets	28	**(42.6)**	(86.1)
Purchase of property, plant and equipment	28	**(263.8)**	(150.4)
Interest received		**8.9**	2.0
Net cash used in investing activities		**(356.2)**	(101.7)
Cash flows from financing activities			
Debt arrangement fees	28	**–**	(56.6)
Repayment of borrowings	28	**(100.0)**	(2,379.9)
Drawdown of borrowings	28	**–**	1,800.0
Payment of obligations under leases		**(203.8)**	(155.9)
Finance costs paid		**(249.0)**	(234.9)
Net cash used in financing activities		**(552.0)**	(1,027.3)
Net increase/ (decrease) in cash and cash equivalents		**168.8**	(342.1)
Cash and cash equivalents at beginning of year		**469.1**	805.4
Foreign exchange gain		**(1.6)**	5.8
Cash and cash equivalents at end of year	14	**636.3**	469.1

1. Refer to Note 6 for details on prior year restatement.

Accounting policies

Year ended 31 December 2022

(a) General information

Tullow Oil plc is a company incorporated and domiciled in the United Kingdom under the Companies Act 2006. The address of the registered office is Tullow Oil plc, Building 9, Chiswick Park, 566 Chiswick High Road, London W4 5XT. The primary activity of the Group is the discovery and production of oil and gas.

(b) Adoption of new and revised standards

New International Financial Reporting Standards adopted

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2022:

- Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37;
- IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities';
- Reference to Conceptual Framework – Amendments to IFRS 3; and
- Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Upcoming International Financial Reporting Standards not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting periods and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(c) Changes in accounting policy

The Group has revised its accounting policy in relation to the presentation of corporate income taxes in Gabon and Côte d'Ivoire Production Sharing Contracts (PSCs).

Under the terms of the PSCs the share of the profit oil which the government is entitled to is deemed to include the notional corporate income tax which is paid by the government on behalf of Tullow. From 1 January 2022 the notional corporate income tax is classified as an income tax in accordance with IAS 12 Income taxes which has resulted in a gross up of revenue with a corresponding increase in income tax expense. In the previous years, the Revenues and Taxes from Gabon and Côte d'Ivoire were presented on a net basis. This change has been implemented to more accurately represent the Group's income tax obligations in Gabon and Côte d'Ivoire and to be more comparable with other entities in the sector. Prior period balances have been adjusted to conform with the same presentation. As a result of the change, revenue for the year ended 31 December 2021 increased from $1,273.2 million to $1,285.4 million, whilst income tax expense increased from $283.4 million to $295.5 million. There is no impact on profit/(loss) for the year from continuing activities nor on basic and diluted earnings per share. In addition, the restatement had no impact on reported net assets, cash flows or total equity. Accordingly, an additional balance sheet as at 1 January 2020 has not been presented. Refer to Note 6.

Other than the above, the Group's accounting policies are consistent with the prior year.

(d) Basis of preparation

The Financial Statements have also been prepared in accordance with UK-adopted international accounting standards (UK-adopted IFRSs) and International Financial Reporting Standards adopted pursuant to Regulation (EC) No. 1606/2002 as it applies in the European Union. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

The Financial Statements have been prepared on the historical cost basis, except for derivative financial instruments and contingent consideration which have been measured at fair value which are carried at fair value less cost to sell. The Financial Statements are presented in US dollars and all values are rounded to the nearest $0.1 million, except where otherwise stated. The principal accounting policies adopted by the Group are set out below.

Liquidity risk management and going concern

Assessment period and assumptions

The Directors consider the going concern assessment period to be up to 31 March 2024. The Group closely monitors and manages its liquidity headroom. Cash forecasts are regularly produced, and sensitivities run for different scenarios including, but not limited to, changes in commodity prices, different production rates from the Group's producing assets and different outcomes on ongoing disputes or litigation.

Management has applied the following oil price assumptions for the going concern assessment:

Base Case: $84/bbl for 2023, $79/bbl for 2024; and

Low Case: $70/bbl for 2023, $70/bbl for 2024.

The Low Case includes, amongst other downside assumptions, a 5% production decrease compared to the Base Case.

(d) Basis of preparation continued

Liquidity risk management and going concern continued

At 31 December 2022, the Group had $1.1 billion liquidity headroom consisting of c.$0.6 billion free cash and $0.5 billion available under the revolving credit facility.

The Group's forecasts show that the Group will be able to operate within its current debt facilities and have sufficient financial headroom for the going concern assessment period under its Base Case and Low Case. Based on the analysis above, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they have adopted the going concern basis of accounting in preparing the year end result.

(e) Basis of consolidation

The consolidated Financial Statements incorporate the Financial Statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Control is achieved where the Company has the power over an investee entity, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

The results of subsidiaries acquired or disposed of during the year are included in the Group income statement from the transaction date of acquisition, being the date on which the Group gains control, and will continue to be included until the date that control ceases.

If the Group loses control over a subsidiary, it derecognises the related assets, liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

Where necessary, adjustments are made to the Financial Statements of subsidiaries to bring the accounting policies used into line with those used by the Group.

Joint arrangements

The Group is engaged in oil and gas exploration, development and production through unincorporated joint arrangements; these are classified as joint operations in accordance with IFRS 11. The Group accounts for its share of the results and assets and liabilities of these joint operations. In addition, where Tullow acts as operator to the joint operation, the gross liabilities and receivables (including amounts due to or from non-operating partners) of the joint operation are included in the Group's balance sheet.

(f) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition comprises of:

- Fair values of the assets transferred;
- Liabilities incurred to the former owners of the acquired business;
- Equity interests issued by the group;
- Fair value of any asset or liability resulting from a contingent consideration arrangement; and
- Fair value of any pre-existing equity interest in the subsidiary.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Identifiable assets acquired and liabilities and contingent liabilities assumed when control is obtained over a business, and when an interest or an additional interest is acquired in a joint operation which is a business are, with limited exceptions, measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

(g) Revenue from contracts with customers

Revenue from contracts with customers represents the sales value, net of VAT, of the Group's share of liftings in the year. Revenue is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has concluded that it is the principal in all of its revenue arrangements since it controls the goods or services before transferring them to the customer.

The crude oil produced by the upstream operations is sold to external customers. Revenue from the sale of crude oil is recognised at the point in time when control of the product is transferred to the customer, which is typically when goods are delivered, and title has passed. The transportation and shipping costs associated with the transfer of the product to the point of sale is recognised as a selling cost.

Under the terms of the relevant production sharing arrangements, the Group is entitled to its participating share in the crude oil based on the Group's working interest. Revenue from contracts with customers is recognised based on the actual volumes sold to customers. No adjustments are made to revenue for any differences between volumes sold to customers and unsold volumes which the Group is entitled to sell based on its working interest. Revenue in respect of such volumes is only recognised when there is a transfer of output to the Group's customers. Differences between the volume which the Group is entitled to sell based on its working interest and the actual volumes that the Group has sold to customers are recognised as an under/overlift (note (g)) within cost of sales.

Under the terms of the Production Sharing Contracts in Gabon and Côte d'Ivoire, the Group is not required to pay any corporate income taxes. The share of the profit oil which the government is entitled to is deemed to include a portion representing the notional corporate income tax paid by the government on behalf of the contractors. This portion of notional corporate income tax is presented as an income tax expenses with a corresponding amount recognised in Revenue.

The Group's sales of crude oil are priced based on the consideration specified in contracts with customers with reference to quoted market prices in active markets, adjusted for a quality differential based on gravity of the crude oil sold relative to Brent. Invoices are typically paid on 30-60 day terms.

For certain non-operated arrangements, the Group's stake is structured as a carried interest, in which all costs relating to the performance of petroleum operations are borne by the operator and other joint venture partners and are recovered upon production. The recognition of revenue is on net basis, where the Group only accounts for its share of profit oil.

(h) Over/underlift

Lifting or offtake arrangements for oil and gas produced in certain of the Group's jointly owned operations are such that each participant may not receive and sell its precise share of the overall production in each period. The resulting imbalance between cumulative entitlement and cumulative production less stock is underlift or overlift. Underlift and overlift are valued at market value and included within receivables and payables respectively. Movements during an accounting period are adjusted through cost of sales such that gross profit is recognised on an entitlements basis.

(i) Inventories

Inventories, other than oil products, are stated at the lower of cost and net realisable value. Cost is determined on a weighted average cost basis and comprises direct purchase costs. Net realisable value is determined by reference to prices existing at the balance sheet date, less estimated costs of completion and the estimated costs necessary to make the sale.

Oil product is stated at net realisable value and changes in net realisable value are recognised in the income statement.

(j) Foreign currencies

The US dollar is the presentational currency of the Group. For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's non-US dollar-denominated entities are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rate for the period. Currency translation adjustments arising on the restatement of opening net assets of non-US dollar subsidiaries, together with differences between the subsidiaries' results translated at average rates versus closing rates, are recognised in the statement of comprehensive income and expense and transferred to the foreign currency translation reserve. All resulting exchange differences are classified as equity until disposal of the subsidiary. On disposal, the cumulative amounts of the exchange differences are recognised as income or expense.

Transactions in foreign currencies are recorded at the rates of exchange ruling at the transaction dates. Monetary assets and liabilities are translated into functional currency at the exchange rate ruling at the balance sheet date, with a corresponding charge or credit to the income statement. However, exchange gains and losses arising on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment in a foreign operation, are recognised in the foreign currency translation reserve and recognised in profit or loss on disposal of the net investment.

In addition, exchange gains and losses arising on long-term foreign currency borrowings which are a hedge against the Group's overseas investments are dealt with in reserves.

(k) Intangible, exploration and evaluation assets and oil and gas assets

The Group adopts the successful efforts method of accounting for exploration and evaluation costs. Pre-licence costs are expensed in the period in which they are incurred. All licence acquisition, exploration and evaluation costs and directly attributable administration costs are initially capitalised in cost centres by well, field or exploration area, as appropriate.

These costs are then written off as exploration costs in the income statement unless commercial reserves have been established or the determination process has not been completed and there are no indications of impairment.

Exploration and evaluation assets are tested for impairment when reclassified to development assets, or whenever facts and circumstances indicate impairment. An impairment loss is recognised for the amounts by which the exploration and evaluation assets' carrying amount exceeds their recoverable amount. The recoverable amount is the higher of the exploration and evaluation asset's fair value less cost to sell and their value in use.

Once commercial reserves are found, exploration and evaluation assets are tested for impairment and transferred to development assets. No depreciation and/or amortisation is charged during the exploration and evaluation phase.

All field development costs are capitalised as property, plant and equipment. Property, plant and equipment related to production activities is amortised in accordance with the Group's depletion and amortisation accounting policy.

Cash consideration received on farm-down of exploration and evaluation assets is credited against the carrying value of the asset. The excess amount over the carrying value of the asset is recognised as a gain on disposal of exploration and evaluation assets in the statement of profit or loss.

(l) Commercial reserves

Commercial reserves are proven and probable oil and gas reserves, which are defined as the estimated quantities of crude oil, natural gas and natural gas liquids which geological, geophysical and engineering data demonstrate with a specified degree of certainty to be recoverable in future years from known reservoirs and which are considered commercially producible. There should be a 50% statistical probability that the actual quantity of recoverable reserves will be more than the amount estimated as proven and probable reserves and a 50% statistical probability that it will be less.

(m) Depletion and amortisation

All expenditure carried within each field is amortised from the commencement of production on a unit of production basis, which is the ratio of oil and gas production in the period to the estimated quantities of commercial reserves at the end of the period plus the production in the period, generally on a field-by-field basis or by a group of fields which are reliant on common infrastructure. Costs used in the unit of production calculation comprise the net book value of capitalised costs plus the estimated future field development costs required to recover the commercial reserves remaining. Changes in the estimates of commercial reserves or future field development costs are dealt with prospectively.

(n) Impairment of property, plant and equipment

The Group assesses at each reporting date whether there is an indication that an asset (or CGU) may be impaired. In assessing whether an impairment is required, the carrying value of the asset or CGU is compared with its recoverable amount. The recoverable amount is the higher of the asset's/CGU's fair value less costs of disposal (FVLCD) and value in use (VIU). Given the nature of the Group's activities, information on the fair value of an asset is usually difficult to obtain unless negotiations with potential purchasers or similar transactions are taking place. Consequently, unless indicated otherwise, the recoverable amount used in assessing the impairment charges described below is VIU. The Group estimates VIU using a discounted cash flow model.

In order to discount the future cash flows the Group calculates asset or CGU-specific discount rates.

The discount rates are based on an assessment of a relevant peer group's post-tax weighted average cost of capital (WACC). The post-tax WACC is subsequently grossed up to a pre-tax rate. The Group then deducts any exploration risk premium which is implicit within a peer group's WACC and subsequently applies additional country risk premium for all CGUs, an element of which is determined by whether the assets are onshore or offshore.

Where there is evidence of economic interdependency between fields, such as common infrastructure, the fields are grouped as a single CGU for impairment purposes.

Where conditions giving rise to impairment subsequently reverse, the effect of the impairment charge is also reversed as a credit to the income statement, net of any amortisation that would have been charged since the impairment.

(o) Decommissioning

Provision for decommissioning is recognised in full when the related facilities are installed. A corresponding amount equivalent to the provision is also recognised as part of the cost of the related property, plant and equipment. The amount recognised is the estimated cost of decommissioning, discounted to its net present value using a risk-free rate, and is re-assessed each year in accordance with local conditions and requirements. Changes in the estimated timing of decommissioning or decommissioning cost estimates are dealt with prospectively by recording an adjustment to the provision, and a corresponding adjustment to property, plant and equipment. The unwinding of the discount on the decommissioning provision is included as a finance cost.

(p) Property, plant and equipment – non-oil and gas assets
Property, plant and equipment is stated in the balance sheet at cost less accumulated depreciation and any recognised impairment loss. Depreciation on property, plant and equipment other than production assets is provided at rates calculated to write off the cost less the estimated residual value of each asset on a straight-line basis over its expected useful economic life of between three and ten years.

(q) Borrowing costs
Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other finance costs, which include interest on borrowings calculated using the effective interest method as described in paragraph (aa), obligations under finance leases, the unwinding effect of discounting provisions and exchange differences, are recognised in the income statement in the period in which they are incurred.

(r) Share issue expenses and share premium account
Costs of share issues are written off against the premium arising on the issues of share capital.

(s) Taxation
Current and deferred tax, including UK corporation tax and overseas corporation tax, are provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred corporation tax is recognised on all temporary differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more, or right to pay less, tax in the future have occurred at the balance sheet date. Deferred tax assets are recognised only to the extent that it is considered more likely than not that there will be suitable taxable profits from which the underlying temporary differences can be deducted. Deferred tax is measured on a non-discounted basis.

Deferred tax is provided on temporary differences arising on acquisitions that are categorised as business combinations. Deferred tax is recognised at acquisition as part of the assessment of the fair value of assets and liabilities acquired. Any deferred tax is charged or credited in the income statement as the underlying temporary difference is reversed.

Petroleum revenue tax (PRT) is treated as an income tax and deferred PRT is accounted for under the temporary difference method. UK PRT refunds are included in the income statement and is taxable for UK corporation tax.

(t) Pensions
Contributions to the Group's defined contribution pension schemes are charged to operating profit on an accrual basis.

(u) Derivative financial instruments
The Group uses derivative financial instruments, such as forward currency contracts and commodity options contracts, to hedge its foreign currency risks and commodity price risks respectively.

Derivatives are recognised initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment;
- cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk;
- associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment; and
- hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting.

(u) Derivative financial instruments continued

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument;
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship; and
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

The Group designates only the intrinsic value of option contracts as a hedged item, i.e. excluding the time value of the option. The changes in the fair value of the aligned time value of the option are recognised in other comprehensive income and accumulated in the time value hedge reserve. If the hedged item is transaction related, the time value is reclassified to profit or loss when the hedged item affects profit or loss. If the hedged item is time-period related, then the amount accumulated in the time value hedge reserve is reclassified to profit or loss on a rational basis. Those reclassified amounts are recognised in profit or loss in the same line as the hedged item. Furthermore, if the Group expects that some or all of the loss accumulated in hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Group uses oil option contracts for its exposure to volatility of Dated Brent prices. The ineffective portion relating to option contracts is recognised as gain or loss on hedging instruments in the Group income statement.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item.

Cash flow hedge accounting is discontinued only when the hedging relationship or a part thereof ceases to meet the qualifying criteria. This includes when the designated hedged forecast transaction or part thereof is no longer considered to be highly probable to occur, or when the hedging instrument is sold, terminated or exercised without replacement or rollover. When cash flow hedge accounting is discontinued, amounts previously recognised within other comprehensive income remain in equity until the forecast transaction occurs and are reclassified to profit or loss or transferred to the initial carrying amount of a non-financial asset or liability as above. If the forecast transaction is no longer expected to occur, amounts previously recognised within other comprehensive income will be immediately reclassified to profit or loss.

(v) Convertible bonds

Where bonds issued with certain conversion rights are identified as compound instruments, the liability and equity components are separately recognised. The fair value of the liability component on initial recognition is calculated by discounting the contractual stream of future cash flows using the prevailing market interest rate for similar non-convertible debt. The difference between the fair value of the liability component and the fair value of the whole instrument is recorded as equity.

Transaction costs are apportioned between the liability and the equity components of the instrument based on the amounts initially recognised. The liability component is subsequently measured at amortised cost using the effective interest rate method, in line with our other financial liabilities. The equity component is not remeasured. On conversion of the instrument, equity is issued and the liability component is derecognised. The original equity component recognised at inception remains in equity. No gain or loss is recognised on conversion. In an event of a repayment of the liability component, the original equity component is transferred to retained earnings.

(w) Leases

On inception of a contract, the Group assesses whether the contract is, or contains, a lease. The contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To determine whether the contract conveys the right to control the use of an identified asset, the Group assesses whether the contract involves the use of an identified asset, the Group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use, and the Group has the right to direct the use of the asset.

i) Lessee accounting

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability, in case of Joint operation, adjusted for any amount receivable from Joint Venture Partners and any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs required to remove or restore the underlying asset, less any lease incentives received. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis, or applying the unit of production method, and the Joint Venture receivable is allocated against the monthly Joint Venture billing cycle.

The initial measurement of the corresponding lease liability is at the present value of the lease payments that are not paid at the lease commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

The lease payments include fixed payments, less any lease incentive receivable, variable leases payments based on an index or rate, and amounts expected to be payable by the lessee under residual value guarantees.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less, and leases of low-value assets with a value of $5,000.

Over the course of a lease contract, there will be taxable timing differences that could give rise to deferred tax, subject to local tax laws and regulations.

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

(x) Share-based payments

The Group has applied the requirements of IFRS 2 Share-based Payments. The Group has share-based awards that are equity settled and cash settled as defined by IFRS 2. The fair value of the equity settled awards has been determined at the date of grant of the award allowing for the effect of any market-based performance conditions. This fair value, adjusted by the Group's estimate of the number of awards that will eventually vest as a result of non-market conditions, is expensed uniformly over the vesting period.

The fair values were calculated using a binomial option pricing model with suitable modifications to allow for employee turnover after vesting and early exercise. Where necessary, this model is supplemented with a Monte Carlo model. The inputs to the models include: the share price at date of grant; exercise price; expected volatility; expected dividends; risk-free rate of interest; and patterns of exercise of the plan participants.

For cash settled awards, a liability is recognised for the goods or service acquired, measured initially at the fair value of the liability. At each balance sheet date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in the income statement.

(y) Financial assets

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss. The subsequent measurement of financial assets depends on their classification, as set out overleaf.

i) Financial assets measured at amortised cost

Assets are subsequently classified and measured at amortised cost when the business model of the Company is to collect contractual cash flows and the contractual terms give rise to cash flows that are solely payments of principal and interest. These assets are carried at amortised cost using the effective interest method if the time value of money is significant. Gains and losses are recognised in profit or loss when the assets are derecognised, modified or impaired. This category of financial assets includes trade and other receivables.

Financial assets measured at amortised cost include trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

ii) Financial asset measured at fair value through other comprehensive income

Assets are subsequently classified and measured at fair value through other comprehensive income when the business model of the Company is to collect contractual cash flows and sell the financial assets, and the contractual cash flows represent solely payments of principal and interest.

iii) Financial assets measured at fair value through profit or loss

Financial assets are classified as measured at fair value through profit or loss when the asset does not meet the criteria to be measured at amortised cost or fair value through other comprehensive income. These assets are carried on the balance sheet at fair value with gains or losses recognised in the income statement. Derivatives, other than those designated as effective hedging instruments, are included in this category.

As at 31 December 2022, the Group does not have any financial assets classified at fair value through profit or loss or other comprehensive income.

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Impairment of trade and joint venture receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and days past due.

The expected loss rates are based on the payment profiles of sales over the historical period and the corresponding historical credit losses experienced within this period. These rates are then applied to the gross carrying amount of the receivable to arrive at the loss allowance for the period. Based on Management assessment the credit loss in trade receivables and joint venture receivable as at 31 December 2022 would be immaterial; therefore, in line with IFRS 9, no impairment was recognised (2021: $nil).

In order to minimise the risk of default, credit risk is managed on a Group basis (note 18).

(z) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

(aa) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

(ab) Financial liabilities

The measurement of financial liabilities is determined by the initial classification.

i) Financial liabilities at fair value through profit or loss:
Those balances that meet the definition of being held for trading are measured at fair value through profit or loss. Such liabilities are carried on the balance sheet at fair value with gains or losses recognised in the income statement.

ii) Financial liabilities measured at amortised cost:
All financial liabilities not meeting the criteria of being classified at fair value through profit or loss are classified as financial liabilities measured at amortised cost. The instruments are initially recognised at its fair value net of transaction costs that are directly attributable to the issue of financial liability. Subsequent to initial recognition, financial liabilities are measured at amortised cost using the effective interest method.

