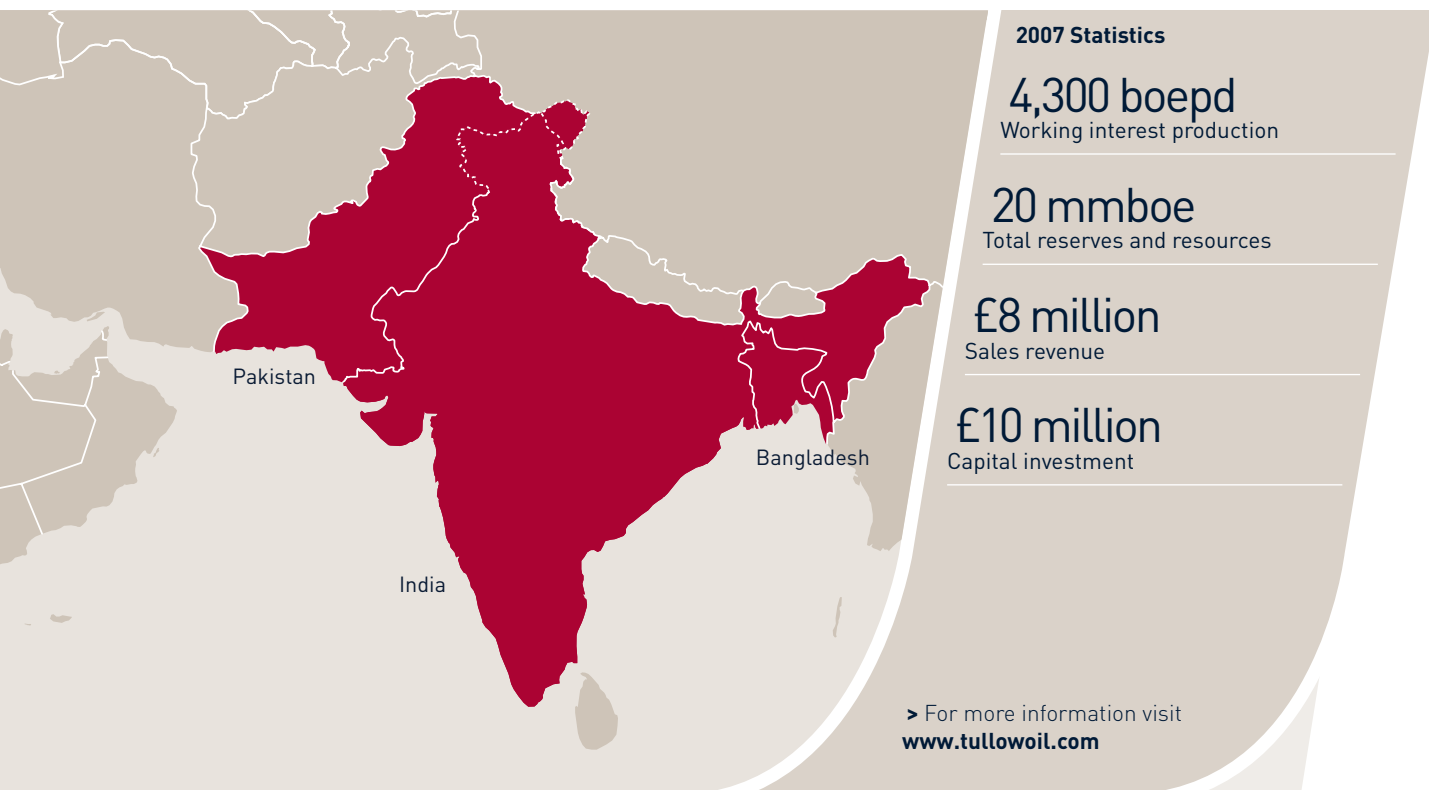


During 2007 Tullow's South Asia business reported good production growth, delivered two development projects and established a high impact exploration campaign in India.



Key producing assets

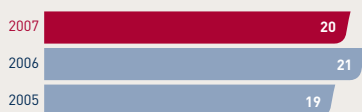
Country	Activities	Producing fields (Tullow %)	2007 Working interest production (boepd)
Bangladesh	● ▲ ■	Bangora – Lalmai (30%)	3,260
Pakistan	● ▲ ■	Chachar ¹ (75%) Sara/Suri (38.18%)	750 290

Notes: ¹Production commenced in August 2007.

