

### Results and dividends

The profit on ordinary activities after taxation of the Group for the year ended 31 December 2007 amounted to £52,594,000 (2006: £157,438,000).

An interim dividend of 2.0p (2006: 2.0p) per share was paid on 7 November 2007. The Directors recommend a final dividend of 4.0p (2006: 3.5p) per share which, if approved at the 2008 AGM, will be paid on 21 May 2008 to shareholders whose names are on the Register of Members on 18 April 2008.

### Subsequent events

In January 2008, the Group announced the sale of its 11% interest in the M'Boundi field for a total cash consideration of US\$435 million (£218 million). The transaction is expected to complete in 2008.

### Directors

The biographical details of the Directors of the Company at the date of this report are given on pages 46 and 47. All the Directors served throughout the period. Rohan Courtney retired as a Director with effect from 31 December 2007.

In accordance with the Company's Articles of Association, David Bamford, Steven McTiernan, Graham Martin and Clare Spottiswoode retire at this year's AGM. Being eligible, they offer themselves for re-election. In addition, as Pat Plunkett has now been a Director for more than nine years he will now retire annually and a resolution for his re-election will be proposed at this year's AGM. Details of Directors' service contracts and letters of appointment are set out on pages 61 to 62.

Details of the Directors' interests in the ordinary shares of the Company and in share options are set out on pages 63 to 66 in the Directors' Remuneration Report.

### Directors indemnities

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.

### Additional membership and control disclosures

The Additional Shareholder Information section of this report on pages 118 to 120 contains disclosures relating to share capital and rights and obligations attaching to the Company's ordinary shares, substantial shareholdings, powers of Directors, appointment and replacement of Directors and material agreements containing change of control provisions.

### Charitable and political donations

The Group made charitable, social and community related donations during the year totalling £435,200 (2006: £338,800). In line with Group policy, no donations were made for political purposes.

### Corporate social responsibility

The Group is fully committed to high standards of environmental, health and safety management. A review, together with an outline of the Group's involvement in the community, is set out in the Corporate and Social Responsibility section on pages 34 to 39. In addition, Tullow publishes annually a separate Corporate Social Responsibility Report which is available on the Group website: [www.tulloil.com](http://www.tulloil.com)

### Supplier payment policy

It is Company and Group policy to settle all debts with creditors on a timely basis and in accordance with the terms of credit agreed with each supplier. The Company had no trade creditors outstanding at 31 December 2007.

### Auditors and disclosure of information to auditors

Each person who is a Director at the date of approval of this report confirms that:

- so far as that Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- that Director has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given, and should be interpreted, in accordance with the provisions of s234ZA of the Companies Act 1985.

A resolution to re-appoint Deloitte & Touche LLP as the Company's auditors will be proposed at the AGM.

### Annual General Meeting

Your attention is drawn to the Notice of Meeting enclosed with this Annual Report which sets out the resolutions to be proposed at the forthcoming AGM. The meeting will be held at Stationers Hall, Ave Maria Lane, London EC4 on 14 May 2008 at 12 noon.

This Directors' Report comprising pages 8 to 67 and the information referred to therein has been approved by the Board and signed on its behalf by



**Graham Martin**  
Company Secretary  
11 March 2008

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