Trade payables and borrowings fall under this category of financial instruments.

As at 31 December 2022 all financial liabilities are measured at amortised cost.

The Group derecognises a financial liability when it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires. A substantial modification of the terms of an existing financial liability or a part of it is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Offsetting of financial instruments:
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(ac) Equity instruments

Equity instruments are classified according to the substance of the contractual arrangements entered into.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

(ad) Insurance proceeds

Insurance proceeds related to lost production under the Business Interruption insurance policy are recorded as other operating income in the income statement. Proceeds related to compensation for incremental operating costs under the Business Interruption and Hull and Machinery insurance policies are recorded within the operating costs line of cost of sales. Proceeds related to compensation for capital costs under insurance policies are recorded within profit and loss with corresponding cost for replacement asset as additions to property, plant and equipment. Insurance proceeds are recognised at the point when the realisation of income is virtually certain.

(ae) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Onerous contracts
If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

(af) Critical accounting judgements

The Group assesses critical accounting judgements annually. The following are the critical judgements, apart from those involving estimations which are dealt with in policy (ag), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the Financial Statements.

Carrying value of intangible exploration and evaluation assets (note 9)

The amounts for intangible exploration and evaluation assets represent active exploration projects. These amounts will be written off to the income statement as exploration costs unless commercial reserves are established or the determination process is not completed and there are no indications of impairment in accordance with the Group's accounting policy. The process of determining whether there is an indicator for impairment or calculating the impairment requires critical judgement.

The key areas in which Management has applied judgement and estimation are as follows: the Group's intention to proceed with a future work programme for a prospect or licence; the likelihood of licence renewal or extension; the assessment of whether sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale; and the success of a well result or geological or geophysical survey.

Details on impact of these key estimates using sensitivities applied to impairment models can be found in note 9.

The most material area where judgement was applied during 2022 was in the assessment of the value in use (VIU) of the Kenyan CGU and assessing the likelihood of recovery of the net book value of the asset. A trigger for potential impairment reversal was identified following the Group's increase in long-term oil price assumption resulting in an increase in the underlying value of the project. Due to the stage of this project being pre-final investment decision (FID) and only having 2C resources booked, the VIU assessment required estimation and judgement in a number of different aspects including oil prices differentials, uncontracted cost profiles and certain fiscal terms. Furthermore, the Group has identified the following estimation uncertainties, which require judgement, in respect to the Group's ability to realise the estimated VIU; receiving an acceptable offer from a strategic partner, obtaining financing for the project and government deliverables. These items require satisfactory resolution before the Group can take FID. Due to the binary nature of these uncertainties the Group was unable to either adjust the cash flows or discount rate appropriately. It has therefore used its judgement and assessed the probability of achieving FID and therefore the recognition of commercial reserves.

This probability was applied to the VIU to determine a risk adjusted VIU and compared against the net book value of the asset. Based on this there is no impairment or impairment reversal as at 31 December 2022. Should the uncertainties around the project be resolved there will be a reversal of previously recognised impairment. However, if the uncertainties are not resolved there will be an impairment of $253 million.

Lease accounting (note 19)

Discount rate

The Group has assessed the appropriate incremental borrowing rate applicable for each contract. Management has applied the practical expedient which allows for the adoption of a portfolio approach, where a single discount rate for a portfolio of leases with similar characteristics can be applied. As the Group has external borrowings with a consortium of lenders, these are considered the best reference for the incremental borrowing rate for the Group. The weighted average cost of those borrowings is considered to the Group's 'all in rate', at the lease commencement date if the interest rate implicit in the lease is not readily determinable. As at 31 December 2022, the Group's incremental borrowing rate was 9.82%.

Determination of the lease term

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. For leases relating to Joint Venture operations where there is an option to extend, the Group will only proceed after it has received Joint Venture approval to extend. At the inception of new leases in relation to joint arrangements they do not include any period covered by an extension option in the lease term because they cannot be reasonably certain that approval from the other venturers can be obtained. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

Fair valuation of additional interest acquired in Ghana assets (note 15)

The additional interest acquired in the Ghana assets has been recorded at fair value as required under IFRS 3. The property, plant and equipment acquired through the business combination has been recognised at the fair value based on the net present value of the discounted future cash flows. Significant inputs to the valuation include short- and long-term commodity prices, reserve estimates, production volume profiles, planned development expenditure, cost profiles and discount rates, and are consistent with those applied by the management when testing assets for impairments.

(ag) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Carrying value of property, plant and equipment (note 10)

Management performs impairment reviews on the Group's property, plant and equipment assets at least annually with reference to indicators in IAS 36 Impairment of Assets. Where indicators of impairments or impairment reversals are present and an impairment or impairment reversal test is required, the calculation of the recoverable amount requires estimation of future cash flows within complex impairment models.

Key assumptions and estimates in the impairment models relate to: commodity prices assumptions, pre-tax discount rates, commercial reserves and the related cost profiles. Proven and probable reserves are estimates of the amount of oil and gas that can be economically extracted from the Group's oil and gas assets. The Group estimates its reserves using standard recognised evaluation techniques. The estimate is reviewed at least annually by Management and by independent consultants. Proven and probable reserves are determined using estimates of oil and gas in place, recovery factors and future commodity prices, the latter having an impact on the total amount of remaining recoverable reserves and the proportion of the gross reserves which are attributable to host governments under the terms of the Production Sharing Contracts. Future development costs are estimated taking into account the level of development required to produce the reserves by reference to operators, where applicable, and internal engineers.

Net entitlement reserves estimates are subsequently calculated using the current oil price and cost recovery assumptions, in line with the relevant agreements. Changes in reserves as a result of factors such as production cost, recovery rates, grade of reserves or oil and gas prices could impact the depletion rates, carrying value of assets (refer to the Commercial Reserves and Contingent Resources Summary on page 176).

The estimation applied by Management to the exploration risk premium adjustment to its impairment discount rates, estimated future commodity prices and forecast cash flows on the TEN asset would have the most material impact on the 2022 Financial Statements should Management have concluded differently.

Details on the impact of these key estimates and judgements using sensitivity applied to impairment models can be found in note 10.

Uncertain tax treatments

The Group is subject to various material claims which arise in the ordinary course of its business in various jurisdictions, including cost recovery claims, claims from regulatory bodies and both corporate income tax and indirect tax claims. The Group is in formal dispute proceedings regarding a number of these tax claims. The resolution of tax positions, through negotiation with the relevant tax authorities or litigation, can take several years to complete. In assessing whether these claims should be provided for in the Financial Statements, Management has considered them in the context of the applicable laws and relevant contracts for the countries concerned. Management has applied judgement in assessing the likely outcome of the claims and has estimated the financial impact based on external tax and legal advice and prior experience of such claims.

Due to the uncertainty of such tax items, it is possible that on conclusion of an open tax matter at a future date the outcome may differ significantly from Management's estimate. If the Group was unsuccessful in defending itself from all of these claims, the result would be additional liabilities of $1,024.0 million (2021: $1,025.5 million) which includes $32.4 million of interest and penalties (2021: $33.6 million).

Provisions of $106.4 million (2021: $127.9 million) are included in income tax payable ($70.6 million (2021: $34.1 million)), deferred tax liability ($nil (2021:41.0 million)), and provisions ($35.8 million (2021: $52.8 million)). Where these matters relate to expenditure which is capitalised within Intangible Exploration and Evaluation Assets and Property, Plant and Equipment, any difference between the amounts accrued and the amounts settled is capitalised within the relevant asset balance, subject to applicable impairment indicators. Where these matters relate to producing activities or historical issues, any differences between the accrued and settled amounts are taken to the group income statement.

The provisions and contingent liabilities relating to these disputes have decreased following the conclusion of tax authority challenges and matters lapsing under the statute of limitations, but have increased, following new claims being initiated and extrapolation of exposures through to 31 December 2022, giving rise to an overall decrease in provision of $21.5 million and decrease in contingent liability of $1.5 million.

(ag) Key sources of estimation uncertainty continued

Ghana tax assessments

In October 2021, Tullow Ghana Limited (TGL) filed a Request for Arbitration with the International Chamber of Commerce ("ICC") disputing the $320 million branch profits remittance tax (BPRT) assessment issued as part of the direct tax audit for the financial years 2014 to 2016. The Ghana Revenue Authority (GRA) is seeking to apply BPRT under a law which the Group considers is not applicable to TGL, since it falls outside the tax regime provided for in the Petroleum Agreements and relevant double tax treaties. The parties have agreed a procedural timetable for the arbitration under which the first Tribunal hearing will be held in October 2023.

In December 2022, TGL received a $190.5 million corporate income tax assessment and payment demand from the GRA relating to the disallowance of loan interest for the financial years 2010 to 2020. The Group has previously disclosed assessments by the GRA relating to the same issue; this revised assessment supersedes all previous claims. The Group considers the assessment to breach TGL's rights under its Petroleum Agreements. In February 2023, TGL filed a Request for Arbitration with the ICC, disputing the assessment with the suspension of TGL's obligation to pay any amount in relation to the assessment until the dispute is formally resolved.

In December 2022, TGL received a $196.5 million corporate income tax assessment and payment demand from the GRA relating to proceeds received by Tullow during the financial years 2016 to 2019 under Tullow's corporate Business Interruption Insurance policy. The Group considers the assessment to breach TGL's rights under its Petroleum Agreements. In February 2023, TGL filed a Request for Arbitration to the ICC, disputing the assessment with the suspension of TGL's obligation to pay any amount in relation to the assessment until the dispute is formally resolved.

The Group continues to engage with the Government of Ghana with the aim of resolving all tax disputes on a mutually acceptable basis.

Bangladesh litigation

The National Board of Revenue (NBR) is seeking to disallow $118 million of tax relief in respect of development costs incurred by Tullow Bangladesh Limited (TBL). The NBR subsequently issued a payment demand to TBL in February 2020 for Taka 3,094 million (c.$37 million) requesting payment by 15 March 2020. However, under the Production Sharing Contract (PSC), the Government is required to indemnify TBL against all taxes levied by any public authority, and the share of production paid to Petrobangla (PB), Bangladesh's national oil company, is deemed to include all taxes due which PB is then obliged to pay to the NBR. TBL sent the payment demand to PB and the Government requesting the payment or discharge of the payment demand under their respective PSC indemnities. On 14 June 2021, TBL issued a formal notice of dispute under the PSC to the Government and PB. A further request for payment was received from NBR on 28 October 2021 demanding settlement by 15 November 2021. Arbitration proceedings were initiated under the PSC on 29 December 2021. A procedural hearing was held on 28 June 2022 which set the timetable for the process going forward. The first submissions have been made in October 2022 with the first Tribunal hearing scheduled for May 2024.

Other items

Other items totalling $280.0 million (2021: 547.5 million) comprise exposures in respect of claims for corporation tax in respect of disallowed expenditure or withholding taxes that are either currently under discussion with the tax authorities or which arise in respect of known issues for periods not yet under audit.

Timing of cash flows

While it is not possible to estimate the timing of tax cash flows in relation to possible outcomes with certainty, Management anticipates that there will not be material cash taxes paid in excess of the amounts provided for uncertain tax treatments.

Notes to the Group Financial Statements
Year ended 31 December 2022

Note 1. Segmental reporting
The information reported to the Group's Chief Executive Officer for the purposes of resource allocation and assessment of segment performance is focused on four Business Units – Ghana, Non-operated producing assets including Uganda and decommissioning assets, Kenya and Exploration. Therefore, the Group's reportable segments under IFRS 8 are Ghana, Non-operated, Kenya and Exploration.

The following tables present revenue, loss and certain asset and liability information regarding the Group's reportable business segments for the years ended 31 December 2022 and 31 December 2021.

	Ghana $m	Non-Operated $m	Kenya $m	Exploration $m	Corporate $m	Total $m
2022						
Sales revenue by origin	1,578.5	524.0	–	–	(319.4)	1,783.1
Segment result[1]	692.5	337.3	(0.5)	(102.6)	(337.5)	589.2
Other provisions[2]						(4.1)
Gain on bargain purchase						196.8
Other gains and losses						3.1
Unallocated corporate expenses[3]						(51.1)
Operating profit						733.9
Gain on hedging instruments						0.8
Finance income						42.9
Finance costs						(335.5)
Profit before tax						442.1
Income tax expense						(393.0)
Profit after tax						49.1
Total assets	3,827.7	380.6	265.6	46.0	519.7	5,039.6
Total liabilities[4]	(2,220.5)	(401.6)	(14.1)	(4.6)	(2,858.3)	(5,499.1)
Other segment information						
Capital expenditure:						
Property, plant and equipment	342.9	26.9	–	–	0.9	370.7
Intangible exploration and evaluation assets	0.9	(1.7)	(2.1)	42.1	–	39.2
Depletion, depreciation and amortisation	(362.1)	(52.7)	(1.3)	–	(9.7)	(425.8)
Impairment of property, plant and equipment, net	(380.6)	(10.6)	–	–	–	(391.2)
Exploration costs written off	(0.9)	1.8	(0.5)	(105.6)	–	(105.2)

1. Segment result is a non-IFRS measure which includes gross profit, exploration costs written off and impairment of property, plant and equipment. See reconciliation below.
2. This is included within the Restructuring costs and other provisions in the Group Income Statement.
3. Unallocated expenditure include amounts of a corporate nature and not specifically attributable to a geographic area.
4. Total liabilities – Corporate comprise of the Group's external debt and other non-attributable liabilities.

Reconciliation of segment result

	2022 $m	2021 Restated[1] $m
Segment result	589.2	532.3
Add back:		
Exploration costs written off	105.2	59.9
Impairment of property, plant and equipment	391.2	54.3
Gross profit	1,085.6	646.5

1. Revenue from crude oil sales has been restated following a revision to the Group's accounting policy. This resulted in an increase to revenue for the year ended 31 December 2022 of $21.4 million (2021: $12.2 million), and a corresponding increase to income tax expense. Refer to note 6.

Note 1. Segmental reporting continued

All sales are made to external customers. Included in revenue arising from Ghana and Non-Operated segments are revenues of approximately $696.9 million, $566.1 million, $310.9 million and $242.3 million relating to the Group's customers who each contribute more than 10% of total sales revenue (2021: 329.6 million, $256.9 million, $151.1 million and $145.2 million). As the sales of oil and gas are made on global markets and are highly liquid, the Group does not place reliance on the largest customers mentioned above. Payment terms are typically 30 days from the bill of lading.

	Ghana $m	Non-Operated $m	Kenya $m	Exploration $m	Corporate $m	Total $m
2021						
Sales revenue by origin – restated[6]	1,020.4	417.9	–	–	(152.9)	1,285.4
Segment result[1]- restated[6]	469.8	298.7	–	(70.5)	(165.7)	532.3
Other provisions[2]	6.6	–	(13.2)	–	(52.1)	(58.7)
Gain on disposal						120.3
Unallocated corporate expenses[3]						(67.2)
Operating profit						526.7
Finance income						44.3
Finance costs						(356.1)
Profit before tax						214.9
Income tax expense - restated[6]						(295.6)
Loss after tax						(80.7)
Total assets – restated[6]	4,283.8	501.2	264.6	122.3	368.8	5,540.6
Total liabilities[4] – restated[6]	(2,529.3)	(478.9)	(18.0)	(12.8)	(2,967.7)	(6,006.7)
Other segment information						
Capital expenditure:						
Property, plant and equipment	99.6	43.9	–	–	4.6	148.1
Intangible exploration and evaluation assets[5]	1.2	(11.8)	8.2	48.8	–	46.3
Depletion, depreciation and amortisation	(334.5)	(28.8)	(1.4)	(0.1)	(14.1)	(378.9)
Impairment of property, plant and equipment, net	(119.1)	64.8	–	–	–	(54.3)
Exploration costs written off[5]	(1.2)	11.8	–	(70.5)	–	(59.9)

1. Segment result is a non-IFRS measure which includes gross profit, exploration costs written off and impairment of property, plant and equipment. See reconciliation below.
2. This is included within the Restructuring costs and other provisions in the Group Income Statement.
3. Unallocated expenditure include amounts of a corporate nature and not specifically attributable to a geographic area.
4. Total liabilities – Corporate comprise of the Group's external debt and other non-attributable liabilities.
5. Non-operated segment includes release of $15.3 million indirect tax provision following settlement.
6. Segment revenue and segment result allocation between the reportable segments have been restated to correct a prior period error arising from incorrect classification of loss on realisation of the cash flow hedges within reportable segments. Total balances have remained unchanged.

   The allocation for the year ended 31 December 2021 increased revenue for Ghana and Non-Operated by $109.8 million and $43.1 million, respectively, whilst the hedging loss of $152.9 million was allocated to Corporate.

   Total assets and total liabilities allocation between the reportable segments have been restated to correct a prior period error arising from incorrect classification of tax assets and liabilities within reportable segments. The above balances have been restated by:

	Ghana $m	Non-Operated $m	Kenya $m	Exploration $m	Corporate $m	Total $m
Total assets – increase/(decrease)	(35.1)	5.4	(6.0)	(22.0)	57.8	–
Total liabilities – (increase)/decrease	(32.0)	(11.2)	6.0	24.0	13.2	–

In addition, revenue from crude oil sales has been restated following a revision to the Group's accounting policy. This resulted in an increase to revenue for the year ended 31 December 2022 of $21.4 million (2021: $12.2 million), and a corresponding increase to income tax expense. Refer to note 6.

Note 1. Segmental reporting continued

Sales revenue and non-current assets by origin	**Sales revenue 2022 $m**	Sales revenue 2021 Restated[2] $m	**Non-current assets[3] 2022 $m**	Non-current assets[3] 2021 $m
Ghana	**1,578.5**	1,020.4	**3,087.4**	3,131.3
Total Ghana	**1,578.5**	1,020.4	**3,087.4**	3,131.3
Kenya	**–**	–	**258.5**	261.7
Total Kenya	**–**	–	**258.5**	261.7
Argentina	**–**	–	**33.6**	30.4
Côte d'Ivoire	**–**	–	**2.4**	–
Guyana	**–**	–	**–**	69.1
Total Exploration	**–**	–	**36.0**	99.5
Gabon	**477.0**	312.6	**132.6**	148.7
Côte d'Ivoire	**47.0**	46.2	**59.2**	81.4
Equatorial Guinea[1]	**–**	59.1	**–**	–
Total Non-Operated	**524.0**	417.9	**191.8**	230.1
Corporate	**(319.4)**	(152.9)	**23.4**	35.6
Total	**1,783.1**	1,285.4	**3,597.1**	3,758.3

1. The disposal of Equatorial Guinea was completed in March 2021 (refer to note 8).
2. Segment revenue allocation between the reportable segments has been restated to correct a prior period error arising from incorrect classification of loss on realisation of the cash flow hedges within reportable segments. Total balances have remained unchanged. The allocation for the year ended 31 December 2021 increased revenue for Ghana and Non-Operated by $109.8 million and $43.1 million, respectively, whilst the hedging loss of $152.9 million was allocated to Corporate.

   In addition, Revenue from crude oil sales has been restated following a revision to the Group's accounting policy. For the year ended 31 December 2022, this resulted in an increase to revenue in Côte d'Ivoire of $3.2 million and Gabon of $18.2 million (2021: $5.5 million and $6.7 million, respectively), and a corresponding increase to income tax expense. Refer to note 6.
3. Non-current assets exclude derivative financial instruments and deferred tax assets.

Note 2. Total revenue

	2022 $m	2021 Restated[1] $m
Revenue from contracts with customers		
Revenue from crude oil sales[1]	**2,102.5**	1,438.4
Total revenue from contracts with customers	**2,102.5**	1,438.4
Loss on realisation of cash flow hedges	**(319.4)**	(153.0)
Total revenue	**1,783.1**	1,285.4

1. Revenue from crude oil sales has been restated following a revision to the Group's accounting policy. This resulted in an increase to revenue for the year ended 31 December 2022 of $21.4 million (2021: $12.2 million), and a corresponding increase to income tax expense. Refer to note 6.

Finance income has been presented as part of net financing costs (refer to note 5).

Note 3. Staff costs

The average annual number of employees employed by the Group worldwide was:

	2022 Number	2021 Number
Administration	**182**	192
Technical	**194**	186
Total	**376**	378

Note 3. Staff costs continued

Staff costs in respect of those employees were as follows:

	2022 $m	2021 $m
Salaries	**66.3**	64.3
Social security costs	**7.0**	10.4
Pension costs	**5.3**	5.2
Redundancy costs	**0.1**	3.1
Total staff costs	**78.7**	83.0

A proportion of the Group's staff costs shown above is recharged to the Group's Joint Venture Partners, a proportion is allocated to operating costs and a proportion is capitalised into the cost of fixed assets under the Group's accounting policy for exploration, evaluation and production assets with the remainder classified as an administrative overhead cost in the income statement. The net staff costs recognised in the income statement were $10.5 million (2021: $23.8 million).

The Group operates defined contribution pension schemes for staff and Executive Directors. The contributions are payable to external funds which are administered by independent trustees. Contributions during the year amounted to $5.3 million (2021: $5.2 million).

Details of Directors' remuneration, Directors' transactions and Directors' interests are set out in the part of the Directors' Remuneration Report described as having been audited, which forms part of these Financial Statements.