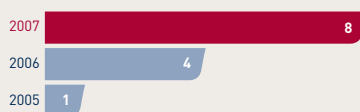
Activities in other countries

India ●

Reserves and resources (mmboe)



Sales revenue (£ million)



Key: Exploration = ● Development = ▲ Production = ■

2007 Highlights

- Net production averaged 4,300 boepd, 143% above 2006 levels;
- Gross production from Bangora in Bangladesh stable at 70 mmscfd, upgrade to 120 mmscfd ongoing;
- First gas from the Chachar field in Pakistan achieved in August 2007; and
- Delineation of CB-ON/1 exploration drilling prospects in India in advance of an active drilling campaign in 2008.

Market environment

Tullow has established a strong position in South Asia and is involved in exploration, development and production activities in Bangladesh, Pakistan and India.

The Asian economy has witnessed unprecedented economic growth over the past few years, leading to steadily increasing demand for energy. We view South Asia as an area with significant further growth potential, and are currently focusing attention on new business opportunities in the region.

Bangladesh

2007 marked a step change in Tullow's operations in Block 9 in Bangladesh. The Bangora-5 well, drilled in February, tested at a gross maximum rate of 73 mmscfd. This well was tied back in April 2007 and thereafter the field has been producing at the 70 mmscfd capacity of the processing facility.

The second phase of development is currently under way, involving a further upgrade of the processing capacity to 120 mmscfd. This should allow gross field production to be increased to in excess of 100 mmscfd by the end of 2008 and provide capacity for further infill drilling.

Elsewhere in Bangladesh, a three-year extension has been secured for offshore exploration Blocks 17&18, and the Government of Bangladesh approved the assignment of a 60% interest to Total. The exploration programme resumed in the last quarter of 2007 with an extensive bathymetry survey in the Bay of Bengal. A focused 3D seismic survey will follow in the first quarter of 2008.

Pakistan

The Chachar field came on stream in August 2007 with gas being processed on site and delivered to the Guddu power station. Production commenced at a rate of 23 mmscfd from three wells, two of which have dual completions. Further wells and workovers are planned for 2008 to increase production from the field.

Compression facilities were successfully installed at Sara and Suri in May 2007, increasing production to approximately 6 mmscfd and extending the productive life of the field.

On the Kohat exploration block, we have completed seismic processing and interpretation and selected two drilling prospects. The drill site for the first well has been constructed but operations have been delayed as a consequence of the security situation in Pakistan. The Government of Pakistan has granted a one-year extension to the licence and we now plan to commence drilling in the latter part of 2008.

Exploration activities elsewhere in Pakistan have also been affected by access problems and the Government has granted an extension on the Bannu West block. However, progress was made on the Kalchas exploration block and planning is under way for seismic operations in the area during 2008.

Tullow is currently reviewing its long-term strategy in respect of its Pakistan business which may potentially result in a disposal of this asset during 2008.

India

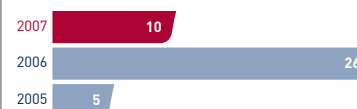
The main focus for Tullow in India during 2007 was on CB-ON/1. Following the acquisition and processing of data from the initial 2D seismic programme an additional 415 km of 2D data was acquired and processed towards the end of 2007. This focused on firming up a number of leads in the northern part of the block.

A drilling programme has been agreed for four wells and three contingent wells to test a number of different plays on the block. A drilling rig has been secured and the first well of the campaign is now planned for the second quarter of 2008.

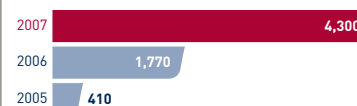
150 mmboe

Four-well exploration campaign in India to commence in 2008 targeting a gross upside of 150 mmboe.

Capital investment (£ million)



Working interest production (boepd)



2008 Outlook

2008 will be a year of active portfolio management, production growth and exciting exploration activity in South Asia. A high impact multi-well exploration drilling programme is planned in India and extensive exploration activities are planned for Pakistan and Bangladesh. Production is expected to continue to grow, averaging approximately 5,600 boepd in 2008.