



**PRESS RELEASE**

**PR. No 214/2016**

**TULLOW OIL PLC – (TLW)  
CONVERTIBLE BOND OFFERING**

TLW has released the attached announcement for the information of the general investing public.

Issued in Accra, this 7<sup>th</sup>  
day of July, 2016.

**- END -**

att'd.

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\*JEB

6th July 2016

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**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION**

## **Tullow Oil plc Convertible Bond Offering**

Tullow Oil plc (the “**Group**”, the “**Company**” or “**Tullow Oil**”) today announces the launch of an offering (the “**Offering**”) of \$300 million of Convertible Bonds due 2021 (the “**Bonds**”).

The proposed Convertible Bond Offering will further diversify Tullow Oil’s sources of funding and the proceeds will be used for general corporate purposes and to fund capital investment in the Group’s assets in West and East Africa.

Ian Springett, Chief Financial Officer of Tullow Oil commented: “The proposed Convertible Bond issue will further diversify Tullow Oil’s sources of funding and give the company access to a new investor base. As per our most recent trading statement, our focus will continue to be on strengthening the balance sheet and deleveraging the business.”

The Bonds will be issued by Tullow Oil (Jersey) Ltd (the “**Issuer**”), a directly wholly-owned subsidiary of the Company incorporated in Jersey but tax resident in the UK, and will be guaranteed by the Company and certain subsidiaries of the Company. The Bonds will have the benefit of a senior and unsecured guarantee by the Company which will rank *pari passu* in right of payment with all of the Company’s existing and future unsecured and unsubordinated obligations. The subsidiary guarantees will be joint and several and subordinated to the existing and future senior obligations of the relevant subsidiary guarantors. In certain circumstances such subsidiary guarantor may be released from their obligations in respect of the Bonds by the Company and certain other subsidiaries of Tullow Oil may be required to grant subordinated guarantees which shall also be subordinated to the existing and future obligations of the relevant subsidiary.

The Bonds will be issued at par and are expected to carry a coupon of between 5.875% and 6.625% per annum payable semi-annually in arrear on 12<sup>th</sup> January and 12<sup>th</sup> July in each year, with the first interest payment date being 12<sup>th</sup> January 2017. The Bonds will be convertible into fully paid ordinary shares of the Company (the “**Ordinary Shares**”). The initial conversion price is expected to be set at a premium of between 30% and 35% above the volume weighted average price (the “**VWAP**”) of an Ordinary Share on the London Stock Exchange between opening and closing of the market on 6<sup>th</sup> July 2016, converted at the prevailing USD:GBP spot rate.

Unless previously converted or redeemed, or purchased and cancelled, the Bonds will be redeemed at par on 12<sup>th</sup> July 2021.

The Issuer will have the option to call all outstanding Bonds on or after 29<sup>th</sup> July 2019 (the “**Early Redemption Date**”) at par plus accrued interest if the VWAP of an Ordinary Share underlying a Bond (converted at the prevailing USD:GBP spot rate) equals or exceeds 130% of the conversion price for at least 20 dealing days in a period of 30 consecutive dealing days or, at any time, if 15% or less of the principal amount of the Bonds remains outstanding.

If, following the release of one or more subordinated guarantors by the Company, there are no subordinated guarantors for the time being, the holder of each Bond will have the right to require the Issuer to redeem that Bond at its principal amount together with accrued and unpaid interest to such redemption date.

The final terms of the Bonds are expected to be announced later today.

Settlement and delivery of the Bonds is expected to take place on or about 12<sup>th</sup> July 2016 (the “**Settlement Date**”).

It is intended that an application will be made for the Bonds to be listed on a recognised stock exchange (as such term is defined in section 1005 of the Income Tax Act 2007) prior to the first interest payment date (expected to be 12<sup>th</sup> January 2017) – expected to be the Channel Islands Stock Exchange.

In the context of the Offering, the Issuer and the Company will agree to a lock-up for a period commencing on pricing and ending 90 calendar days following the Pricing Date, subject to certain exceptions.

Barclays Bank PLC and BNP Paribas are acting as Joint Global Coordinators and Joint Bookrunners (the “**Joint Global Coordinators**”).

The Bonds will be offered via an accelerated book building process through a private placement only to institutional investors outside the United States of America, Australia, Canada and Japan. No prospectus, offering circular or similar document will be prepared in respect of the Offering of the Bonds.

This press release does not constitute or form part of any offer or solicitation to purchase or subscribe for or to sell securities and the Offering of the Bonds is not an offer to the public in any jurisdiction.

**FOR FURTHER INFORMATION CONTACT:**

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## **About Tullow Oil plc**

Tullow Oil is a leading independent oil & gas, exploration and production group, quoted on the London, Irish and Ghanaian stock exchanges (symbol: TLW). The Group has interests in over 120 exploration and production licences across 22 countries which are managed as three Business Delivery Teams: West Africa, East Africa and New Ventures.

**For further information please refer to our website at [www.TullowOil.com](http://www.TullowOil.com)**

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