Note 4. Other costs

	Notes	2022 $m	2021 $m
Operating profit is stated after charging/(deducting):			
Operating costs		**266.5**	268.7
Depletion and amortisation of oil and gas and leased assets[1]	10	**410.7**	360.9
Underlift, overlift and oil stock movements		**(46.3)**	(20.0)
Royalties		**61.7**	40.5
Share-based payment charge included in cost of sales	23	**0.4**	0.5
Other cost of sales		**4.4**	(11.7)
Total cost of sales		**697.5**	638.9
Share-based payment charge included in administrative expenses	23	**5.4**	11.1
Depreciation of other fixed assets[1]	10	**15.1**	18.0
Other administrative costs		**30.5**	35.0
Total administrative expenses		**51.0**	64.1
Total restructuring costs and other provisions[2]		**4.2**	61.8
Fees payable to the Company's auditor for:			
The audit of the Company's annual accounts		**2.1**	1.6
The audit of the Company's subsidiaries pursuant to legislation		**0.6**	0.8
Total audit services		**2.7**	2.4
Non-audit services:			
Audit-related assurance services – half-year review		**0.5**	0.5
Corporate finance services		**1.0**	0.4
Other services		**–**	0.1
Total non-audit services		**1.5**	1.0
Total		**4.2**	3.6

1. Depreciation expense on leased assets of $60.9 million as per note 10 includes a charge of $3.9 million on leased administrative assets, which is presented within administrative expenses in the income statement. The remaining balance of $57.0 million relates to other leased assets and is included within cost of sales.
2. This includes restructuring and redundancy costs of $0.1 million (2021: $3.1 million) as well as movements in other provisions of $4.1 million (2021: $58.7 million).

Note 4. Other costs continued

Fees payable to Ernst & Young LLP and its associates for non-audit services to the Company are not required to be disclosed because the consolidated Financial Statements are required to disclose such fees on a consolidated basis.

Corporate finance services are in relation to Class 1 Disposal. Non-audit services were 55% of audit services during the year.

Details of the Company's policy on the use of the auditor for non-audit services, the reasons why the auditor was used rather than another supplier and how the auditor's independence and objectivity are safeguarded are set out in the Audit Committee Report on pages 63 to 68. No services were provided pursuant to contingent fee arrangements.

Note 5. Net financing costs

	Notes	**2022 $m**	2021 $m
Interest on bank overdrafts and borrowings		**250.4**	243.0
Interest on obligations under leases	19	**76.4**	83.4
Total borrowing costs		**326.8**	326.4
Finance and arrangement fees		**0.3**	19.1
Other interest expense		**2.4**	3.0
Unwinding of discount on decommissioning provisions	20	**6.0**	7.6
Total finance costs		**335.5**	356.1
Interest income on amounts due from Joint Venture Partners for leases	19	**(29.6)**	(38.8)
Other finance income		**(13.3)**	(5.5)
Total finance income		**(42.9)**	(44.3)
Net financing costs		**292.6**	311.8

Note 6. Taxation on profit on continuing activities

	Notes	**2022 $m**	2021 Restated[1] $m
Current tax on profits for the year			
UK corporation tax		**(11.8)**	(19.2)
Foreign tax		**321.0**	162.2
Taxes paid in kind under production sharing contracts		**21.4**	12.2
Adjustments in respect of prior periods		**(3.3)**	(3.3)
Total corporate tax		**327.3**	151.9
UK petroleum revenue tax		**(2.8)**	(1.2)
Total current tax		**324.5**	150.7
Deferred tax			
Origination and reversal of temporary differences			
UK corporation tax		**11.4**	18.1
Foreign tax		**54.0**	80.3
Adjustments in respect of prior periods		**(2.9)**	43.8
Total deferred corporate tax		**62.5**	142.2
Deferred UK petroleum revenue tax		**6.0**	2.7
Total deferred tax	21	**68.5**	144.9
Total income tax expense		**393.0**	295.6

1. Income tax expense has been restated following a revision to the Group's accounting policy. The revenue from certain Production Sharing Contracts in Gabon and Côte d'Ivoire is now presented gross of corporate income taxes deemed to have been paid as part of the Government's share of profit oil. This has resulted in an increase to revenue for the year ended 31 December 2022 of $21.4 million (2021: $12.2 million), and a corresponding increase to income tax expense. This change has been implemented to more accurately represent the income taxes suffered by the Group on its profits in Gabon and Côte d'Ivoire and to be more comparable with other entities in the sector.

Note 6. Taxation on profit on continuing activities continued

The tax rate applied to profit on continuing activities in preparing the reconciliation below is the UK corporation tax rate applicable to the Group's UK profits. The difference between the total income tax expense shown above and the amount calculated by applying the standard rate of UK corporation tax applicable to UK profits of 19% (2021: 19%) to the profit before tax is as follows:

	2022 $m	2021 Restated $m
Profit from continuing activities before tax	**442.1**	214.9
Tax on profit from continuing activities at the standard UK corporation tax rate of 19% (2021: 19%)	**84.0**	40.8
Effects of:		
Non-deductible exploration expenditure[a]	**0.5**	8.5
Other non-deductible expenses	**27.8**	13.3
Deferred tax asset not recognised[b]	**138.5**	94.4
Utilisation of tax losses not previously recognised	**(0.4)**	(0.1)
Adjustment relating to prior years[c]	**(6.2)**	40.4
Other tax rates applicable outside the UK	**214.6**	118.3
Other income not subject to corporation tax	**(0.1)**	(20.0)
Tax impact of acquisition through business combination (note 15)	**(65.7)**	–
Total income tax expense for the year	**393.0**	295.6

a. Includes recurring explorations costs written off where there is no deferred tax impact.
b. Includes hedging losses and interest expense.
c. Includes movements in provisions in respect of uncertain tax treatments.

The Finance Act 2021 sets the Corporation Tax main rate at 19% for the financial year beginning 1 April 2022 and at 25% for the financial year beginning 1 April 2023. These changes were enacted on 10 June 2021 and hence the effect of the change on the deferred tax balances has been included, depending upon when deferred tax is expected to reverse.

The Group's profit before taxation will continue to arise in jurisdictions where the effective rate of taxation differs from that in the UK, such as Ghana (35%) and Gabon convention fields (50%), Gabon PSC fields (35%) and CDI PSC (25%). Furthermore, there is no tax benefit arising on net interest and hedging expense in the UK. Accordingly, the Group's tax charge will continue to vary according to the jurisdictions in which pre-tax profits arise.

The Group has tax losses of $4,237.4 million (2021: $5,400.0 million) that are available for offset against future taxable profits in the companies in which the losses arose. Deferred tax assets have not been recognised in respect of losses of $4,128.9 million (2021: $4,749.7 million) as it is not sufficiently probable that there will be future taxable profits against which these losses can be utilised.

The Group has recognised deferred tax assets of $35.8 million (2021: $222.0 million) in relation to tax losses only to the extent of anticipated future taxable income or gains in relevant jurisdictions. The Group has suffered these losses in either the current or preceding period in the tax jurisdiction to which the deferred tax asset relates. The tax losses can be carried forward indefinitely.

There are no temporary differences relating to unremitted earnings of overseas subsidiaries as the Group is able to control the timing of the reversal of these temporary differences and it is probable that they will not reverse in the foreseeable future.

Tax relating to components of other comprehensive income

During 2022 nil tax expense (2021: $2.8 million of tax credit) has been recognised through other comprehensive income.

Note 7. Earnings /(loss) per ordinary share

Basic earnings/(loss) per ordinary share amounts are calculated by dividing net profit/(loss) for the year attributable to ordinary equity holders of the Parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per ordinary share amounts are calculated by dividing net profit/(loss) for the year attributable to ordinary equity holders of the Parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of dilutive ordinary shares that would be issued if employee and other share options were converted into ordinary shares.

	2022 $m	2021 $m
Profit/ (loss) for the year		
Net profit attributable to equity shareholders	**49.1**	(80.7)
Effect of dilutive potential ordinary shares	**–**	–
Diluted net earnings/ (loss) attributable to equity shareholders	**49.1**	(80.7)

	2022 Number	2021 Number
Number of shares		
Basic weighted average number of shares	**1,437,099,966**	1,418,378,706
Dilutive potential ordinary shares	**48,375,409**	45,708,796
Diluted weighted average number of shares	**1,485,475,375**	1,464,087,502

Note 8. Asset disposals

On 31 March 2021, the Group completed the sale of its assets in Equatorial Guinea with a cash consideration received of $88.9 million. This transaction included contingent future payments of up to $16.0 million which are linked to asset performance and oil price. As per the SPA, a further $5.0 million of additional consideration was also received on completion of Dussafu Marin Permit in Gabon.

On 9 June 2021, the Group completed the asset sale of Dussafu Marin Permit in Gabon with a cash consideration received of $39.0 million. This transaction included contingent future payments of up to $24.0 million which are linked to asset performance and oil price.

Given Tullow no longer holds interest in the above assets, based on publicly available information the Company has assessed that the asset performance condition is not met. Accordingly, no contingent consideration has been recognised as of 31 December 2022.

Book value of assets disposed	Equatorial Guinea $m	Dussafu $m	Total $m
Property, plant and equipment	72.9	52.0	124.9
Inventories	6.9	3.2	10.1
Other current assets	68.5	1.7	70.2
Total assets disposed	148.3	56.9	205.2
Trade and other payables	(36.1)	(18.5)	(54.6)
Provisions	(118.2)	(4.7)	(122.9)
Current tax liabilities	(13.6)	–	(13.6)
Deferred tax liabilities	(17.8)	–	(17.8)
Total liabilities disposed	(185.7)	(23.2)	(208.9)
Net (liabilities)/ assets disposed	(37.4)	33.7	(3.7)
Cash consideration	93.8	39.0	132.8
Transaction costs	(11.0)	(0.3)	(11.3)
Gain on disposal[1]	120.2	5.0	125.2

1. In 2021, in addition to $125.2 million gain on disposals recognised following the Equatorial Guinea and Dussafu disposals, the Group recognised a loss of $5.1 million relating to its sale of Dutch assets to Hague and London Oil plc (HALO) in 2017, and a gain of $0.2 million relating to other transactions during the period which resulted in an overall gain of $120.3 million. No gain on disposals was recognised for the year ended 31 December 2022.

Note 8. Asset disposals continued

Uganda

Contingent asset

During 2020, the Group completed the disposal of its interest in Uganda for upfront cash consideration of $500.0 million, with $75.0 million due on FID and contingent future payments linked to oil prices. Given the existing uncertainties around the project, management has concluded that the conditions for recognition of an asset associated with contingent consideration under IFRS 15 were not met as of 31 December 2022.

Note 9. Intangible exploration and evaluation assets

	2022 $m	2021 $m
At 1 January	**354.6**	368.2
Additions[1]	**39.2**	46.3
Amounts written off	**(105.2)**	(59.9)
At 31 December	**288.6**	354.6

1. In Kenya, proceeds from Early Oil Pilot Scheme (EOPS) cargo sales of $6.9 million have been recorded as a credit against capital expenditure.

The below table provides a summary of the exploration costs written off on a pre tax basis by country.

Country	CGU	Rationale for 2022 write-off	2022 write-off $m	2022 Remaining recoverable amount $m
Guyana	Kanuku	a, b	**75.3**	**–**
Guyana	Orinduik	b	**22.4**	**–**
Côte d'Ivoire	Block 524	c	**3.1**	**–**
New Ventures	Various	d	**3.0**	**–**
Other	Various		**1.4**	**–**
Total write-off			**105.2**	**–**

a. Unsuccessful well costs written off.
b. Licence relinquishments, expiry, planned exit or reduced activity.
c. Current year expenditure on assets previously written off.
d. New Ventures expenditure is written off as incurred.

In Kenya, the Group had received a 15-month licence extension from September 2020 to December 2021 which was contingent on certain conditions, including submission of a technically and commercially compliant Field Development Plan (FDP). On 10 December 2021, Tullow and its Joint Venture Partners submitted an FDP to the Government of Kenya and fulfilled its licence obligations. The Group expects a production licence to be granted once due Government process has been completed.

Since 1 January 2022, there have been ongoing discussions with the Government of Kenya on approval of the FDP and securing government deliverables. An updated FDP was submitted on 3rd of March and is being reviewed by the Government of Kenya before ratification by the Kenyan Parliament. In addition, the Company continues to progress with the farm down process.

In line with its accounting policy, the Group has performed a VIU assessment of the Kenya asset following identification of triggers for impairment and impairment reversal. This resulted in an NPV significantly in excess of the book value of $252.6 million. However, the Group has identified the following estimation uncertainties in respect to the Group's ability to realise the estimated VIU; receiving and subsequently finalising an acceptable offer from a strategic partner and securing governmental approvals relating thereto, obtaining financing for the project and government deliverables. These items require satisfactory resolution before the Group can take a Final Investment Decision. Due to the binary nature of these uncertainties the Group was unable to either adjust the cash flows or discount rate appropriately. It has therefore used its judgement and assessed a probability of achieving FID and therefore the recognition of commercial reserves. This probability was applied to the VIU to determine a risk adjusted VIU and compared against the net book value of the asset. Based on this there is no impairment or impairment reversal as at 31 December 2022. The cash flows in the VIU assessment were discounted using a pre- tax nominal r discount rate of 20%. Refer to note 10 for oil price assumptions.

Note 9. Intangible exploration and evaluation assets continued

Should the uncertainties around the project be resolved, there will be a reversal of a previously recorded impairment. However, if the uncertainties are not resolved there will be an additional impairment of $252.6 million. A reduction or increase in the two-year forward curve of $5/bbl, based on the approximate range of annualised average oil price over recent history, and a reduction or increase in the medium and long-term price assumptions of $5/bbl, based on the range of annualised average historical prices, are considered to be reasonably possible changes for the purposes of sensitivity analysis. Decreases to oil prices specified above would result in an impairment charge of $31.6 million, whilst increases to oil prices specified above would result in an impairment reversal of $35.2 million. A 1% change in the pre-tax discount rate would result in an impairment charge of $34.2 million. The Group believes a 1% change in the pre-tax discount rate to be a reasonable possibility based on historical analysis of the Group's and a peer group of companies' impairments. Refer to Note 26 for Net Zero Emission scenarios.

Country	CGU	Rationale for 2021 write-off	2021 write-off $m	2021 Remaining recoverable amount $m
Suriname	Blocks 47 and 62	b,d	58.9	–
Uganda	Exploration areas 1,1A, 2 and 3A	c	(15.3)	–
Gabon	Tchatamba	d	2.2	–
Peru	Licences Z67 and Z68	b	1.8	–
Côte d'Ivoire	Block 520	b	6.6	–
Other	Various	a	5.7	–
Total write-off			59.9	–

a. Current year expenditure on assets previously written off.
b. Licence relinquishments, expiry, planned exit or reduced activity.
c. Release of indirect tax provision following settlement.
d. Unsuccessful well costs written off.

Note 10. Property, plant and equipment

	Notes	**2022 Oil and gas assets $m**	**2022 Other fixed assets $m**	**2022 Right of use assets $m**	**2022 Total $m**	2021 Oil and gas assets $m	2021 Other fixed assets $m	2021 Right of use assets $m	2021 Total $m
Cost									
At 1 January		**10,521.7**	**69.5**	**1,091.7**	**11,682.9**	10,460.2	69.6	1,018.6	11,548.4
Additions	1	**305.2**	**2.0**	**63.5**	**370.7**	73.0	1.6	73.5	148.1
Acquisitions[1]	15	**473.2**	**–**	**–**	**473.2**				
Transfer[2]	15	**–**	**–**	**86.6**	**86.6**				
Asset retirement		**–**	**(38.1)**	**(41.7)**	**(79.8)**	–	(1.4)	–	(1.4)
Currency translation adjustments		**(117.5)**	**(3.4)**	**(3.3)**	**(124.2)**	(11.5)	(0.3)	(0.4)	(12.2)
At 31 December		**11,182.6**	**30.0**	**1,196.8**	**12,409.4**	10,521.7	69.5	1,091.7	11,682.9
Depreciation, depletion, amortisation and impairment									
At 1 January		**(8,263.7)**	**(53.8)**	**(450.8)**	**(8,768.3)**	(7,915.9)	(42.3)	(352.3)	(8,310.5)
Charge for the year	4	**(353.7)**	**(11.2)**	**(60.9)**	**(425.8)**	(304.9)	(13.4)	(60.6)	(378.9)
Impairment loss		**(391.2)**	**–**	**–**	**(391.2)**	(54.3)	–	–	(54.3)
Capitalised depreciation		**–**	**–**	**(46.1)**	**(46.1)**	–	–	(38.0)	(38.0)
Asset retirement		**–**	**38.1**	**41.7**	**79.8**	–	1.4	–	1.4
Currency translation adjustments		**120.2**	**2.5**	**0.9**	**123.6**	11.4	0.5	0.1	12.0
At 31 December		**(8,888.4)**	**(24.4)**	**(515.2)**	**(9,428.0)**	(8,263.7)	(53.8)	(450.8)	(8,768.3)
Net book value at 31 December		**2,294.2**	**5.6**	**681.6**	**2,981.4**	2,258.0	15.7	640.9	2,914.6

1. This relates to an acquisition through business combination discussed in Note 15.
2. As a result of Ghana pre-emption a proportionate amount has been reclassified from receivables due from joint venture partners to right of use assets relating to the Group's existing interest in lease contracts in the joint operation.

The currency translation adjustments arose due to the movement against the Group's presentational currency, USD, of the Group's UK assets, which have a functional currency of GBP.

Note 10. Property, plant and equipment continued

During 2022 and 2021 the Group applied the following nominal oil price assumptions for impairment assessments:

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6 onwards
2022	**$84/bbl**	**$79/bbl**	**$70/bbl**	**$70/bbl**	**$70/bbl**	**$70/bbl inflated at 2%**
2021	$76/bbl	$71/bbl	$68/bbl	$65/bbl	$65/bbl	$65/bbl inflated at 2%

	Trigger for 2022 impairment/ (reversal)	**2022 Impairment/ (reversal) $m**	Pre-tax discount rate assumption	**2022 Remaining recoverable amount[d] $m**
Limande and Turnix CGU (Gabon)	a	**(1.6)**	15%	**44.6**
Tchatamba (Gabon)	a	**(1.3)**	15%	**38.0**
Oba and Middle Oba CGU (Gabon)	a	**(0.4)**	17%	**11.8**
Echira, Niungo and Igongo (Gabon)	a	**(1.4)**	17%	**8.6**
TEN (Ghana)	b	**380.6**	13%	**931.7**
Mauritania	a	**12.8**	n/a	**–**
UK CGU	a,c	**2.5**	n/a	**–**
Impairment		**391.2**		

a. Change to decommissioning estimate.
b. Revision of value based on revisions to reserves
c. The fields in the UK are grouped into one CGU as all fields within those countries share critical gas infrastructure.
d. The remaining recoverable amount of the asset is its value in use.

Impairments identified in the TEN fields of $380.6 million were primarily due to lower 2P reserves partially offset by oil price assumptions.

Oil prices stated above are benchmark prices to which an individual field price differential is applied. All impairment assessments are prepared on a VIU basis using discounted future cash flows based on 2P reserves profiles. A reduction or increase in the two-year forward curve of $5/bbl, based on the approximate range of annualised average oil price over recent history, and a reduction or increase in the medium and long-term price assumptions of $5/bbl, based on the range of annualised average historical prices, are considered to be reasonably possible changes for the purposes of sensitivity analysis. Decreases to oil prices specified above would increase the impairment charge by $131.4 million for Ghana and increase the impairment by $19.2 million for Non-Operated, whilst increases to oil prices specified above would result in a credit to the impairment charge of $122.0 million for Ghana and no change to Non-Operated. A 1% change in the pre-tax discount rate would increase the impairment by $33.0 million for Ghana and increase the impairment by $2.9 million for Non-Operated. The Group believes a 1% change in the pre-tax discount rate to be a reasonable possibility based on historical analysis of the Group's and peer group of companies' impairments.

For Net Zero Emissions sensitivities refer to Note 26.

	Trigger for 2021 impairment/ (reversal)	2021 Impairment/ (reversal) $m	Pre tax discount rate assumption	2021 Remaining recoverable amount $m
Limande and Turnix CGU (Gabon)	a,c	(40.8)	13%	50.8
Ezanga (Gabon)	a,c	(17.0)	15%	22.4
Oba and Middle Oba CGU (Gabon)	a,c	(3.2)	15%	10.5
Espoir (Côte d'Ivoire)	a,c	(8.7)	10%	81.4
TEN (Ghana)	a,b,c	119.1	10%	1,171.4
Mauritania	b	2.1	n/a	–
UK CGU	b,d	2.8	n/a	–
Impairment		54.3		

a. Increase to short, medium and long-term oil price assumptions.
b. Change to decommissioning estimate.
c. Revision of value based on revisions to reserves.
d. The fields in the UK are grouped into one CGU as all fields within those countries share critical gas infrastructure.
e. The remaining recoverable amount of the asset is its value in use.

Note 10. Property, plant and equipment continued

Impairments identified in the TEN fields of $119.1 million were primarily due to lower TEN 2P reserves and higher capital expenditure partially offset by price and lower decommissioning costs. This is offset by impairment reversals mainly in Gabon of $61.1 million and Espoir of $8.7 million as a result of higher oil prices and higher 2P reserves.

Oil prices stated above are benchmark prices to which an individual field price differential is applied. All impairment assessments are prepared on a VIU basis using discounted future cash flows based on 2P reserves profiles. A reduction or increase in the two-year forward curve of $5/bbl, based on the approximate range of annualised average oil price over recent history, and a reduction or increase in the medium and long-term price assumptions of $5/bbl, based on the range of annualised average historical prices, are considered to be reasonably possible changes for the purposes of sensitivity analysis. Decreases to oil prices specified above would increase the impairment charge by $157.7 million for Ghana and reduce the impairment reversal by $12.4 million for Non-Operated, whilst increases to oil prices specified above would result in a credit to the impairment charge of $157.7 million for Ghana and increase the impairment reversal by $1.3 million for Non-Operated. A 1% increase in the pre-tax discount rate would increase the impairment by $40.7 million for Ghana and reduce the impairment reversal by $3.3 million for Non-Operated. The Group believes a 1% change in the pre-tax discount rate to be a reasonable possibility based on historical analysis of the Group's and peer group of companies' impairment.

Note 11. Other assets

	Notes	**2022 $m**	2021 $m
Non-current			
Amounts due from Joint Venture Partners	19	**323.3**	486.0
VAT recoverable		**3.8**	3.1
		327.1	489.1
Current			
Amounts due from Joint Venture Partners	19	**452.3**	554.7
Underlifts		**76.2**	26.7
Prepayments		**31.3**	49.6
Other current assets		**8.1**	73.5
		567.9	704.5
		895.0	1,193.6

The decrease in non-current receivables from JV Partners compared to December 2021 mainly relates to reduction in time remaining on the TEN FPSO lease, net decrease in GNPC (Ghana National Petroleum Corporation) receivable and reduction in partner share following Ghana pre-emption.

The movement in current receivables from JV Partners relates mainly to timing of partner balances and reduction in partner share following Ghana pre-emption.

The decrease in other current assets compared to 2021 is mainly due to a collection of the deferred consideration relating to the Uganda disposal in March 2022 ($67.9 million net).

Note 12. Inventories

	2022 $m	2021 $m
Warehouse stock and materials	**69.1**	55.5
Oil stock	**112.5**	79.3
	181.6	134.8

The increase in oil stock is associated with the timing of liftings of the Group's share of crude oil around period end.

Note 13. Trade receivables

Trade receivables comprise amounts due for the sale of oil. They are generally due for settlement within 30–60 days and are therefore all classified as current. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

The balance of trade receivables as at 31 December 2022 of $26.8 million (2021:$99.8 million) mainly relates to oil sales in Gabon for liftings between September and December 2022. The December Jubilee (Ghana) sale was settled before 31 December 2022.

Note 14. Cash and cash equivalents

	Notes	2022 $m	2021 $m
Cash at bank		**305.3**	226.1
Short-term deposits and other cash equivalents		**331.0**	243.0
		636.3	469.1

Cash and cash equivalents includes an amount of $74.7 million (2021: $92.4 million) which the Group holds as operator in Joint Venture bank accounts. Included within cash at bank is $7.0 million (2021: $0.8 million) held in restricted bank accounts. This mainly consists of $4.5 million held as security for performance bonds relating to work commitments on exploration licences.

Note 15. Business combination

On 17 March 2022 the Group completed the pre-emption related to the sale of Occidental Petroleum's ("Oxy") interests in the Jubilee and TEN fields in Ghana to Kosmos Energy. As a result of this acquisition, the Group's interest in the TEN fields increased from 47.18% to 54.84%, and from 35.48% to 39.0% in the Jubilee field. Tullow did not obtain control as a result of this transaction, as all joint venture partners retain joint control.

The total purchase consideration, which was funded from cash on the balance sheet, comprises of $118.2 million cash settled on completion, and $8.6 million subsequent post-completion adjustment paid in May 2022. There is no element of contingent consideration included in the purchase price.

The fair values of the identifiable assets and liabilities acquired were:

	Fair value recognised on acquisition $m
Property, plant and equipment	473.2
Inventories	12.1
Other current assets	31.4
Total assets acquired	516.7
Trade and other payables	(10.5)
Provisions	(61.6)
Deferred tax liabilities	(143.6)
Total liabilities assumed	(215.5)
Net identifiable assets acquired	**301.0**
Purchase consideration transferred	(126.8)
Deemed settlement of provision	22.6
Gain on bargain purchase	**196.8**

There were no acquisitions in the year ended 31 December 2021.

The property, plant and equipment acquired through the business combination has been recognised at the fair value based on the net present value of the discounted future cash flows. Significant inputs to the valuation include short- and long-term commodity prices, reserve estimates, production volume profiles, planned development expenditure, cost profiles and discount rates, and are consistent with those applied by the management when testing assets for impairments.

The fair value of acquired other receivables is nil. The gross contractual amount for other receivables due is $0.9 million, with a loss allowance of $0.9 million recognised on acquisition.

The deferred tax liability mainly comprises the tax effect of the accelerated depreciation for tax purposes of tangible assets.

Contingent liabilities recognised in a business combination

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions as per IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", or the amount initially recognised less (when appropriate) cumulative amortisation recognised in accordance with the requirements for revenue recognition.

Note 15. Business combination continued

As part of the pre-emption Tullow has taken on pro-rated exposure relating to Anadarko WCTP Company's ("Anadarko") BPRT and AOE disputed claims. In February 2018, Anadarko, whom Oxy acquired the interests from, received a provisional assessment for AOE for US$346.6 million, including a penalty of $329.5 million, (the portion of this claim related to Tullow's acquired interests was $67.2 million) covering financial years 2006 – 2016 and in November 2018 the Ministry of Finance confirmed that the assessment was suspended pending the Government reaching a final view on the basis for calculating AOE. Anadarko continued to dispute the AOE assessment issued and considered no AOE was payable for these periods. In September 2021, Anadarko received a revised tax audit report from the Ghana Revenue Authority (GRA) for the financial years 2014 to 2018 including a $228.3 million branch profits remittance tax (BPRT) assessment (including late payment interest of $52.1 million) (the portion of this claim related to Tullow's acquired interests was $67.1 million). The Anadarko BPRT assessment is covered by a Notice of Dispute issued in June 2020.

A contingent liability at fair value of $36.8 million was recognised at the acquisition date for provisions resulting from certain contractual indemnities. There was no change in provision as at 31 December 2022.

Revenue and net profit contribution

The acquired business contributed revenues of $133.2 million and net profit of $19.6 million to the Group for the period from 17 March 2022 to 31 December 2022. If the acquisition had occurred on 1 January 2022, the consolidated pro-forma revenues would have been $169.2 million higher and the consolidated pro-forma profit for the period ended 31 December 2022 would have been higher by $11.4 million.

These amounts have been calculated using the acquired interest's results and adjusting them for the additional depreciation and amortisation that would have been charged assuming the fair value adjustments to property, plant and equipment had applied from 1 January 2022, together with the consequential tax effects.

Acquisition-related costs

Acquisition-related costs of $0.6 million are included in administrative expenses in the statement of profit or loss and in operating cash flows in the statement of cash flows.

Recognition of gain on bargain purchase

The difference between the fair value of net assets acquired and consideration paid was recognised within the income statement as gain on bargain purchase of $196.8 million. This is mostly due to the change in the oil markets from 2021, when the transaction between Occidental Petroleum and Kosmos Energy was negotiated to March 2022, when the acquisition was completed by Tullow. The consideration paid by Tullow for the acquired interest was based on the proportionate consideration agreed between Occidental Petroleum and Kosmos Energy, subject to completion adjustments. Additionally, the original transaction between the two parties was driven by the seller's intention to leave the region and dispose of the non-core elements of the portfolio which it had acquired from Anadarko Petroleum in August 2019.

Note 16. Trade and other payables

Current liabilities

	Notes	**2022 $m**	2021 $m
Trade payables		**68.4**	60.2
Other payables		**51.4**	57.4
Overlifts		**–**	0.7
Accruals[1]		**379.3**	381.3
Current portion of lease liabilities	19	**251.2**	251.5
		750.2	751.1

1. Accruals mainly relate to capital expenditure, interest expense on bonds and staff-related expenses.

Non-current liabilities

	Notes	**2022 $m**	2021 $m
Other non-current liabilities[1]		**47.1**	75.2
Non-current portion of lease liabilities	19	**732.9**	911.9
		780.0	987.1

1. Other non-current liabilities include balances related to JV Partners.

Trade and other payables are non-interest bearing except for leases (note 19).

Payables related to operated Joint Ventures (primarily in Ghana and Kenya) are recorded gross with the amount representing the partners' share recognised in amounts due from Joint Venture Partners (note 11). The change in trade payables and in other payables predominantly represents timing differences and levels of work activity.

The decrease in non-current portion of lease liabilities mainly relates to reduction in time remaining on the TEN FPSO lease.

Note 17. Borrowings

	2022 $m	2021 $m
Current		
Borrowings – within one year		
10.25% Senior Secured Notes due 2026	**100.0**	100.0
	100.0	100.0

	2022 $m	2021 $m
Non-current		
Borrowings – after one year but within five years		
7.00% Senior Notes due 2025	**792.8**	792.1
10.25% Senior Secured Notes due 2026	**1,580.0**	1,676.6
	2,372.8	2,468.7
Carrying value of total borrowings	**2,472.8**	2,568.7

The Group's capital structure includes $1.7bn Senior Secured Notes (2026 Notes), $800 million Senior notes due 2025 (2025 Notes) and a $500 million Super Senior Revolving Credit Facility (SSRCF) which will primarily be used for working capital purposes.

The 2026 Notes, maturing in May 2026, require an annual prepayment of $100 million, in May, of the outstanding principal amount plus accrued and unpaid interest, with the balance due on maturity.

On 16 May 2022, the Group made the annual prepayment of $100 million of the 2026 Notes, which reduced total debt to $2.5 billion.

The 2025 Notes are due in a single payment in March 2025.

The SSRCF, maturing in December 2024, comprises of (i) a $500 million revolving credit facility and (ii) a $100 million letter of credit facility. The revolving credit facility remains undrawn as at 31 December 2022. Letters of credit amounting to $44 million (2021: $20 million) have been issued under the facility.

Unamortised debt arrangement fees for the 2026 Notes, 2025 Notes and the SSRCF are $20.0 million, $7.0 million and $4.8 million respectively.

The 2026 Notes and the SSRCF are senior secured obligations of Tullow Oil Plc and are guaranteed by certain of the subsidiaries of the Group.

Capital management

The Group defines capital as the total equity and net debt of the Group. Capital is managed in order to provide returns for shareholders and benefits to stakeholders and to safeguard the Group's ability to continue as a going concern. Tullow is not subject to any externally imposed capital requirements. To maintain or adjust the capital structure, the Group may put in place new debt facilities, issue new shares for cash, repay debt, engage in active portfolio management, adjust the dividend payment to shareholders, or undertake other such restructuring activities as appropriate. The Group monitors capital on the basis of the gearing, being net debt divided by adjusted EBITDAX, and maintains a policy target of less than 1x.

SSRCF covenants

The SSRCF does not have any financial maintenance covenants. Availability under the $500 million cash tranche of the facility is determined on an annual basis with reference to the Net Present Value of the 2P reserves of the Group (2P NPV) at the end of the preceding calendar year. SSRCF debt capacity is calculated as 2P NPV divided by 1.1x less senior secured debt outstanding.

Note 17. Borrowings continued

2025 Notes and 2026 Notes covenants

The 2025 Notes and the 2026 Notes are subject to customary high yield covenants including limitations on debt incurrence, asset sales and restricted payments such as prepayments of junior debt and dividends.

Key covenants in the current business cycle are considered to be those related to debt incurrence and restricted payments. For definitions of the capitalised terms used in the following paragraphs please refer to the offering memorandum of the 2025 Notes and/or the 2026 Notes.

Tullow is permitted to incur additional debt if the ratio of Consolidated Cash Flow to Fixed Charges for the previous 12 months is at least 2.25 times on a pro forma basis.

Tullow is permitted to incur secured debt if the 2P Reserves Coverage Ratio is at least 2.0 times on a pro forma basis.

Subject to certain conditions, Tullow is permitted to incur debt to refinance the 2025 Notes on a like for like basis, i.e. subordinated to the 2026 Notes.

Tullow would be permitted to make payments towards the 2025 Notes amounting to the greater of $100 million per year and 50% of the Consolidated Net Income of the Company for the period from 1 January 2021 to the end of the most recently completed fiscal half-year for which internal financial statements are available if, after giving pro forma effect to the payment(s) if the 2P Reserves Coverage Ratio is equal to or greater than 1.5 times.

Tullow would be permitted to make payments towards the 2025 Notes amounting to the greater of $100 million per year, 50% of the Consolidated Net Income of the Company for the period from 1 January 2021 to the end of the most recently completed fiscal half-year for which internal financial statements are available and 100% of Consolidated Cash Flow per year if the 2P Reserves Coverage Ratio is equal to or greater than 2.0 times and the Consolidated Leverage Ratio is less than 1.5 times.

The Company or its affiliates may, at any time and from time to time, seek to retire or purchase outstanding debt through cash purchases and/or exchanges, in open-market purchases, privately negotiated transactions or otherwise. Such repurchases or exchanges, if any, will be upon such terms and at such prices as management may determine, and will depend on prevailing market conditions, liquidity requirements, contractual restrictions and other factors. The amounts involved may be material.

Note 18. Financial instruments

Financial risk management objectives

The Group's Corporate Treasury function provides services to the business, coordinates access to international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal management reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The Group seeks to minimise the effects of these risks by using derivative financial instruments to hedge these risk exposures, if deemed appropriate. The use of financial derivatives is governed by the Group's policies approved by the Board of Directors. Compliance with policies and exposure limits are monitored and reviewed internally on a regular basis. The Group does not enter into or trade financial instruments, including derivatives, for speculative purposes.

	2022 $m	2021 $m
Financial assets		
Financial assets at amortised cost		
Trade receivables	**26.8**	99.8
Amounts due from Joint Venture Partners	**775.6**	1,040.7
Cash and cash equivalents	**636.3**	469.1
	1,438.7	1,609.6
Financial liabilities		
Liabilities at amortised cost		
Trade payables	**115.4**	135.2
Other payables	**430.7**	439.4
Borrowings	**2,472.8**	2,568.7
Lease liabilities	**984.1**	1,163.4
Derivative financial instruments		
Used for hedging	**244.2**	179.9
	4,247.3	4,486.6

Note 18. Financial instruments continued

Fair values of financial assets and liabilities

With the exception of the 2026 Notes and the 2025 Notes, the Group considers the carrying value of all its financial assets and liabilities to be materially the same as their fair value. The fair value of the 2026 Notes and 2025 Notes as determined using market value at 31 December 2022, was $1,364.8 million (2021: $1,814.2 million) and $490.0 million (2021: $661.0 million) respectively. These are compared to their carrying value of $1,680.0 million (2021: $1,776.7 million) and $792.9 million (2021: $792.1 million). The 2026 Notes and the 2025 Notes are categorised as level 1 in the fair value hierarchy.

The Group has no material financial assets that are past due. No material financial assets are impaired at the balance sheet date. All financial assets and liabilities with the exception of derivatives are measured at amortised cost.

Fair values of derivative instruments

All derivatives are recognised at fair value on the balance sheet with valuation changes recognised immediately in the income statement, unless the derivatives have been designated as a cash flow hedge. Fair value is the amount for which the asset or liability could be exchanged in an arm's-length transaction at the relevant date. Where available, fair values are determined using quoted prices in active markets. To the extent that market prices are not available, fair values are estimated by reference to market-based transactions, or using standard valuation techniques for the applicable instruments and commodities involved.

The Group's derivative carrying and fair values were as follows:

Assets/liabilities	**2022 Less than 1 year $m**	**2022 1–3 years $m**	**2022 Total $m**	2021 Less than 1 year $m	2021 1–3 years $m	2021 Total $m
Cash flow hedges						
Oil derivatives	**(162.1)**	**(49.7)**	**(211.8)**	(56.7)	(66.5)	(123.2)
	(162.1)	**(49.7)**	**(211.8)**	(56.7)	(66.5)	(123.2)
Deferred premium						
Oil derivatives	**(24.2)**	**(8.2)**	**(32.4)**	(24.3)	(32.4)	(56.7)
				(24.3)	(32.4)	(56.7)
Total assets	**–**	**–**	**–**	–	–	–
Total liabilities	**(186.3)**	**(57.9)**	**(244.2)**	(81.0)	(98.9)	(179.9)

Derivatives' maturity and the timing of their recycling into income or expense coincide.

The following provides an analysis of the Group's financial instruments measured at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: fair value measurements are those derived from inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly or indirectly; and

Level 3: fair value measurements are those derived from valuation techniques which include inputs for the asset or liability that are not based on observable market data.

All the Group's derivatives are Level 2 (2021: Level 2). There were no transfers between fair value levels during the year.

For financial instruments which are recognised on a recurring basis, the Group determines whether transfers have occurred between levels by re-assessing categorisation (based on the lowest-level input which is significant to the fair value measurement as a whole) at the end of each reporting period.

Note 18. Financial instruments continued

Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Group balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. No material enforceable master netting agreements were identified.

The Group has entered into ISDA Master Agreements with derivative counterparties. The following table shows the amounts recognised for financial assets and liabilities which are subject to offsetting arrangements on a gross basis, and the amounts offset in the Group balance sheet.

31 December 2022	**Gross amounts recognised $m**	**Gross amounts offset in Group balance sheet $m**	**Net amounts presented in Group balance sheet $m**
Derivative assets	**–**	**–**	**–**
Derivative liabilities	**(244.2)**	**–**	**(244.2)**

31 December 2021	Gross amounts recognised $m	Gross amounts offset in Group balance sheet $m	Net amounts presented in Group balance sheet $m
Derivative assets	0.2	(0.2)	–
Derivative liabilities	(180.1)	0.2	(179.9)

Commodity price risk

The Group uses a number of derivatives to mitigate the commodity price risk associated with its underlying oil revenue. Such commodity derivatives tend to be priced using benchmarks, such as Dated Brent, which correlate as far as possible to the underlying oil revenue. There is an economic relationship between the hedged items and the hedging instruments due to a common underlying, i.e. Dated Brent, between them. Forecast oil sales, which are based on Dated Brent, are hedged with options which have Dated Brent as reference price. An increase in Dated Brent will cause the value of the hedged item and hedging instrument to move in opposite directions. The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the commodity derivatives is identical to the hedged risk components. To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks. The Group hedges its estimated oil revenues on a portfolio basis, aggregating its oil revenues from substantially all of its African oil interests.

As at 31 December 2022 and 31 December 2021, all of the Group's oil derivatives have been designated as cash flow hedges. The Group's oil hedges have been assessed to be highly effective.

Financial risk management is adopted centrally for the Group. The Group adopts a risk component hedging strategy. This results from designating the variability in all the cash flows attributable to the change in the benchmark price per the oil sales contracts where the critical terms of the hedged item and hedging instrument match.

The following table demonstrates the timing, volumes and average floor price protected for the Group's commodity hedges:

Hedging position as at 31 December 2022	**2023**	**2024**
Oil volume (bopd)	**33,095**	**11,305**
Average floor price protected ($/bbl)	**55.0**	**55.0**

Hedging position as at 31 December 2021	2022	2022
Oil volume (bopd)	42,462	33,095
Average floor price protected ($/bbl)	51.37	55.00

Note 18. Financial instruments continued

The following table demonstrates the hedge position as at 31 December 2022:

2023 hedge position at 31 December 2022	Bopd	Bought put (floor)	Sold call	Bought call
Hedge structure				
Collars	33,095	$55.00	$74.62	–
Zero cost dollars	–	–	–	–
Straight Puts	–	–	–	–
Total/weighted average	**33,095**	**$55.00**	**$74.62**	**–**

2024 hedge position at 31 December 2022	Bopd	Bought put (floor)	Sold call	Bought call
Hedge structure				
Collars	11,305	$55.00	$74.63	–
Total/weighted average	**11,305**	**$55.00**	**$74.63**	–

The following table demonstrates the sensitivity of the Group's derivative financial instruments to reasonably possible movements in Dated Brent oil prices:

	Effect on equity		
	Market movement as at 31 Dec 2022	**2022 $m**	2021 $m
Brent oil price	25%	**(464.4)**	(416.2)
Brent oil price	(25%)	**–**	41.1

The following assumptions have been used in calculating the sensitivity in movement of the oil price: the pricing adjustments relate only to the point forward mark-to-market (MTM) valuations, the price sensitivities assume there is no ineffectiveness related to the oil hedges and the sensitivities have been run only on the intrinsic element of the hedge as Management considers this to be the material component of oil hedge valuations.

Hedge reserve summary

The hedge reserve represents the portion of deferred gains and losses on hedging instruments deemed to be effective cash flow hedges. The movement in the reserve for the period is recognised in other comprehensive income.

The following table summarises the cash flow hedge reserve by intrinsic and time value, net of tax effects:

Cash flow hedge reserve	2022 $m	2021 $m
Oil derivatives – intrinsic	**(150.3)**	(39.5)
Oil derivatives – time value	**(94.4)**	(146.7)

The deferred gains and losses in the hedge reserve are subsequently transferred to the income statement at maturity of derivative contracts. The tables below show the impact on the hedge reserve and on sales revenue during the year:

Deferred amounts in the hedge reserve – intrinsic	2022 $m	2021 $m
At 1 January	**(39.3)**	4.8
Reclassification adjustments for items included in the income statement on realisation:		
Oil derivatives – transferred to sales revenue	**288.5**	112.3
Revaluation (losses)/gains arising in the year	**(399.5)**	(159.1)
Movement in current and deferred tax	**–**	2.7
	(110.8)	(44.3)
At 31 December	**(150.3)**	(39.3)

Note 18. Financial instruments continued

Hedge reserve summary

Deferred amounts in the hedge reserve – time value	2022 $m	2021 $m
At 1 January	**(146.9)**	(5.4)
Reclassification adjustments for items included in the income statement on realisation:		
Oil derivatives – transferred to sales revenue	**30.8**	40.7
Revaluation losses arising in the year	**21.7**	(182.3)
Movement in current and deferred tax	**–**	0.1
	52.5	(141.5)
At 31 December	**(94.4)**	(146.9)

Reconciliation to sales revenue	2022 $m	2021 $m
Oil derivatives – transferred to sales revenue	**288.5**	112.3
Deferred premium paid	**30.8**	40.7
Net losses/(gain) from commodity derivatives in sales revenue (note 2)	**319.3**	153.0

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. During part of the financial year 2021, the Group was exposed to interest rate risk as it borrowed funds at both fixed and floating interest rates. Following the debt refinancing in May 2021, all of the Group's borrowings are fixed interest bearing. The Super Senior Revolving Credit Facility is based on floating interest rates and remains undrawn as at 31 December 2022.

Fixed rate debt comprises 2025 Notes and 2026 Notes.

The interest rate profile of the Group's financial assets and liabilities, excluding trade and other receivables and trade and other payables, at 31 December 2022 and 2021, was as follows:

	2022 Cash and cash equivalents $m	2022 Fixed rate debt $m	2022 Total $m	2021 Cash and cash equivalents $m	2021 Fixed rate debt $m	2021 Total $m
US$	**578.1**	**(2,500.0)**	**(1,921.9)**	376.2	(2,600.0)	(2,223.8)
Euro	**0.3**	**–**	**0.3**	1.3	–	1.3
Sterling	**16.3**	**–**	**16.3**	85.4	–	85.4
XAF	**38.8**	**–**	**38.8**		–	–
Other	**2.8**	**–**	**2.8**	6.2	–	6.2
	636.3	**(2,500.0)**	**(1,863.7)**	469.1	(2,600.0)	(2,130.9)

Cash and cash equivalents consisted of $230.7 million (2021: $159.9 million) of deposits which earn interest at rates set in advance for periods ranging from overnight to three months by reference to market rates.

The sensitivity of the Group's financial instruments to reasonably possible movements in interest rates is considered not material.

Note 18. Financial instruments continued

Credit risk

The Group has a credit policy that governs the management of credit risk, including the establishment of counterparty credit limits and specific transaction approvals. The Group limits its counterparty credit risk on cash and cash equivalent balances by dealing only with financial institutions with credit ratings of at least A or equivalent.

The primary credit exposures for the Group are its receivables generated by the marketing of crude oil and amounts due from JV Partners (including in relation to their share of the TEN FPSO lease). These exposures are managed at the corporate level. The Group's crude sales are predominantly made to international oil market participants including the oil majors, trading houses and refineries. JV Partners are predominantly international major oil and gas market participants. Counterparty evaluations are conducted utilising international credit rating agency and financial assessments. Where considered appropriate, security in the form of trade finance instruments from financial institutions with an appropriate credit rating, such as letters of credit, guarantees and credit insurance, are obtained to mitigate the risks.

The Group generally enters into derivative agreements with banks which are lenders under the SSRCF. The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties. The maximum financial exposure due to credit risk on the Group's financial assets, representing the sum of cash and cash equivalents, investments, derivative assets, trade receivables, and receivables from Joint Venture Partners, as at 31 December 2022 was $1,438.7 million (2021: $1,609.6 million).

Foreign currency risk

The Group conducts and manages its business predominantly in US dollars, the functional currency of the industry in which it operates. The Group also purchases the functional currencies of the countries in which it operates routinely on the spot market. From time to time the Group undertakes transactions denominated in other currencies arising from certain operating and capital expenditure incurred in currencies other than US dollars; these exposures are often managed by executing foreign currency financial derivatives. There were no foreign currency financial derivatives in place as at 31 December 2022 (2021: nil). Cash balances are held in other currencies to meet immediate operating and administrative expenses or to comply with local currency regulations.

As at 31 December 2022, the only material monetary assets or liabilities of the Group that were not denominated in the functional currency of the respective subsidiaries involved were $58.1 million in non-US dollar-denominated cash and cash equivalents (2021: $46.9 million).

The following table demonstrates the sensitivity of the Group's financial instruments to reasonably possible movements in US dollar exchange rates:

		Effect on profit before tax		Effect on equity	
	Market movement	**2022 $m**	2021 $m	**2022 $m**	2021 $m
US$/foreign currency exchange rates	20%	**9.7**	(7.8)	**9.7**	(7.8)
US$/foreign currency exchange rates	(20%)	**(14.5)**	11.7	**(14.7)**	11.7

Liquidity risk

The Group manages its liquidity risk using both short-term and long-term cash flow projections, supplemented by debt financing plans and active portfolio management across the Group. Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework covering the Group's short, medium and long-term funding and liquidity management requirements.

The Group closely monitors and manages its liquidity risk. Cash forecasts are regularly produced and sensitivities run for different scenarios including, but not limited to, changes in commodity prices, different production rates from the Group's producing assets and delays to development projects. The Group had $1.1 billion (2021: $0.9 billion) of total facility headroom and free cash as at 31 December 2022.

The following tables detail the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

Note 18. Financial instruments continued

Foreign currency risk continued

	Weighted average effective interest rate	Less than 1 month $m	1–3 months $m	3 months to 1 year $m	1–5 years $m	5+ years $m	Total $m
31 December 2022							
Non-interest bearing	**n/a**	**93.5**	**–**	**26.3**	**47.0**	**–**	**166.8**
Lease liabilities	**7.1%**	**27.3**	**57.1**	**225.2**	**746.3**	**10.5**	**1,066.4**
Fixed interest rate instruments	**9.7%**						
Principal repayments		**–**	**–**	**100.0**	**2,400.0**	**–**	**2,500.0**
Interest charge		**–**	**28.0**	**197.0**	**464.0**	**–**	**689.0**
Total		**120.8**	**85.1**	**548.5**	**3,657.3**	**10.5**	**4,422.2**

	Weighted average effective interest rate	Less than 1 month $m	1–3 months $m	3 months to 1 year $m	1–5 years $m	5+ years $m	Total $m
31 December 2021							
Non-interest bearing	n/a	71.9	18.6	26.0	71.3	5.7	193.5
Lease liabilities	7.1%	44.4	52.7	217.2	950.3	16.4	1,281.0
Fixed interest rate instruments	9.7%						
Principal repayments		–	–	100.0	2,500.0	–	2,600.0
Interest charge		–	28.0	207.0	689.0	–	924.0
Total		116.3	99.3	550.2	4,210.6	22.1	4,998.5

Note 19. Leases

This note provides information for leases where the Group is a lessee. The Group did not enter into any contracts acting as a lessor.

i) Amounts recognised in the balance sheet

	Right-of-use assets		Lease liabilities	
Right-of-use assets (included within property, plant and equipment) and lease liabilities	**31 December 2022 $m**	31 December 2021 $m	**31 December 2022 $m**	31 December 2021 $m
Property leases	**39.2**	34.8	**34.6**	41.0
Oil and gas production and support equipment leases	**639.0**	599.2	**942.4**	1,107.3
Transportation equipment leases	**3.4**	6.9	**7.1**	15.1
Total	**681.6**	640.9	**984.1**	1,163.4
Current			**251.2**	251.5
Non-current			**732.9**	911.9
Total			**984.1**	1,163.4

Additions to the right-of-use assets during the 2022 financial year were $63.5 million. Refer to note 10.

For ageing of lease liabilities, refer to note 18.

The Group's leases balance includes TEN FPSO, classified as Oil and gas production and support equipment. As at 31 December 2022, the present value of the TEN FPSO right-of-use asset was $596.9 million (2021: $561.6 million). The increase during the year is due to additional interest in the FPSO following Ghana pre-emption, offset by the depreciation charge.

The present value of the TEN FPSO gross lease liability was $847.9 million (2021: $1,012.8 million).

A receivable from the Joint Venture Partners of $330.1 million (2021: $478.8 million) was recognised in other assets (note 11) to reflect the value of future payments that will be met by cash calls from partners relating to the TEN FPSO lease. The present value of the receivable from the Joint Venture Partners unwinds over the expected life of the lease and the unwinding of the discount is reported within finance income.

Following discussions with the Joint Venture Partners, Tullow remeasured the Espoir FPSO lease liability to align the accounting with the plan of the partnership to exercise the option to purchase the FPSO in March 2023 for a gross consideration of $20.0 million ($4.7 million net). This resulted in a decrease in the lease liability as at 31 December 2022 to $6.6 million (2021: $13.2 million), and the in right of use asset to $nil (2021: $3.6 million) resulting in a gain on the lease remeasurement of $3.1 million recorded as Other gains and losses in the income statement.

Note 19. Leases continued

i) Amounts recognised in the balance sheet continued

On 2 April 2021, the Group contracted Maersk Venturer offshore drilling rig to undertake the drilling work programme for Jubilee and TEN fields in Ghana. As at 31 December 2022, Tullow carries right-of-use assets of $31.2 million (2021: $25.8 million), and gross lease liability of $64.9 million (2021: $59.9 million) as Tullow entered the lease on behalf of the Joint Venture. A receivable from Joint Venture Partners of $32.0 million (2021: $33.0 million) has been recognised in other assets to reflect the value of future payments that will be met by cash calls from the Joint Venture Partners. The lease was initially recognised for an 18-month term, in line with the early termination option included in the contract and approvals received by the partners. In July 2022 the contract was extended for a 12-month term ending September 2023.

Carrying amounts of the lease liabilities and joint venture leases receivables and the movements during the period:

	Lease liabilities $m	Joint Venture lease receivables $m	Total $m
At 1 January 2021	(1,216.5)	541.0	(675.5)
Additions and changes in lease estimates	(161.9)	93.7	(68.2)
Payments/ (receipts)	298.3	(142.4)	155.9
Interest (expense)/income	(83.3)	38.7	(44.6)
At 1 January 2022	(1,163.4)	531.0	(632.4)
Additions and changes in lease estimates	**(89.4)**	**40.2**	**(49.2)**
Acquisitions[1]	**–**	**(86.6)**	**(86.6)**
Payments/ (receipts)	**342.0**	**(138.2)**	**203.8**
Interest (expense)/income	**(76.4)**	**29.6**	**(46.8)**
Currency translation adjustments	**3.1**	**–**	**3.2**
At 31 December 2022	**984.1**	**376.1**	**608.0**

1. This relates to an acquisition through business combination discussed in Note 15.

ii) Amounts recognised in the statement of profit or loss

Right-of-use assets (included within Property, plant and equipment)	**31 December 2022 $m**	31 December 2021 $m
Depreciation charge of right-of-use assets		
Property leases	**14.0**	7.8
Oil and gas production and support equipment leases	**46.9**	52.8
Total	**60.9**	60.6
Interest expense on lease liabilities (included in finance cost)	**76.4**	83.4
Interest income on amounts due from Joint Venture Partners	**(29.6)**	(38.8)
Expense relating to short-term leases	**2.0**	7.8
Expense relating to leases of low-value assets	**1.8**	1.0
Total	**111.5**	114.0

The total net cash outflow for leases in 2022 was $203.8 million (2021: $155.9 million).

Note 20. Provisions

	Notes	**Decommissioning 2022 $m**	**Other provisions 2022 $m**	**Total 2022 $m**	Decommissioning 2021 $m	Other provisions 2021 $m	Total 2021 $m
At 1 January		**498.7**	**228.8**	**727.5**	696.1	154.6	850.7
New provisions, changes in estimates and reclassifications		**(47.6)**	**(19.7)**	**(67.3)**	(134.8)	90.0	(44.8)
Acquisitions[1]	15	**24.8**	**36.8**	**61.6**	–	–	–
Payments		**(72.1)**	**(127.3)**	**(199.4)**	(69.3)	(15.7)	(85.0)
Unwinding of discount	5	**6.0**	**–**	**6.0**	7.6	–	7.6
Currency translation adjustment		**(11.6)**	**(2.3)**	**(13.9)**	(0.9)	(0.1)	(1.0)
At 31 December		**398.1**	**116.3**	**514.4**	498.7	228.8	727.5
Current provisions		**87.7**	**11.1**	**98.8**	101.2	195.3	296.5
Non-current provisions		**310.4**	**105.2**	**415.6**	397.5	33.5	431.0

1. This relates to an acquisition through business combination discussed in note 15.

Other provisions include non-income tax provisions of $68.3 million (2021: $52.8 million) and $48.0 million (2021: $176.0 million) of disputed cases and claims. Management estimates non-current other provisions would fall due between two and five years.

Non-Current other provisions mainly relates to Bangladesh litigation. Refer to Uncertain Tax Treatments in Accounting Policies.

This also includes a provision relating to a potential claim arising out of historical contractual agreement. Further information is not provided as it will be seriously prejudicial to the Company's interest.

On 15 February 2022, an arbitration panel delivered an award against Tullow in respect to a historic contractual dispute in Norway related to the acquisition of Spring Energy Norway AS (Spring) from HiTecVision V (HiTec). The Tribunal decided by way of split decision that conditions under the Spring SPA in respect of the bonus payment had been met. The Tribunal ruled that Tullow should pay $76 million to HiTec (an amount which includes interest and costs) and a further amount of $0.7 million in respect of Tribunal costs. This balance was provided for as at 31 December 2021 and was settled in March 2022.

The decommissioning provision represents the present value of decommissioning costs relating to the European and African oil and gas interests. The Group has assumed cessation of production as the estimated timing for outflow of expenditure. However expenditure could be incurred prior to cessation of production or after and actual timing will depend on a number of factors including, underlying cost environment, availability of equipment and services and allocation of capital.

In 2022, the Group has increased the decommissioning discount rate by 1.5-2% from 31 December 2021 due to movement in the risk-free rate. This resulted in a decrease of the provision by $39.5 million in Ghana, $15.6 million in Côte d'Ivoire and $12.1 million in Gabon.

	Inflation assumption[1]	**Discount rate assumption 2022**	**Cessation of production assumption 2022**	**Total 2022 $m**	Discount rate assumption 2021	Cessation of production 2021	Total 2021 $m
Côte d'Ivoire	**2%**	**3.5%**	**2035**	**45.6**	1.5%	2033	61.7
Gabon	**2%**	**3.5%**	**2025-2037**	**49.2**	1.5-2%	2026-2036	61.9
Ghana	**2%**	**3.5%**	**2036**	**190.2**	1.5-2%	2035-2036	193.3
Mauritania	**n/a**	**n/a**	**2018**	**56.0**	n/a	2018	61.6
UK	**n/a**	**n/a**	**2018**	**57.1**	n/a	2018	120.2
				398.1			498.7

1. Short term inflation rate assumption has increased from 2% to 4.7% in 2023 and to 2.5% in 2024. Medium and long-term rates of 2% remained unchanged from 31 December 2021.

The Group's decommissioning activities are ongoing in the UK and Mauritania and majority of the future costs is expected to be incurred in 2023 ($87.4 million). The remaining activities are planned to continue through to 2027, with an associated expenditure of $25.7 million.

Note 21. Deferred taxation

	Accelerated tax depreciation $m	Decommissioning $m	Tax losses $m	Other temporary differences $m	Provision for onerous service contracts $m	Deferred petroleum revenue tax $m	Total $m
At 1 January 2021	(645.7)	105.6	335.7	(8.4)	21.7	12.1	(179.0)
Credit/(charge) to income statement	46.8	(16.5)	(113.8)	(58.7)	–	(2.7)	(144.9)
Transfer to disposals	0.6	(0.2)	–	0.7	–	–	1.1
Exchange differences	–	(0.1)	–	–	–	–	(0.1)
At 1 January 2022	**(598.3)**	**88.8**	**221.9**	**(66.4)**	**21.7**	**9.4**	**(322.9)**
Credit/(charge) to income statement	**184.0**	**(22.9)**	**(186.1)**	**(32.6)**	**(5.9)**	**(5.0)**	**(68.5)**
Acquired through business combination (note 15)	**(143.6)**	**–**	**–**	**–**	**–**	**–**	**(143.6)**
Exchange differences	**(0.2)**	**–**	**–**	**–**	**–**	**(1.8)**	**(2.0)**
At 31 December 2022	**(558.1)**	**65.9**	**35.8**	**(99.0)**	**15.8**	**2.6**	**(537.0)**

	2022 $m	2021 $m
Deferred tax liabilities	**(551.5)**	(677.3)
Deferred tax assets	**14.5**	354.4
	(537.0)	(322.9)

The majority of the Group's deferred tax assets and liabilities are expected to be recovered over more than one year.

Deferred tax assets are recognised only to the extent it is considered probable that those assets will be recoverable. This involves an assessment of when those deferred tax assets are likely to reverse, and a judgement as to whether or not there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the level of deferred tax assets recognised which can result in a charge or credit in the period in which the change occurs.

Note 22. Called-up equity share capital and share premium account

Allotted equity share capital and share premium

	Equity share capital allotted and fully paid		Share premium
	Number	$m	$m
Ordinary shares of 10p each			
At 1 January 2021	1,414,071,777	211.7	1,294.7
Issued during the year			
Exercise of share options	18,008,320	2.5	–
At 1 January 2022	**1,432,080,097**	**214.2**	**1,294.7**
Issued during the year			
Exercise of share options	**7,525,898**	**1.0**	**–**
At 31 December 2022	**1,439,605,995**	**215.2**	**1,294.7**

The Company does not have a maximum authorised share capital.

Note 23. Share-based payments

Analysis of share-based payment charge

	Notes	2022 $m	2021 $m
Tullow Incentive Plan		**3.9**	8.1
Employee Share Award Plan		**1.2**	3.0
2022 PDME Buyout Award		**0.5**	0.5
2021 Tullow Sharesave Plan		**0.2**	–
		5.8	11.6
Expensed to operating costs	4	**0.4**	0.5
Expensed as administrative cost	4	**5.4**	11.1
Total share-based payment charge		**5.8**	11.6

The national insurance liability as at 31 December 2022 was $1.6 million (2021:$1.3 million)

Tullow Incentive Plan (TIP)

Under the TIP, Senior Management can be granted nil exercise price options, normally exercisable from three years (five years in the case of the Company's Directors) to ten years following grant provided an individual remains in employment. The size of awards depends on both annual performance measures and total shareholder return (TSR) over a period of up to three years. There are no post-grant performance conditions. No dividends are paid over the vesting period; however, it has been agreed for the TIP Awards since 2018 that an amount equivalent to the dividends that would have been paid on the TIP shares during the vesting period if they were 'real' shares will also be payable on exercise of the award. There are further details of the TIP in the Remuneration Report on pages 73 to 97.

The weighted average remaining contractual life for TIP awards outstanding at 31 December 2022 was 4.9 years.

Employee Share Award Plan (ESAP)

Most Group employees are eligible to be granted nil exercise price options, that are exercisable from three to ten years following grant. An individual must normally remain in employment for three years from grant for the share to vest. Awards are not subject to post-grant performance conditions. No dividends are paid over the vesting period; however, it has been agreed for the ESAP awards granted since 2018 it was agreed that an amount equivalent to the dividends that would have been paid on the ESAP shares during the vesting period if they were 'real' shares will also be payable on exercise of the award.

Phantom options that provide a cash bonus equivalent to the gain that could be made from a share option (being granted over a notional number of shares) have also been granted under the ESAP in situations where the grant of share options was not practicable.

The weighted average remaining contractual life for ESAP awards outstanding at 31 December 2022 was 6.7 years.

2010 Share Option Plan (2010 SOP)

Participation in the 2010 SOP was available to most of the Group's employees. Options have an exercise price equal to market value shortly before grant and are normally exercisable between three and ten years from the date of the grant subject to continuing employment.

Phantom options, providing a cash bonus equivalent to the gain that could be made from a share option, have also been granted under the 2010 SOP in situations where the grant of share options was not practicable.

Outstanding options under the SOP at 31 December 2022 had exercise prices of 900p to 1,039p (2021: 900p to 1,294p) and remaining contractual lives between 53 days and 219 days. The weighted average remaining contractual life is 0.3 years.

2020 PDMR Buyout Awards

On 5 August 2020, the Company granted the new Chief Executive Officer a number of Buyout Awards following the commencement of their employment in order to compensate them for certain share arrangements forfeited upon leaving their former employer. The grant of the awards was conditional on the CEO purchasing shares in the Company with a value of £350,000 (the 'Purchased Shares'). These awards will vest after five years from the date of joining subject to continued service and the retention of the Purchased Shares. The awards comprise: a restricted share award in the form of a nil-cost option over 3,000,000 shares; a share option over 3,000,000 shares with a per share exercise price of £0.2566 (being equal to the market value of a share at the close of trading on the dealing date immediately following the date on which the Purchased Shares were acquired); and a share option over 3,000,000 shares with a per share exercise price of £0.5132 (being twice the exercise price for the above options).

The awards will ordinarily vest on 1 July 2025 and if they remain unexercised will expire on 1 July 2030. There are further details of the 2020 PDMR Buyout Awards in the Remuneration Report on pages 73 to 97.

The weighted average remaining contractual life for the PDMR Buyout Awards outstanding at 31 December 2022 was 7.5 years.

Note 23. Share-based payments continued

2021 Tullow Sharesave Plan (SAYE)

UK based employees are eligible to participate in the SAYE scheme introduced in 2021. These are standard statutory HMRC approved 'Save as you earn' awards. To participate in the SAYE, employees choose how much money of their net salary to save each month (subject to certain limits) for a period of three years. At the end of the period employees are entitled to purchase share using the funds they have saved at a price 20% below the market price on the day before the invitation date. Alternatively, they can elect to take back all their savings as cash. Only employees who remain in service and continue to pay monthly contributions will be eligible to purchase shares. If they leave employment or choose to stop paying contributions before the end of the three-year period they will be refunded the amount they have saved.

Outstanding SAYE awards at 31 December 2022 had exercise prices of 38p to 40p and remaining contractual lives between 2.4 years and 3.4 years. The weighted average remaining contractual life is 2.8 years.

UK and Irish Share Incentive Plans (SIPs)

These are all-employee plans set up in the UK and Ireland, to enable employees to save out of salary up to prescribed monthly limits. Contributions are used by the SIP trustees to buy Tullow shares (Partnership Shares) at the end of each three-month accumulation period. The Company makes a matching contribution to acquire Tullow shares (Matching Shares) on a one-for-one basis. Under the UK SIP, Matching Shares are subject to time-based forfeiture over three years on leaving employment in certain circumstances or if the related Partnership Shares are sold. The fair value of a Matching Share is its market value when it is awarded.

Under the UK SIP: (i) Partnership Shares are purchased at the lower of their market values at the start of the accumulation period and the purchase date (which is treated as a three-month share option for IFRS 2 purposes and therefore results in an accounting charge); and (ii) Matching Shares vest over the three years after being awarded (resulting in their accounting charge being spread over that period).

Under the Irish SIP: (i) Partnership Shares are bought at the market value at the purchase date (which does not result in any accounting charge); and (ii) Matching Shares vest over the two years after being awarded (resulting in their accounting charge being spread over that period).

The following table illustrates the number and average weighted share price at grant or weighted average exercise price (WAEP) of, and movements in, share options under the TIP, ESAP, 2010 SOP, 2020 buyout and SAYE.

		Outstanding as at 1 January	Granted during the year	Exercised during the year	Forfeited/ expired during the year	Outstanding at 31 December	Exercisable at 31 December
2022 TIP –	number of shares	21,740,803	8,076,264	4,529,667	433,152	24,854,248	3,014,253
2022 TIP –	average weighted share price at grant	105.3	49.1	211.6	64.4	68.4	220.0
2021 TIP –	number of shares	28,116,828	2,488,749	8,191,155	673,619	21,740,803	2,054,238
2021 TIP –	average weighted share price at grant	133.0	60.5	188.8	81.8	105.3	191.2
2022 ESAP –	number of shares	17,638,898	3,556,316	2,803,974	1,061,163	17,330,077	4,613,422
2022 ESAP –	average weighted share price at grant	96.5	49.3	180.0	45.2	76.4	228.5
2021 ESAP –	number of shares	29,919,699	–	9,462,175	2,818,626	17,638,898	5,181,246
2021 ESAP –	average weighted share price at grant	126.1	–	198.4	67.8	96.5	213.4
2022 SOP –	number of shares	2,046,755	–	–	1,868,472	178,283	178,283
2022 SOP –	WAEP	1,106.0	–	–	1,118.4	976.4	976.4
2021 SOP –	number of shares	5,943,263	–	–	3,896,508	2,046,755	2,046,755
2021 SOP –	WAEP	1,124.6	–	–	1,134.4	1,106.0	1,106.0
2022 Buyout Awards –	number of shares	9,000,000	–	–	–	9,000,000	–
2022 Buyout Awards –	WAEP	25.7	–	–	–	25.7	–
2021 Buyout Awards –	number of shares	9,000,000	–	–	–	9,000,000	–
2021 Buyout Awards –	WAEP	25.7	–	–	–	25.7	–
2022 SAYE –	number of options	1,534,241	975,600	–	121,970	2,387,871	–
2022 SAYE –	WAEP	38.0	40.0	–	38.2	38.8	–
2021 SAYE –	number of options	–	1,534,241	–	–	1,534,241	–
2021 SAYE –	WAEP	–	38.0	–	–	38.0	–

The options granted during the year were valued using a proprietary binomial valuation.

Note 23. Share-based payments continued

The following table details the weighted average fair value of awards granted and the assumptions used in the fair value expense calculations.

	2022 ESAP	2022 TIP	2021 TIP	2022 SAYE	2021 SAYE
Weighted average fair value of awards granted	49.3p	49.1p	60.5p	23.1p	34.8p
Principal inputs to options valuations model:					
Weighted average share price at grant	49.3p	49.1p	60.5p	38.4p	53.6p
Weighted average exercise price	0.0p	0.0p	0.0p	40.0p	38.0p
Risk-free interest rate per annum[1]	1.5% to 4.4%	1.5%/1.5%	0.1%/0.4%	4.3%	0.7%
Expected volatility per annum[1, 2]	101% to 102%	102%/85%	101%/85%	91%	92%
Expected award life (years)[1, 3]	3.0	3.0/5.0	3.0/5.0	3.6	3.6
Dividend yield per annum[4]	n/a	n/a	n/a	0.0%	0.0%
Employee turnover before vesting per annum[1]	5%	5%/0%	5%/0%	5%	5%

1. Shows the assumption for 2022 and 2021 TIP awards made to Senior Management/Executives and Directors respectively.
2. Expected volatility was determined by calculating the historical volatility of the Company's share price over a period commensurate with the expected life of the awards. The fair values of the 2022 ESAP and TIP Awards, and the 2021 TIP Awards are not affected by the assumption for the Company's share price volatility.
3. The expected life is the average expected period from date of grant to exercise allowing for the Company's best estimate of participants' expected exercise behaviour.
4. No dividend yield assumption is needed for the fair value calculations for the 2022 ESAP and TIP Awards as a dividend equivalent will be payable on the exercise of these awards.

Note 24. Commitments and contingencies

	2022 $m	2021 $m
Capital commitments	**301.2**	169.9
Contingent liabilities		
Performance guarantees	**84.1**	100.8
Other contingent liabilities	**55.8**	14.0
	139.9	114.8

Where Tullow acts as operator of a Joint Venture the capital commitments reported represent Tullow's net share of these commitments. Where Tullow is non-operator the value of capital commitments is based on committed future work programmes.

Performance guarantees are in respect of abandonment obligations, committed work programmes and certain financial obligations.

Other contingent liabilities include amounts for ongoing legal disputes with third parties where we consider the likelihood of a cash outflow to be higher than remote but not probable. The timing of any economic outflow if it were to occur would likely range between one and five years.

The movement in capital commitments is predominantly due to certain equipment costs being classified as capital expenditure following the transition of operatorship to Tullow on the Jubilee FPSO in 2022. These were previously recognised as operating expenses. In addition, Tullow's equity interest increased following Ghana pre-emption.

Note 25. Related party transactions

The Directors of Tullow Oil plc are considered to be the only Key Management Personnel as defined by IAS 24 Related Party Disclosures.

	2022 $m	2021 $m
Short term employee benefits	**2.5**	3.9
Post-employment benefits	**0.1**	0.3
Share-based payments	**1.4**	1.8
	4.0	6.0

Short-term employee benefits

These amounts comprise fees paid to the Directors in respect of salary and benefits earned during the relevant financial year, plus bonuses awarded for the year.

Post-employment benefits

These amounts comprise amounts paid into the pension schemes of the Directors.

Share-based payments

This is the cost to the Group of Directors' participation in share-based payment plans, as measured by the fair value of options and shares granted, accounted for in accordance with IFRS 2 Share-based Payment.

There are no other related party transactions. Further details regarding transactions with the Directors of Tullow Oil plc are disclosed in the Remuneration Report on pages 73 to 97.

26. Climate change and energy transition

In March 2021, Tullow announced its commitment to being Net Zero on our Scope 1 and Scope 2 emissions on a net equity basis by 2030 supporting the goal of limiting global temperature rise to well below 2o C as per Article 2 of the Paris Agreement.

This note describes how Tullow has considered climate related impacts in some key areas of the financial statements and how this translates into the valuation of assets and measurement of liabilities as Tullow make progress in the energy transition.

Note (ag) key sources of estimation uncertainties describes those uncertainties that have the potential to have a material effect on the Group Balance Sheet in the next 12 months.

This note describes the key areas of climate impacts that potentially have short and longer-term effects on amounts recognised in the Group Balance Sheet as at 31 December 2022. Where relevant this note contains references to other notes to the Group Financial Statements and aims to provide an overarching summary.

Financial planning assumptions

Tullow targets being Net Zero scope 1 and 2 emissions by 2030, compared to 2020 levels on a net equity basis, and at least 40% reduction in GHG by 2025 have been included in Tullow's business plans. The financial statements are based on reasonable and supportable assumptions that represent management's current best estimate of the range of economic conditions that may exist in the foreseeable future.

The Group has performed an assessment of the potential future impact of Climate Change on key elements of its Financial Statements utilising three IEA scenarios (see page 23 for details). Tullow continues to assess the impact to operating cash flow (OCF) on our currently producing assets using the oil price assumptions within the IEA scenarios. We focused our assessment on impacts to OCF for our existing production portfolio over 1, 5, and 10 years consistent with our Viability Statement. It is clear from the oil price trajectories in the revised APS and NZE scenarios that the IEA predicts a more challenging oil price environment should the assumptions within these scenarios come to pass.

Tullow's corporate oil price planning assumption is generally higher than the IEA Scenarios, with the exception of the STEPS scenario from 2024 onward. Given the STEPS scenario is a conservative benchmark for future oil prices, reflecting global policies and implementing measures adopted as of the end September 2022, we consider our current planning assumptions, informed by a range of broker and consultant forecasts, to be a fair consideration of oil market conditions over the medium term.

We also assess acute and chronic physical climate impacts on our existing assets and incorporate meteorological and climate conditions into operational design considerations, with support from external consultant- Verisk Maplecroft in 2019. This process identified a potential exposure related to consumables stored at Ghana onshore facility, though the related financial impact was deemed insignificant. The physical effects of climate change have also been taken into consideration for core operated asset locations in Ghana, Guyana and Kenya. Analysis suggests exposure to physical risks is relatively minimal in comparison to historical conditions, however there is risk of increasing extremes in cyclical precipitation and drought events onshore Kenya. We will continue to monitor and assess our assets' exposure to physical climate risks and will evolve our understanding of the potential transmission pathways of climate-related risks and related costs which may affect our operations, strategy or performance including through our supply chain.

Similarly, while carbon prices are projected to grow there is low likelihood that a compliance carbon pricing mechanism, such as a carbon tax or emissions trading scheme, will be formalised in our core geographies, and not before Tullow's Scope 1 and 2 emissions have peaked (before 2025). Tullow reviewed and revised its internal shadow carbon price to $25/tCO2e in line with the NZE carbon price for other emerging market and developing economies, which we see as a robust but realistic carbon price assumption for host nations where we have producing assets. Based on the forecast emissions profile of our portfolio in 2030, the majority of which is from emissions associated with our Ghana production assets, we calculate a potential annual carbon price sensitivity of $12.5 million.

To mitigate our residual, hard to abate emissions we are developing a nature based carbon offset project with the Forestry Commission of Ghana. We will have more visibility of the future costs of the project as we progress towards FID in 2023. The carbon price sensitivity or costs for nature based carbon offset projects are not included in the value in use calculation of the recoverable amount of the Group CGUs as these are considered as corporate costs.

Pricing assumptions used will continue to be updated for changes in the economic environment and the pace of the energy transition. Tullow will continue to use the "Net Zero Emissions by 2050 Scenario" to assess potential financial impacts to the following:

Intangible exploration and evaluation assets

The "Net Zero Emissions by 2050 Scenario" represents a challenging oil price environment for future exploration and development investments, particularly post 2030 when the bulk of the cash flows would be generated from these types of projects. Therefore, this could result in a potential write-off of all of the $253 million net book value if the assumptions within the NZE scenario were to arise.

Property, plant and equipment

The Group has included the costs in its impairment assessment directly attributable to CGU's associated with its Net Zero plans. The "Net Zero Emission by 2050 Scenario" would trigger reductions in cash flows of between 0–10%. Specifically, if the "Net Zero emission by 2050 scenario" were to arise the Group would recognise an additional impairment of $654 million. As stated above the Group does not expect a material impact on any other balance sheet line item as a result of the IEA scenarios.

26. Climate change and energy transition continued

Decommissioning provision

The energy transition could result in decommissioning taking place earlier than anticipated. The risk on the timing of decommissioning activities is limited, supported by production plans to fully produce fields in the foreseeable future. The discount rate used to discount decommissioning provision is between 10-15-years term in line with the average remaining life of our producing assets. Under the "Net Zero Emission by 2050 Scenario" cessation of production assumptions would accelerate by; Ghana 0-7 years, Gabon 0-8 years and Côte d'Ivoire 7 years.

Governmental and societal responses to climate change risks are still developing, and are interdependent upon each other, and consequently financial statements cannot capture all possible future outcomes as these are not yet known.

Note 27. Events since 31 December 2022

Non adjusting events

Throughout 2021 and 2022, Tullow has received revised and new tax assessments from the Ghana Revenue Authority (GRA) resulting in a combined potential exposure of c.$1 billion. Tullow believes these assessments are without merit and filed requests for arbitration with the International Chamber of Commerce in London, in accordance with the dispute resolution process set out in the Petroleum Agreements which govern Tullow Ghana Limited's activities in Ghana. Notwithstanding this formal step, Tullow intends to continue to engage with the Government of Ghana, including the GRA, with the aim of resolving these disputes on a mutually acceptable basis.

In March 2023, Tullow and its JV Partners submitted an updated Field Development Plan to the Ministry of Energy and Petroleum and the Energy and Petroleum Regulatory Commission Authority in Kenya, for their approval. This is currently under review by the relevant authorities.

In 2023, there were two new appointments:

Richard Miller appointed as Chief Financial Officer (CFO) from January 2023.

Roald Goethe appointed as independent non-executive Director from February 2023.

There have not been any other events since 31 December 2022 that have resulted in a material impact on the year end results.

Note 28. Cash flow statement reconciliations

Purchases of intangible exploration and evaluation assets	2022 $m	2021 $m
Additions to intangible exploration and evaluation assets	**39.2**	46.3
Associated cash flows		
Purchases of intangible exploration and evaluation assets	**(42.6)**	(86.1)
Non-cash movements/presented in other cash flow lines		
Movement in working capital	**3.4**	39.8

Purchases of property, plant and equipment	2022 $m	2021 $m
Additions to property, plant and equipment	**370.7**	148.1
Associated cash flows		
Purchases of property, plant and equipment	**(263.8)**	(150.4)
Non-cash movements/presented in other cash flow lines		
Decommissioning asset revisions	**19.9**	134.8
Right-of-use asset additions	**(63.5)**	(73.5)
Movement in working capital	**(63.3)**	(59.0)

Movement in borrowings	2022 $m	2021 $m	2020 $m	2022 Movement	2021 Movement
Borrowings	2,472.8	2,568.7	3,170.5	**(95.9)**	(601.8)
Associated cash flows					
Debt arrangement fees				**–**	(56.6)
Repayment of borrowings				**(100.0)**	(2,379.9)
Drawdown of borrowings				**–**	1,800.0
Non-cash movements/presented in other cash flow lines					
Amortisation of arrangement fees and accrued interest				**4.1**	34.7

Note 29. Dividends

In 2022, the Board recommended that no interim or final dividend would be paid.

Note 30. Tullow Oil plc subsidiaries

As at 31 December 2022

Each undertaking listed below is a subsidiary by virtue of Tullow Oil plc holding, directly or indirectly, a majority of voting rights in the undertaking. The ownership percentages are equal to the effective equity owned by the Group. Unless otherwise noted, the share capital of each undertaking comprises ordinary shares or the local equivalent thereof.

The percentage of equity owned by the Group is 100% unless otherwise noted. The results of all undertakings listed below are fully consolidated in the Group's Financial Statements.

Company name	Country of incorporation	Direct or indirect	Address of registered office
Hardman Oil and Gas Pty Ltd[1]	Australia	Indirect	Level 9, 1 William Street, Perth WA 6000, Australia
Hardman Resources Pty Ltd	Australia	Indirect	Level 9, 1 William Street, Perth WA 6000, Australia
Tullow Chinguetti Production Pty Ltd	Australia	Indirect	Level 9, 1 William Street, Perth WA 6000, Australia
Tullow Petroleum (Mauritania) Pty Ltd	Australia	Indirect	Level 9, 1 William Street, Perth WA 6000, Australia
Tullow Uganda Holdings Pty Ltd[2]	Australia	Indirect	Level 9, 1 William Street, Perth WA 6000, Australia
Tullow Uganda Operations Pty Ltd	Australia	Indirect	Level 9, 1 William Street, Perth WA 6000, Australia
Eagle Drill Limited	British Virgin Islands	Indirect (50%)	Akara Building, 24 De Castro Street, Wickhams Cay, Road Town, Tortola, British Virgin Islands
Tullow (EA) Holdings Limited	British Virgin Islands	Indirect	Ritter House, Wickhams Cay, Tortola, VG1110, British Virgin Islands
DWT-T Company	Cayman Islands	Indirect	PO Box 32322, 4th Floor Century Yard, Cricket Square, George Town, KY1-1209, Cayman Islands
Planet Oil International Limited[3]	England and Wales	Indirect	9 Chiswick Park, 566 Chiswick High Road, London W4 5XT, United Kingdom
Tullow Argentina Limited	England and Wales	Indirect	9 Chiswick Park, 566 Chiswick High Road, London W4 5XT, United Kingdom
Tullow Comoros Limited	England and Wales	Indirect	9 Chiswick Park, 566 Chiswick High Road, London W4 5XT, United Kingdom
Tullow Côte d'Ivoire Onshore Limited	England and Wales	Indirect	9 Chiswick Park, 566 Chiswick High Road, London W4 5XT, United Kingdom
Tullow Group Services Limited	England and Wales	Direct	9 Chiswick Park, 566 Chiswick High Road, London W4 5XT, United Kingdom
Tullow Jamaica Limited	England and Wales	Indirect	9 Chiswick Park, 566 Chiswick High Road, London W4 5XT, United Kingdom
Tullow New Ventures Limited	England and Wales	Indirect	9 Chiswick Park, 566 Chiswick High Road, London W4 5XT, United Kingdom
Tullow Mozambique Limited	England and Wales	Indirect	9 Chiswick Park, 566 Chiswick High Road, London W4 5XT, United Kingdom
Tullow Oil 100 Limited	England and Wales	Direct	9 Chiswick Park, 566 Chiswick High Road, London W4 5XT, United Kingdom
Tullow Oil 101 Limited	England and Wales	Direct	9 Chiswick Park, 566 Chiswick High Road, London W4 5XT, United Kingdom
Tullow Oil Finance Limited	England and Wales	Direct	9 Chiswick Park, 566 Chiswick High Road, London W4 5XT, United Kingdom
Tullow Oil SK Limited	England and Wales	Direct	9 Chiswick Park, 566 Chiswick High Road, London W4 5XT, United Kingdom
Tullow Oil SPE Limited	England and Wales	Direct	9 Chiswick Park, 566 Chiswick High Road, London W4 5XT, United Kingdom
Tullow Peru Limited	England and Wales	Indirect	9 Chiswick Park, 566 Chiswick High Road, London W4 5XT, United Kingdom
Tullow Technologies Limited	England and Wales	Indirect	9 Chiswick Park, 566 Chiswick High Road, London W4 5XT, United Kingdom
Tullow Uruguay Limited	England and Wales	Indirect	9 Chiswick Park, 566 Chiswick High Road, London W4 5XT, United Kingdom
Tullow Oil Gabon SA	Gabon	Indirect	Quartier Tahiti, Immeuble Narval B.P. 9773, Libreville, Gabon

Note 30. Tullow Oil plc subsidiaries continued

As at 31 December 2022 continued

Company name	Country of incorporation	Direct or indirect	Address of registered office
Tullow Gabon Limited	Isle of Man	Indirect	First Names House, Victoria Road, Douglas IM2 4DF, Isle of Man
Tullow Oil (Mauritania) Ltd	Guernsey	Indirect	P.O. Box 119, Martello Court, Admiral Park, St. Peter Port GY1 3HB, Guernsey
Tullow Oil Holdings (Guernsey) Ltd[4]	Guernsey	Indirect	P.O. Box 119, Martello Court, Admiral Park, St. Peter Port GY1 3HB, Guernsey
Tullow Oil Limited	Ireland	Direct	Number 1, Central Park, Leopardstown, Dublin 18, Ireland
Tullow Congo Limited	Isle of Man	Indirect	First Names House, Victoria Road, Douglas IM2 4DF, Isle of Man
Tullow Gabon Holdings Limited	Isle of Man	Indirect	First Names House, Victoria Road, Douglas IM2 4DF, Isle of Man
Tullow Mauritania Limited	Isle of Man	Indirect	First Names House, Victoria Road, Douglas IM2 4DF, Isle of Man
Tullow Namibia Limited	Isle of Man	Indirect	First Names House, Victoria Road, Douglas IM2 4DF, Isle of Man
Tullow Uganda Limited	Isle of Man	Indirect	First Names House, Victoria Road, Douglas IM2 4DF, Isle of Man
Tullow Côte d'Ivoire Exploration Limited	Jersey	Indirect	44 Esplanade, St Helier JE4 9WG, Jersey
Tullow Côte d'Ivoire Limited	Jersey	Indirect	44 Esplanade, St Helier JE4 9WG, Jersey
Tullow Ghana Limited	Jersey	Indirect	44 Esplanade, St Helier JE4 9WG, Jersey
Tullow India Operations Limited	Jersey	Indirect	44 Esplanade, St Helier JE4 9WG, Jersey
Tullow Oil (Jersey) Limited	Jersey	Direct	44 Esplanade, St Helier JE4 9WG, Jersey
Tullow Oil International Limited	Jersey	Indirect	44 Esplanade, St Helier JE4 9WG, Jersey
Tullow Ethiopia BV	Netherlands	Indirect	9 Chiswick Park, 566 Chiswick High Road, London W4 5XT, United Kingdom
Tullow Guyana BV	Netherlands	Indirect	9 Chiswick Park, 566 Chiswick High Road, London W4 5XT, United Kingdom
Tullow Hardman Holdings BV	Netherlands	Indirect	Prinses Margrietplantsoen 33, 2595AM 's-Gravenhage, The Netherlands
Tullow Kenya BV	Netherlands	Indirect	9 Chiswick Park, 566 Chiswick High Road, London W4 5XT, United Kingdom
Tullow Netherlands Holding Cooperatief BA[5]	Netherlands	Indirect	Prinses Margrietplantsoen 33, 2595AM 's-Gravenhage, The Netherlands
Tullow Overseas Holdings BV	Netherlands	Direct	9 Chiswick Park, 566 Chiswick High Road, London W4 5XT, United Kingdom
Tullow Suriname BV	Netherlands	Indirect	Prinses Margrietplantsoen 33, 2595AM 's-Gravenhage, The Netherlands
Tullow Uganda Holdings BV	Netherlands	Indirect	Prinses Margrietplantsoen 33, 2595AM 's-Gravenhage, The Netherlands
Tullow Zambia BV	Netherlands	Indirect	9 Chiswick Park, 566 Chiswick High Road, London W4 5XT, United Kingdom
Tullow Oil Norge AS	Norway	Indirect	Tordenskioldsgate 6B, 0160 Oslo, Norway
Energy Africa Bredasdorp (Pty) Ltd	South Africa	Indirect	11th Floor, Convention Tower, Heerengracht Street, Foreshore, Cape Town 8001, South Africa
Tullow South Africa (Pty) Limited	South Africa	Indirect	11th Floor, Convention Tower, Heerengracht Street, Foreshore, Cape Town 8001, South Africa
T.U. S.A.	Uruguay	Indirect	Colonia 810, Of. 403, Montevideo, Uruguay

1. Dissolved in October 2022.
2. Dissolved in October 2022.
3. Dissolved in December 2022.
4. Dissolved in March 2022.
5. Dissolved in January 2023.

Note 31. Licence interests

Current exploration, development and production interests

Ghana

Licence/Unit area	Fields	Area sq km	Tullow interest	Operator	Other partners
Deepwater Tano *TEN Development Area*[1]	Jubilee, Wawa, Tweneboa, Enyenra, Ntomme	619	54.84%	Tullow	Kosmos, KEGIN, GNPC, Jubilee Oil Holdings, Petro SA
West Cape Three Points	Jubilee	150	25.66%	Tullow	Kosmos, KEGIN, GNPC, Jubilee Oil Holdings, Petro SA
Jubilee Field Unit Area[2]	Jubilee, Mahogany, Teak		38.97%	Tullow	Kosmos, GNPC, Petro SA

1. GNPC has exercised its right to acquire an additional 5% in TEN. Tullow's interest is 54.84% after successfully pre-empting on Kosmos' purchase of Occidental Petroleum's stake in both assets.
2. A unitisation agreement covering the Jubilee field was agreed by the partners of the West Cape Three Points and the Deepwater Tano licences. The Jubilee Unit Area was expanded in 2017 to include the Mahogany and Teak fields. It now includes all of the remaining part of the West Cape Three Points licence and a small part of the Deepwater Tano licence.

Non-operated

Licence/Unit area	Fields	Area sq km	Tullow interest	Operator	Other partners
Côte d'Ivoire					
CI-26 Special Area 'E'	Espoir	235	21.33%	CNR	Petroci
Gabon					
Avouma	Avouma, South Tchibala	52	7.50%	Vaalco	Addax (Sinopec), Sasol, PetroEnergy
Ebouri	Ebouri	15	7.50%	Vaalco	Addax (Sinopec), Sasol, PetroEnergy
Echira	Echira	76	40.00%	Perenco	Gabon Oil Company
Etame	Etame, North Tchibala	49	7.50%	Vaalco	Addax (Sinopec), Sasol, PetroEnergy
Ezanga		5,626	8.57%	Maurel & Prom	
Gwedidi	Gwedidi	5	7.50%	Maurel & Prom	Gabon Oil Company
Limande	Limande	54	40.00%	Perenco	Gabon Oil Company
Mabounda	Mabounda	6	7.50%	Maurel & Prom	Gabon Oil Company
Maroc	Maroc	17	7.50%	Maurel & Prom	Gabon Oil Company
Maroc Nord	Maroc Nord	17	7.50%	Maurel & Prom	Gabon Oil Company
Mbigou	Mbigou	5	7.50%	Maurel & Prom	Gabon Oil Company
M'Oba	M'Oba	57	24.31%	Perenco	Gabon Oil Company
Niembi	Niembi	4	7.50%	Maurel & Prom	Gabon Oil Company
Niungo	Niungo	96	40.00%	Perenco	Gabon Oil Company
Oba	Oba	44	10.00%	Perenco	Gabon Oil Company
Omko	Omko	16	7.50%	Maurel & Prom	Gabon Oil Company
Onal	Onal	46	7.50%	Maurel & Prom	Gabon Oil Company
Simba	Simba	315	57.50%	Perenco	
Tchatamba Marin	Tchatamba Marin	30	25.00%	Perenco	ONE-Dyas BV
Tchatamba South	Tchatamba South	40	25.00%	Perenco	ONE-Dyas BV
Tchatamba West	Tchatamba West	25	25.00%	Perenco	ONE-Dyas BV
Turnix	Turnix	18	27.50%	Perenco	Gabon Oil Company

Note 31. Licence interests continued

Kenya

Licence	Fields	Area sq km	Tullow interest	Operator	Other partners
Kenya					
Block 10BA		11,569	50.00%	Tullow	Centric Energy, TotalEnergies
Block 10BB	Amosing, Ngamia	6,172	50.00%	Tullow	Africa Oil, TotalEnergies
Block 12B		6,200	100.00%	Tullow	
Block 13T	Ekales, Twiga	4,719	50.00%	Tullow	Africa Oil, TotalEnergies

Exploration

Licence/Unit area	Fields	Area sq km	Tullow interest	Operator	Other partners
Argentina					
Block MLO-114		5,942	40.00%	Tullow	Pluspetrol, Wintershall Dea
Block MLO-119		4,546	40.00%	Tullow	Pluspetrol, Wintershall Dea
Block MLO-122		4,420	100.00%	Tullow	
Côte d'Ivoire					
CI-524		551	90.00%	Tullow	Petroci
CI-803		1,345	90.00%	Tullow	Petroci
Guyana					
Kanuku		4,154	37.50%	Repsol	TOQAP
Orinduik		1,776	60.00%	Tullow	TOQAP, Eco Atlantic O&G

Company balance sheet

As at 31 December 2022

	Notes	2022 $m	2021 Restated[1] $m
ASSETS			
Non-current assets			
Investments	1	**4,863.7**	4,700.6
		4,863.7	4,700.6
Current assets			
Other current assets	3	**9.1**	544.8
Cash at bank		**54.5**	74.1
		63.6	618.9
Total assets		**4,927.3**	5,319.5
LIABILITIES			
Current liabilities			
Trade and other payables	4	**(194.4)**	(389.4)
Borrowings	5	**(100.0)**	(100.0)
Derivative financial instruments		**(186.3)**	(73.1)
		(480.7)	(562.5)
Non-current liabilities			
Borrowings	5	**(2,372.8)**	(2,468.7)
Derivative financial instruments	5	**(58.2)**	(99.0)
		(2,431.0)	(2,567.7)
Total liabilities		**(2,911.7)**	(3,130.2)
Net assets		**2,015.6**	2,189.3
Capital and reserves			
Called-up share capital	7	**215.2**	214.2
Share premium	7	**1,294.7**	1,294.7
Foreign currency translation reserve		**194.5**	194.5
Merger reserves		**671.5**	671.5
Retained earnings		**(360.3)**	(185.6)
Total equity		**2,015.6**	2,189.3

1. Refer to Note 1 for details on prior year restatement.

During the year the Company made a loss of $179.5 million (2021: $1,614.1 million profit).

Approved by the Board and authorised for issue on 7 March 2023.

Rahul Dhir
Chief Executive Officer

7 March 2023

Richard Miller
Chief Financial Officer

7 March 2023

Company statement of changes in equity

Year ended 31 December 2022

	Share capital $m	Share premium $m	Foreign currency translation reserve $m	Merger reserves $m	Retained earnings $m	Total equity $m
At 1 January 2021 (as previously reported)	211.7	1,294.7	194.5	671.5	(1,808.8)	563.6
Profit for the year (restated)	–	–	–	–	1,614.1	1,614.1
Exercising of employee share options	2.5	–	–	–	(2.5)	–
Share-based payment charges	–	–	–	–	11.6	11.6
As 1 January 2022 (as adjusted)	**214.2**	**1,294.7**	**194.5**	**671.5**	**(185.6)**	**2,189.3**
Loss for the year	**–**	**–**	**–**	**–**	**(179.5)**	**(179.5)**
Exercising of employee share options	**1.0**	**–**	**–**	**–**	**(1.0)**	**–**
Share-based payment charges	**–**	**–**	**–**	**–**	**5.8**	**5.8**
At 31 December 2022	**215.2**	**1,294.7**	**194.5**	**671.5**	**(360.3)**	**2,015.6**

Refer to Note 1 for details on prior year restatement.

Company accounting policies

As at 31 December 2022

(a) General information

Tullow Oil plc is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is Tullow Oil plc, Building 9, Chiswick Park, 566 Chiswick High Road, London W4 5XT. The Financial Statements are presented in US dollars and all values are rounded to the nearest $0.1 million, except where otherwise stated. Tullow Oil plc is the ultimate Parent of the Group.

(b) Basis of preparation

The Company meets the definition of a qualifying entity under Financial Reporting Standard 100 (FRS 100) issued by the Financial Reporting Council. The Financial Statements have therefore been prepared in accordance with Financial Reporting Standard 101 (FRS 101) Reduced Disclosure Framework as issued by the Financial Reporting Council.

The following exemptions from the requirements of IFRS have been applied in the preparation of these Financial Statements, in accordance with FRS 101:

- paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payment (details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined);
- IFRS 7 Financial Instruments: Disclosures;
- paragraphs 91 to 99 of IFRS 13 Fair Value Measurement (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities); and
- paragraph 38 of IAS 1 Presentation of Financial Statements – comparative information requirements in respect of certain assets.

The following paragraphs of IAS 1 Presentation of Financial Statements:

- 10(d) (statement of cash flows);
- 111 (cash flow statement information);
- 134–136 (capital management disclosures);
- IAS 7 Statement of Cash Flows;
- paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- paragraph 17 of IAS 24 Related Party Disclosures (Key Management compensation); and
- the requirements in IAS 24 Related Party Disclosures, to disclose related party transactions entered into between two or more members of a group. Where relevant, equivalent disclosures have been given in the Group accounts.

The Financial Statements have been prepared on the historical cost basis, except for derivative financial instruments that have been measured at fair value.

The Company has applied the exemption from the requirement to publish a separate profit and loss account for the Parent Company set out in section 408 of the Companies Act 2006.

During the year the Company made a loss of $179.5 million (2021: $1,614.1 million profit).

(c) Going concern

Refer to the Basis of preparation in the Accounting Policies section of the Group accounts.

(d) Foreign currencies

The US dollar is the functional and presentational currency of the Company. Transactions in foreign currencies are translated at the rates of exchange ruling at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into US dollars at the rates of exchange ruling at the balance sheet date, with a corresponding charge or credit to the income statement. However, exchange gains and losses arising on long-term foreign currency borrowings, which are a hedge against the Company's overseas investments, are dealt with in reserves.

(e) Share-based payments
The Company has applied the requirements of IFRS 2 Share-based Payments. The Company has share-based awards that are equity settled and cash settled as defined by IFRS 2. The fair value of the equity settled awards has been determined at the date of grant of the award allowing for the effect of any market-based performance conditions. This fair value, adjusted by the Company's estimate of the number of awards that will eventually vest as a result of non-market conditions, is expensed uniformly over the vesting period.

The fair values were calculated using a binomial option pricing model with suitable modifications to allow for employee turnover after vesting and early exercise. Where necessary, this model is supplemented with a Monte Carlo model. The inputs to the models include: the share price at date of grant; exercise price; expected volatility; expected dividends; risk-free rate of interest; and patterns of exercise of the plan participants.

For cash settled awards, a liability is recognised for the goods or service acquired, measured initially at the fair value of the liability. At each balance sheet date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in the income statement.

(f) Investments
Investments in subsidiaries are accounted for at cost less any provision for impairment.

(g) Financial assets
The Company classifies its financial assets in the following categories: at fair value through profit or loss; and loans and receivables. The classification depends on the purpose for which the financial assets were acquired.

Management determines the classification of its financial assets at initial recognition. As of 31 December 2022, all financial assets were classified at amortised cost.

Assets are classified and measured at amortised cost when the business model of the Company is to collect contractual cash flows and the contractual terms give rise to cash flows that are solely payments of principal and interest. These assets are carried at amortised cost using the effective interest method if the time value of money is significant. Gains and losses are recognised in profit or loss when the assets are derecognised, modified or impaired.

(h) Financial liabilities
The measurement of financial liabilities is determined by the initial classification.

i) Financial liabilities at fair value through profit or loss:
Those balances that meet the definition of being held for trading are measured at fair value through profit or loss. Such liabilities are carried on the balance sheet at fair value with gains or losses recognised in the income statement.

Intercompany derivative liabilities fall under this category of financial instruments.

ii) Financial liabilities measured at amortised cost:
All financial liabilities not meeting the criteria of being classified at fair value through profit or loss are classified as financial liabilities measured at amortised cost. The instruments are initially recognised at their fair value net of transaction costs that are directly attributable to the issue of financial liability. Subsequent to initial recognition, financial liabilities are measured at amortised cost using the effective interest method.

Borrowings and trade creditors fall under this category of financial instruments.

(i) Share issue expenses
Costs of share issues are written off against the premium arising on the issues of share capital.

(j) Finance costs of debt
Finance costs of debt are recognised in the profit and loss account over the term of the related debt at a constant rate on the carrying amount.

Interest-bearing borrowings are recorded as the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the income statement using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

(k) Taxation
Current and deferred tax, including UK corporation tax and overseas corporation tax, are provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred corporation tax is recognised on all temporary differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more, or right to pay less, tax in the future have occurred at the balance sheet date. Deferred tax assets are recognised only to the extent that it is considered more likely than not that there will be suitable taxable profits from which the underlying temporary differences can be deducted. Deferred tax is measured on a non-discounted basis.

Deferred tax is provided on temporary differences arising on acquisitions that are categorised as business combinations. Deferred tax is recognised at acquisition as part of the assessment of the fair value of assets and liabilities acquired. Any deferred tax is charged or credited in the income statement as the underlying temporary difference is reversed.

(l) Capital management
The Company defines capital as the total equity of the Company. Capital is managed in order to provide returns for shareholders and benefits to stakeholders and to safeguard the Company's ability to continue as a going concern. Tullow is not subject to any externally imposed capital requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital, issue new shares for cash, repay debt, and put in place new debt facilities.

(m) Critical accounting judgements and key sources of estimation uncertainty
The Group assesses critical accounting judgements annually. The following are the critical judgements, apart from those involving estimations which are dealt with in policy (ag), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the Financial Statements.

Investments (note 1):
The Company is required to assess the carrying values of each of its investments in subsidiaries for impairment. The net assets of certain of the Company's subsidiaries are predominantly intangible exploration and evaluation (E&E) and property, plant and equipment assets.

Where facts and circumstances indicate that the carrying amount of an E&E asset held by a subsidiary may exceed its recoverable amount, by reference to the specific indicators of impairment of E&E assets, an impairment test of the asset is performed by the subsidiary undertaking and the asset is impaired by any difference between its carrying value and its recoverable amount. The recognition of such an impairment by a subsidiary is used by the Company as the primary basis for determining whether or not there are indications that the investment in the related subsidiary may also be impaired, and thus whether an impairment test of the investment carrying value needs to be performed. The results of exploration activities are inherently uncertain and the assessment of impairment of E&E assets by the subsidiary, and that of the related investment by the Company, is judgemental.

For property, plant and equipment, the value of assets/fields supporting the investment value is assessed by estimating the discounted future cash flows based on Management's expectations of future oil and gas prices and future costs.

In order to discount the future cash flows the Group calculates CGU-specific discount rates. The discount rates are based on an assessment of a relevant peer group's post-tax weighted average cost of capital (WACC). The post-tax WACC is subsequently grossed up to a pre-tax rate. The Group then deducts any exploration risk premium which is implicit within a peer group's WACC and subsequently applies additional country risk premium for all CGUs, an element of which is determined by whether the assets are onshore or offshore. Refer to Notes 9 and 10 to the Group Financial Statements.

Where there is evidence of economic interdependency between fields, such as common infrastructure, the fields are grouped as a single CGU for impairment purposes.

Amounts due from subsidiary undertakings (note 3):
The Company is required to assess the carrying values of each of the amounts due from subsidiary undertakings, considering the requirements established by IFRS 9 Financial Instruments.

The IFRS 9 impairment model requires the recognition of 'expected credit losses', in contrast to the requirement to recognise 'incurred credit losses' under IAS 39. Where conditions exist for impairment on amounts due from subsidiary undertakings expected credit losses assume that repayment of a loan is demanded at the reporting date. If the subsidiary has sufficient liquid assets to repay the loan if demanded at the reporting date, the expected credit loss is likely to be immaterial. However, if the subsidiary cannot demonstrate the ability to repay the loan, if demanded at the reporting date, the Company calculates an expected credit loss. This calculation considers the percentage of loss of the amount due from subsidiary undertakings, which involves judgement around how amounts would likely be recovered, and over what time they would be recovered.

Notes to the Company Financial Statements

Year ended 31 December 2022

Note 1. Investments

	2022 $m	2021 Restated $m
Subsidiary undertakings	**4,863.7**	4,700.6
	4,863.7	4,700.6

The movement in Company's investment in subsidiaries of $163.1 million (2021: $1,334.6 million) is due to additions of $665.6 million (2021: $317.0 million) and impairment charge of $502.5 million (2021: $1,017.6 impairment reversal) which was recognised against the Company's investments in subsidiaries in relation to losses incurred by Group service companies and exploration companies and underlying value of the Group's production companies. (Refer to notes 9 and 10 in the Notes to the Group Financial Statements.)

	Trigger for 2022 impairment	2022 Impairment $m	2022 Remaining recoverable amount $m	2021 Impairment/ (reversal) Restated $m	2021 Remaining recoverable amount Restated $m
Tullow Oil (Jersey) Limited	**a**	**–**	**–**	0.1	–
Tullow Oil SK Limited	**a**	**–**	**–**	17.4	–
Tullow Group Services Limited	**a**	**5.4**	**–**	11.1	–
Tullow Overseas Holdings B.V.	**a,b**	**497.1**	**4,786.6**	(1,106.2)	4,623.5
Tullow Oil SPE Limited	**n/a**	**–**	**65.3**	–	65.3
Tullow Gabon Holdings Limited	**n/a**	**–**	**11.8**	–	11.8
Tullow Oil Finance Limited	**a**	**–**	**–**	60.0	–
Total		**502.5**	**4,863.7**	(1,017.6)	4,700.6

a. Reduction in net asset value as a result of impairment of direct and indirect subsidiaries.

b. Impact of loss making subsidiaries.

Comparative information in respect of impairment reversal and remaining recoverable amount has been restated in relation to the recognition of an additional impairment reversal of investments in subsidiaries due to an error in the calculating the recoverable value Tullow Oil Plc's investment in Tullow Overseas Holdings B.V. The investment in subsidiaries as at 31 December 2021 and impairment reversal for the year ended 31 December 2021 was understated by $350.4 million. As a result of the correction, investment in subsidiaries as at 31 December 2021 increased from $4.350.3 million to $4,700.6 million and Profit for the year increased from $1,263.8 million to $1,614.1 million.

The Company's subsidiary undertakings as at 31 December 2022 are listed on pages 160 to 161. The principal activity of all companies relates to oil and gas exploration, development and production.

Sensitivities

The value of property, plant and equipment and E&E assets supporting the investment value will be affected by the potential future changes to oil prices and discount rates. All impairment assessments are prepared on a VIU basis using discounted future cash flows based on 2P reserves profiles. A reduction or increase in the two-year forward curve of $5/bbl, based on the approximate range of annualised average oil price over recent history, and a reduction or increase in the medium and long-term price assumptions of $5/bbl, based on the range of annualised average historical prices, are considered to be reasonably possible changes for the purposes of sensitivity analysis. Decreases to oil prices specified in note 10 to the Group Financial Statements would increase the investment impairment charge by $555.0, whilst increases to oil prices specified above would result in a credit to the investment impairment charge of $527.3 million. A 1% change in the pre-tax discount rate would increase the impairment by $235.8 million. The Company believes a 1% change in the pre-tax discount rate to be a reasonable possibility based on historical analysis of the Company's and peer group of companies' impairments.

Climate change

The value of property, plant and equipment and E&E assets supporting the investment value will be affected by the potential future impact of Climate Change. The Company estimates that the impact on oil and carbon prices as contained in the NZE scenarios on the value of assets held by subsidiaries could result in a potential write off of investments of up to $2,810.2 million. Refer to note 26 to the Group Financial Statements.

Note 2. Deferred tax

The Company has tax losses of $1,289.5 million (2021: $874.7 million) that are available indefinitely for offset against future non-ring-fenced taxable profits in the Company. A deferred tax asset of $nil (2021: $nil) has been recognised in respect of these losses on the basis that the Company does not anticipate making non-ring-fenced profits in the foreseeable future.

Note 3. Other current assets

Amounts falling due within one year

	2022 $m	2021 $m
Other debtors	**4.9**	7.3
Due from subsidiary undertakings	**4.2**	537.5
	9.1	544.8

The decrease in amounts due from subsidiary undertakings of $533.3 million is mostly due to a repayment of the interest bearing loan from Tullow Overseas Holdings B.V (2021: $564.2 million). The loan incurred interest at SOFR plus 4.78% (2021: LIBOR plus 4.5%). The remaining amounts due from subsidiaries accrue no interest. All amounts are repayable on demand. At 31 December 2022 a provision of $nil (2021: $26.7 million) was held in respect of the recoverability of amounts due from subsidiary undertakings.

Note 4. Trade and other payables

Amounts falling due within one year

	2022 $m	2021 $m
Accrued interest	**40.9**	42.2
Accruals	**9.0**	1.2
Provisions	**–**	1.6
Due to subsidiary undertakings	**144.5**	344.4
	194.4	389.4

Note 5. Borrowings

	2022 $m	2021 $m
Current		
Borrowings – within one year		
10.25% Senior Secured Notes due 2026	**100.0**	100.0
	100.0	100.0
Non-current		
Borrowings – after one year but within five years		
7.00% Senior Notes due 2025	**792.8**	792.1
10.25% Senior Secured Notes due 2026	**1,580.0**	1,676.6
	2,372.8	2,468.7
Carrying value of total borrowings	**2,472.8**	2,568.7

The Company's capital structure includes $1.7bn Senior Secured Notes due 2026 (2026 Notes), $800 million Senior Notes due 2025 (2025 Notes) and a $500 million Super Senior Revolving Credit Facility (SSRCF).

The 2026 Notes, maturing in May 2026, require an annual prepayment of $100 million, in May, of the outstanding principal amount plus accrued and unpaid interest, with the balance due on maturity.

The 2025 Notes are due in a single payment in March 2025.

The SSRCF, maturing in December 2024, comprises of (i) a $500 million revolving credit facility and (ii) a $100 million letter of credit facility. The revolving credit facility remains undrawn as at 31 December 2022. Letters of credit amounting to $44 million (2021: $20 million) have been issued under the facility.

Unamortised debt arrangement fees for the 2026 Notes, the Senior Notes due 2025 and the SSRCF are $20.0 million, $7.0 million and $4.8 million respectively.

The 2026 Notes and the SSRCF are senior secured obligations of Tullow Oil plc and are guaranteed by certain subsidiaries of the Group.

The Company or its affiliates may, at any time and from time to time, seek to retire or purchase outstanding debt through cash purchases and/or exchanges, in open-market purchases, privately negotiated transactions or otherwise. Such repurchases or exchanges, if any, will be upon such terms and at such prices as management may determine, and will depend on prevailing market conditions, liquidity requirements, contractual restrictions and other factors.

Note 6. Financial instruments

Disclosure exemptions adopted

Where equivalent disclosures for the requirements of IFRS 7 Financial Instruments: Disclosures and IFRS 13 Fair Value Measurements have been included in the 2022 Annual Report and Accounts of Tullow Oil plc, the Company has adopted the disclosure exemptions available to the Company's accounts.

Financial risk management objectives

The Company follows the Group's policies for managing all its financial risks.

Fair values of derivative instruments

All derivatives are recognised at fair value on the balance sheet with valuation changes recognised immediately in the income statement. Fair value is the amount for which the asset or liability could be exchanged in an arm's-length transaction at the relevant date. Where available, fair values are determined using quoted prices in active markets. To the extent that market prices are not available, fair values are estimated by reference to market-based transactions, or using standard valuation techniques for the applicable instruments and commodities involved.

The Company's derivative carrying and fair values were as follows:

Assets/liabilities	**2022 Less than 1 year $m**	**2022 1–3 years $m**	**2022 Total $m**	2021 Less than 1 year $m	2021 1–3 years $m	2021 Total $m
Option market value						
Oil derivatives	**(162.1)**	**(50.0)**	**(212.1)**	(51.0)	(66.6)	(117.6)
Deferred premium						
Oil derivatives	**(24.2)**	**(8.2)**	**(32.4)**	(22.1)	(32.4)	(54.5)
Total assets	**–**	**–**	**–**	–	–	–
Total liabilities	**(186.3)**	**(58.2)**	**(244.5)**	(73.1)	(99.0)	(172.1)

The following provides an analysis of the Company's financial instruments measured at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: fair value measurements are those derived from inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly or indirectly; and

Level 3: fair value measurements are those derived from valuation techniques which include inputs for the asset or liability that are not based on observable market data.

All of the Company's derivatives are Level 2 (2021: Level 2). There were no transfers between fair value levels during the year.

For financial instruments which are recognised on a recurring basis, the Company determines whether transfers have occurred between levels by re-assessing categorisation (based on the lowest-level input which is significant to the fair value measurement as a whole) at the end of each reporting period.

Income statement summary

Derivative fair value movements during the year which have been recognised in the income statement were as follows:

Loss on derivative instruments	**2022 $m**	2021 $m
Oil derivatives	**72.4**	(172.1)

Cash flow and interest rate risk

The interest rate profile of the Company's financial assets and liabilities, excluding trade and other receivables and trade and other payables, at 31 December 2022 and 31 December 2021 was as follows:

	2022 Cash at bank $m	**2022 Fixed rate debt $m**	**2022 Total $m**	2021 Cash at bank $m	2021 Fixed rate debt $m	2021 Total $m
US$	**54.5**	**(2,500.0)**	**(2,445.5)**	74.1	(2,600.0)	(2,525.9)
	54.5	**(2,500.0)**	**(2,445.5)**	74.1	(2,600.0)	(2,525.9)

Cash and cash equivalents consisted of $50.0 million (2021: $20.8 million) of short-term deposits that are readily convertible to known amounts of cash with insignificant risk of change in value. The Company only deposits cash with major banks of high-quality credit standing.

Note 6. Financial instruments continued

Liquidity risk

The following table details the Company's remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

	Weighted average effective interest rate	Less than 1 month $m	1–3 months $m	3 months to 1 year $m	1–5 years $m	5+ years $m	Total $m
31 December 2022							
Non-interest bearing	**n/a**	**–**	**18.7**	**175.7**	**–**	**–**	**194.4**
Fixed interest rate instruments	**9.7%**						
Principal repayments		**–**	**–**	**100.0**	**2,400.0**	**–**	**2,500.0**
Interest charge		**–**	**28.0**	**197.0**	**464.0**	**–**	**689.0**
		–	**46.7**	**472.7**	**2,864.0**	**0**	**3,383.4**

	Weighted average effective interest rate	Less than 1 month $m	1–3 months $m	3 months to 1 year $m	1–5 years $m	5+ years $m	Total $m
31 December 2021							
Non-interest bearing	n/a	–	18.7	370.7	–	–	389.4
Fixed interest rate instruments	9.7%						
Principal repayments		–	–	100.0	2,500.0	–	2,600.0
Interest charge		–	28.0	207.0	689.0	–	924.0
		–	46.7	677.7	3,189.0	–	3,913.4

Note 7. Called-up equity share capital and share premium account

Allotted equity share capital and share premium

	Equity share capital allotted and fully paid Number	Share capital $m	Share premium $m
At 1 January 2021	1,414,071,777	211.7	1,294.7
Issued during the year			
Exercise of share options	18,008,320	2.5	–
At 1 January 2022	**1,432,080,097**	**214.2**	**1,294.7**
Issued during the year			
Exercise of share options	**7,525,898**	**1.0**	**–**
At 31 December 2022	**1,439,605,995**	**215.2**	**1,294.7**

The Company does not have an authorised share capital. The par value of the Company's shares is 10p.

Alternative performance measures

The Group uses certain measures of performance that are not specifically defined under IFRS or other generally accepted accounting principles. These non-IFRS measures include capital investment, net debt, gearing, adjusted EBITDAX, underlying cash operating costs, free cash flow, underlying operating cash flow and pre-financing cash flow.

Capital investment

Capital investment is defined as additions to property, plant and equipment and intangible exploration and evaluation assets less decommissioning asset additions, right-of-use asset additions, capitalised share-based payment charge, capitalised finance costs, additions to administrative assets, Norwegian tax refund and certain other adjustments. The Directors believe that capital investment is a useful indicator of the Group's organic expenditure on exploration and appraisal assets and oil and gas assets incurred during a period because it eliminates certain accounting adjustments such as capitalised finance costs and decommissioning asset additions.

	2022 $m	2021 $m
Additions to property, plant and equipment	**370.7**	148.1
Additions to intangible exploration and evaluation assets	**39.2**	46.3
Less:		
Changes to Decommissioning asset estimates	**(19.9)**	(134.8)
Right-of-use asset additions	**63.5**	73.5
Lease payments related to capital activities	**(40.2)**	(26.8)
Additions to administrative assets	**2.0**	1.6
Other non-cash capital expenditure	**50.4**	17.7
Capital investment	**354.1**	263.2
Movement in working capital	**(49.7)**	(28.3)
Additions to administrative assets	**2.0**	1.6
Cash capital expenditure per the cash flow statement	**306.4**	236.5

Net debt

Net debt is a useful indicator of the Group's indebtedness, financial flexibility and capital structure because it indicates the level of cash borrowings after taking account of cash and cash equivalents within the Group's business that could be utilised to pay down the outstanding cash borrowings. Net debt is defined as current and non-current borrowings plus non-cash adjustments, less cash and cash equivalents. Non-cash adjustments include unamortised arrangement fees, adjustment to convertible bonds, and other adjustments. The Group's definition of net debt does not include the Group's leases as the Group's focus is the management of cash borrowings and a lease is viewed as deferred capital investment.

The value of the Group's lease liabilities as at 31 December 2022 was $251.2 million current and $732.9 million non-current; it should be noted that these balances are recorded gross for operated assets and are therefore not representative of the Group's net exposure under these contracts.

	2022 $m	2021 $m
Borrowings	**2,472.8**	2,568.7
Non-cash adjustments	**27.2**	31.3
Less cash and cash equivalents	**(636.3)**	(469.1)
Net debt	**1,863.7**	2,130.9

Gearing and adjusted EBITDAX

Gearing is a useful indicator of the Group's indebtedness, financial flexibility and capital structure and can assist securities analysts, investors and other parties to evaluate the Group. Gearing is defined as net debt divided by adjusted EBITDAX. Adjusted EBITDAX is defined as profit/(loss) from continuing activities adjusted for income tax (expense)/credit, finance costs, finance revenue, gain on hedging instruments, depreciation, depletion and amortisation, share-based payment charge, restructuring costs, gain/(loss) on disposal, exploration costs written off, impairment of property, plant and equipment net, and provision for onerous service contracts.

	2022 $m	2021 Restated[1] $m
Profit/(Loss) from continuing activities	**49.1**	(80.7)
Adjusted for:		
Income tax expense	**393.0**	295.6
Finance costs	**335.5**	356.1
Finance revenue	**(42.9)**	(44.3)
Gain on hedging instruments	**(0.8)**	–
Gain on bargain purchase	**(196.8)**	-
Depreciation, depletion and amortisation	**425.8**	378.9
Share-based payment charge	**5.8**	11.6
Restructuring costs and provisions for onerous contracts	**4.2**	61.8
Gain on disposal	**(0.4)**	(120.3)
Exploration costs written off	**105.2**	59.9
Impairment of property, plant and equipment, net	**391.2**	54.3
Adjusted EBITDAX	**1,468.9**	972.9
Net debt	**1,863.7**	2,130.9
Gearing (times)	**1.3**	2.2

1. Revenue from crude oil sales has been restated following a revision to the Group's accounting policy. This resulted in an increase to the revenue for the year ended 31 December 2022 of $21.4 million (2021: 12.2 million), and a corresponding increase to the income tax expense. Refer to note 6.

Underlying cash operating costs

Underlying cash operating costs is a useful indicator of the Group's costs incurred to produce oil and gas. Underlying cash operating costs eliminates certain non-cash accounting adjustments to the Group's cost of sales to produce oil and gas. Underlying cash operating costs is defined as cost of sales less operating lease expense, depletion and amortisation of oil and gas assets, underlift, overlift and oil stock movements, share-based payment charge included in cost of sales, royalties and certain other cost of sales. Underlying cash operating costs are divided by production to determine underlying cash operating costs per boe. In 2021 and 2022, Tullow incurred abnormal non- recurring costs which are presented separately below. The adjusted normalised cash operating costs are a helpful indicator to the forward underlying costs of the business.

	2022 $m	2021 $m
Cost of sales	697.5	638.9
Less:		
Depletion and amortisation of oil and gas and leased assets	410.7	360.9
Underlift, overlift and oil stock movements	(46.3)	(20.0)
Share-based payment charge included in cost of sales	0.4	0.5
Royalties	61.7	40.0
Other cost of sales	4.4	(11.7)
Underlying cash operating costs	**266.5**	268.7
Non-recurring costs	(14.7)	(7.9)
Total normalised cash operating costs	**251.8**	260.8
Production (mmboe)	21.6	21.6
Underlying cash operating costs per boe ($/boe)	**12.3**	12.4
Normalised cash operating costs per boe ($/boe)	**11.3**	12.1

Free cash flow

Free cash flow is a useful indicator of the Group's ability to generate cash flow to fund the business and strategic acquisitions, reduce borrowings and provide returns to shareholders through dividends. Free cash flow is defined as net cash from operating activities, and net cash used in investing activities, less debt arrangement fees, repayment of obligations under leases, finance costs paid, and foreign exchange gain.

	2022 $m	2021 $m
Net cash from operating activities	1,059.8	786.9
Net cash used in investing activities	(356.2)	(101.7)
Repayment of obligations under leases	(203.8)	(155.9)
Finance costs paid	(230.5)	(234.9)
Debt arrangement fees	–	(56.6)
Foreign exchange gain	(1.6)	6.9
Free cash flow	**267.2**	244.7

Underlying operating cash flow

This is a useful indicator of the Group's assets ability to generate cash flow to fund further investment in the business, reduce borrowing and provide returns to shareholders. Underlying operating cash flow is defined as net cash from operating activities less repayments of obligations under leases plus decommissioning expenditure.

Pre-financing free cash flow

This is a useful indicator of the Group's ability to generate cash flow to reduce borrowings and provide returns to shareholders through dividends. Pre-financing free cash flow is defined as net cash from operating activities, and net cash used in investing activities, less repayment of obligations under leases and foreign exchange gain.

	2022	2021
Net cash from operating activities	1,077.8	786.9
Less:		
Decommissioning expenditure	57.7	52.8
Lease payments related to capital activities	40.2	26.8
Plus:		
Repayment of obligations under leases	(203.8)	(155.9)
Underlying operating cash flow	**971.9**	710.6
Net cash used in investing activities	(356.2)	(101.7)
Decommissioning expenditure	(57.7)	(52.8)
Lease payments related to capital activities	(40.2)	(26.8)
Pre-financing free cash flow	**517.8**	529.3

Shareholder information

Financial calendar

2022 full year results announced	8 March 2023
Annual General Meeting	24 May 2023
AGM trading update	24 May 2023
Trading statement and operational update	12 July 2023
2023 half-year results announced	13 September 2023
November trading update	15 November 2023

Shareholder enquiries

All enquiries concerning shareholdings, including notification of change of address, loss of a share certificate or dividend payments, should be made to the Company's registrar.

For shareholders on the UK register, Computershare provides a range of services through its online portal, Investor Centre, which can be accessed free of charge at www.investorcentre.co.uk. Once registered, this service, accessible from anywhere in the world, enables shareholders to check details of their shareholdings or dividends, download forms to notify changes in personal details and access other relevant information.

United Kingdom registrar

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZY

Tel – UK shareholders: 0370 703 6242
Tel – overseas shareholders: +44 870 703 6242

Contact: www.investorcentre.co.uk/contactus

Ghana registrar

The Central Securities Depository (Ghana) Limited
4th Floor, Cedi House, P.M.B CT 465 Cantonments, Accra, Ghana

Tel – Ghana shareholders: + 233 303 972 254/302 689 313

Contact: info@csd.com.gh

Share dealing service

A telephone share dealing service has been established for shareholders with Computershare for the sale and purchase of Tullow Oil shares. Shareholders who are interested in using this service can obtain further details by calling the appropriate telephone number below:

UK shareholders: 0370 703 0084

If you live outside the UK and wish to trade you can do so through the Computershare Trading Account. To find out more or to open an account, please visit www.computershare-sharedealing.co.uk or phone Computershare on +44 870 707 1606.

ShareGift

If you have a small number of shares whose value makes it uneconomical to sell, you may wish to consider donating them to ShareGift which is a UK registered charity specialising in realising the value locked up in small shareholdings for charitable purposes. The resulting proceeds are donated to a range of charities, reflecting suggestions received from donors. Should you wish to donate your Tullow Oil plc shares in this way, please download and complete a transfer form from www.sharegift.org/forms, sign it and send it together with the share certificate to ShareGift, PO Box 72253, London SW1P 9LQ. For more information regarding this charity, visit www.sharegift.org.

Electronic communication

To reduce impact on the environment, the Company encourages all shareholders to receive their shareholder communications, including Annual Reports and notices of meetings, electronically. Once registered for electronic communications, shareholders will be sent an email each time the Company publishes statutory documents, providing a link to the information.

Tullow actively supports Woodland Trust, the UK's leading woodland conservation charity. Computershare, together with Woodland Trust, has established eTree, an environmental programme designed to promote electronic shareholder communications. Under this programme, the Company makes a donation to eTree for every shareholder who registers for electronic communication. To register for this service, simply visit http://www.investorcentre.co.uk/etreeuk/tullowoilplc with your shareholder number and email address to hand.

Shareholder security

Shareholders are advised to be cautious about any unsolicited financial advice, offers to buy shares at a discount or offers of free Company reports. More detailed information can be found at http://scamsmart.fca.org.uk/ and in the Shareholder Services section of the Investors area of the Tullow website: www.tullowoil.com.

Corporate brokers

Barclays
5 North Colonnade, Canary Wharf, London E14 4BB

Peel Hunt
120 London Wall, London EC2Y 5ET

Commercial reserves and contingent resources summary (unaudited) working interest basis

	Ghana		Non-Operated		Kenya		Exploration		Total		
	Oil mmbbl	Gas bcf	Oil mmbbl	Gas bcf	Oil mmbbl	Gas bcf	Oil mmbbl	Gas bcf	Oil mmbbl	Gas[7] bcf	Petroleum mmboe
Commercial reserves[1]											
1 January 2022	**168.3**	**138.9**	**38.8**	**7.1**	–	–	–	–	**207.1**	**145.9**	**231.4**
Revisions[3,4,6]	**(4.5)**	**4.3**	**4.8**	**(0.6)**	–	–	–	–	**0.4**	**3.8**	**1.0**
Production	**(16.2)**	–	**(5.8)**	**(1.4)**	–	–	–	–	**(22.1)**	**(1.4)**	**(22.3)**
W.I. change	**16.7**	**14.1**	–	–	–	–	–	–	**16.7**	**14.1**	**19.0**
31 December 2022	**164.3**	**157.3**	**37.8**	**5.1**	–	–	–	–	**202.1**	**162.4**	**229.1**
Contingent resources[2]											
1 January 2022	**212.1**	**585.2**	**29.7**	**0.9**	**231.4**	–	**54.5**	–	**527.6**	**586.1**	**625.4**
Revisions[3,4,6]	**(47.8)**	**(77.1)**	**6.3**	**7.7**	–	–	–	–	**(41.4)**	**(69.4)**	**(53.0)**
W.I. change	**20.7**	**69.7**	–	–	–	–	–	–	**20.7**	**69.7**	**32.3**
31 December 2022	**185.0**	**577.8**	**36.0**	**8.6**	**231.4**	–	**54.5**	–	**506.9**	**586.4**	**604.6**
Total 31 December 2022	**349.3**	**735.1**	**73.8**	**13.7**	**231.4**	–	**54.5**	–	**709.0**	**748.8**	**833.7**

1. Proven and Probable Reserves above are as audited and reported by independent third-party reserve auditors. The auditor was provided with all the significant data up until 31 December 2022.
2. Proven and Probable Contingent Resources above are also as audited and reported by independent third-party auditors based on best available information as of 31 December 2022. Numbers represent the working interest net to Tullow.
3. Reserves and Resources revisions in Ghana relate to successful infill drilling and good field performance in Jubilee and the maturation of a number of projects including: the Tweneboa Oil development, infill well on Ntomme and the Enyenra South extension development. This is balanced by a downward revision of Ntomme and Enyenra reflecting field production performance and removal of reserves associated with the two (dry) TEN Riser Base wells drilled in 2022.
4. Reserves revisions in Gabon mainly relate to development progress in Tchatamba, and reserves in Etame.
5. Resource estimates for Kenya are from independent evaluation of resources by independent third-party reserve auditors.
6. A gas conversion factor of 6 Mscf/boe is used to calculate the total Petroleum Mmboe.
7. The Working Interest change in Ghana relates to the pre-emptive acquisition of Occidental's interest in Jubilee and TEN. This transaction increased Tullow's equity interests to 39.0% in the Jubilee field and to 54.8% in the TEN fields.

The Group provides for depletion and amortisation of tangible fixed assets on a net entitlements basis, which reflects the terms of the Production Sharing Contracts related to each field. Total net entitlement reserves were 219.6 mmboe at 31 December 2022 (31 December 2021: 222.0 mmboe).

Contingent Resources relate to resources in respect of which development plans are in the course of preparation or further evaluation is under way with a view to future development.

Stay up to date
www.tullowoil.com

Our main corporate website has key information about our business, operations, investors, media, sustainability, careers and suppliers.

RESULTS, REPORTS AND PRESENTATIONS

Financial results, corporate Annual Reports, webcasts and fact books are all stored in the Investor Relations section of our website: **www.tullowoil.com/reports.**

E-COMMUNICATIONS

All documents on the website are available to view without any particular software requirement other than the software which is available on the Group's website.

For every shareholder who signs up for electronic communications, a donation is made to the eTree initiative run by Woodland Trust. You can register for email communication at: **www.etree.com/tullowoilplc.**

COMPANY SECRETARY AND REGISTERED OFFICE

Adam Holland
Tullow Oil plc
9 Chiswick Park
566 Chiswick High Road
London
W4 5XT
United Kingdom

To contact any of Tullow's principal subsidiary undertakings, please find address details on **www.tullowoil.com/contacts**
or send 'in care of' to Tullow's registered address.

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Produced by
designportfolio

Tullow Oil plc
9 Chiswick Park
566 Chiswick High Road
London W4 5XT
United Kingdom

Email: **info@tullowoil.com**

Website: **www.tullowoil.com**