



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2019 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	991 870 830
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	TULLOW OIL NORGE AS
Forretningsadresse:	c/o Simonsen Vogt Wiig Filipstad brygge 1 0252 OSLO

Regnskapsår

Årsregnskapets periode:	01.01.2019 - 31.12.2019
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Konsern

Morselskap i konsern:	Nei
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Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Forenklet IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Pål Brudvik
Dato for fastsettelse av årsregnskapet:	28.07.2020

Grunnlag for avgivelse

År 2019: Årsregnskapet er elektronisk innlevert
År 2018: Tall er hentet fra elektronisk innlevert årsregnskap fra 2019

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 30.06.2021



Resultatregnskap

Beløp i: NOK	Note	2019	2018
RESULTATREGNSKAP			
Kostnader			
Exploration costs written (off) / back	7	104 770 000	15 659 000
General and administrative expences	5,6,8	2 286 000	4 642 000
Provision for onerous serivice contracts	19	-1 625 000	-340 000
Restructuring costs		0	45 000
Investment impariment	11	6 800 000	60 599 000
Sum kostnader		112 231 000	80 605 000
Driftsresultat		-112 231 000	-80 605 000
Finansinntekter og finanskostnader			
Dividend received	9	6 827 000	60 744 000
Annen finansinntekt	9	6 356 000	25 648 000
Sum finansinntekter		13 183 000	86 392 000
Annen finanskostnad	9		27 104 000
Sum finanskostnader			27 104 000
Netto finans		13 183 000	59 288 000
Ordinært resultat før skattekostnad		-99 048 000	-21 317 000
Skattekostnad på ordinært resultat	10	0	-75 674 000
Ordinært resultat etter skattekostnad		-99 048 000	54 357 000
Årsresultat		-99 048 000	54 357 000
Overføringer og disponeringer			
Udekket tap		-99 048 000	54 357 000
Sum overføringer og disponeringer		-99 048 000	54 357 000



Balanse

Beløp i: NOK	Note	2019	2018
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Sum immaterielle eiendeler		0	
Finansielle anleggsmidler			
Investering i datterselskap	11,12	0	6 800 000
Other financial non-current assets	13,21	0	99 489 000
Sum finansielle anleggsmidler		0	106 289 000
Sum anleggsmidler		0	106 289 000
Omløpsmidler			
Varer			
Fordringer			
Trade and other receivables	14,21	11 000	30 000
Tax receivable	10	0	337 973 000
Konsernfordringer	15,21	0	131 767 000
Sum fordringer		11 000	469 770 000
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents, restricted	16,21	40 000	40 000
Cash and cash equivalents, unrestricted	16,21	4 781 000	9 138 000
Sum bankinnskudd, kontanter og lignende		4 821 000	9 178 000
Sum omløpsmidler		4 832 000	478 948 000
SUM EIENDELER		4 832 000	585 237 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	17	85 266 000	85 266 000



Balanse

Beløp i: NOK	Note	2019	2018
Overkurs		154 360 000	154 360 000
Sum innskutt egenkapital		239 626 000	239 626 000
Opptjent egenkapital			
Other reserves		1 906 669 000	1 906 669 000
Udekket tap		2 463 361 000	2 364 313 000
Sum opptjent egenkapital		-556 692 000	-457 644 000
Sum egenkapital		-317 066 000	-218 018 000
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Leverandørgjeld	20,21	261 000	9 813 000
Kortsiktig konserngjeld	15,21	321 637 000	671 965 000
Provisions for other liabilities and charges	19	0	121 477 000
Sum kortsiktig gjeld		321 898 000	803 255 000
Sum gjeld		321 898 000	803 255 000
SUM EGENKAPITAL OG GJELD		4 832 000	585 237 000



Skattedirektoratet

Saksbehandler Jan Hoelstad	Deres dato 16.09.2010	Vår dato 29.09.2010
Telefon 22077325	Deres referanse Lars Husby	Vår referanse 2010/951817

Spring Energy Norway AS
Tordenskioldsgate 6B
0160 OSLO

Søknad om tillatelse til å unnlate å utarbeide årsregnskap og årsberetning på norsk språk for Spring Energy Norway AS, org. nr: 991 870 830

Det vises til Deres søknad av 16. september 2010 hvor De søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Spring Energy Norway AS.

Bakgrunn:

Selskapene er et lete- og produksjonsfokustert olje- og gass selskap. Selskapets hovedaktivitet er å lete etter, bygge ut og produsere olje og naturgass. Selskapet henvender seg jevnlig til potensielle investorer som er utenlandsk basert, selv om hovedtyngden av aksjonærer i dag er norske. Hoveddelen av disse er likevel profesjonelle investorer. I selskapets styre er ikke alle medlemmer norsk språklig. Årsregnskap og årsberetning utarbeidet på engelsk benyttes derfor alt av styret. Selskapets arbeidsspråk er engelsk som det generelt er i bransjen. Kommunikasjon med primære lånegivere skjer alt i dag på engelsk språk. Da det er en engelsk versjon av årsregnskapet og -beretningen som vil bli benyttet for alle praktiske formål, og den norske kun utarbeides for å tilfredsstille regnskapslovens krav, anses nytten i forhold til kostnaden ved å utarbeide et norsk årsregnskap og -beretning som liten. Det søkes derfor om dispensasjon.

Skattedirektoratets vurdering og konklusjon

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjævt fordelt informasjon."

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til "informative regnskaper for ulike grupper av regnskapsbrukere". Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet. Offentlige myndigheter må også anses som en sentral regnskapsbruker, idet ulike myndigheter, som lignings- og tilsynsmyndigheter, benytter regnskapene som et verktøy i sin kontrollvirksomhet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til

Postadresse	Besøksadresse	Sentralbord
Postboks 9200 Grønland	Fredrik Selmers vef 4	800 80 000
0134 Oslo	Org. nr: 974761076	Telefaks
skattedirektoratet@skatteetaten.no		22 17 08 60



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å utarbeide årsregnskap og/eller årsberetning på norsk, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir negativt berørt ved en eventuell dispensasjon.


Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. Det fremgår av søknaden at selskapene opererer innen en bransje med sterk internasjonal karakter og arbeidsspråket er engelsk. Alle sentrale aktører innen de bransjer selskapene driver, antas å måtte beherske og benytte engelsk språk.

Skattedirektoratet gir på bakgrunn av en helhetsvurdering Spring Energy Norway AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd.

Dispensasjonen forutsetter at engelsk språk benyttes i stedet ved utarbeidelsen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig.

Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen


Torstein Kinde Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet


Jan Hoelstad



Deloitte.

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To the General Meeting of Tullow Oil Norge AS

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Tullow Oil Norge AS, which comprise the balance sheet as at 31 December 2019, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). 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 are independent of the Company as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 23 in the financial statements and the Board of Directors' report, which indicates a material uncertainty in relation to going concern. As stated in Note 23 and the Board of Directors' report, events or conditions after the statement of financial position date, along with other matters as set forth in Note 23 and the Board of Directors' report, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated.

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Registrert i Foretaksregisteret Medlemmer av Den norske Revisorforening Organisasjonsnummer: 980 211 282

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Tullow Oil Norge AS

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors (management) is responsible for the preparation and fair presentation of the financial statements in accordance with simplified application of International Accounting Standards according to the Norwegian Accounting Act section 3-9, and for such internal control as management determines 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, management is responsible for assessing the 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 management either intends to liquidate the Company or to cease operations, or has 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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Tullow Oil Norge AS

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements and the going concern assumption is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Stavanger, 28 July 2020
Deloitte AS

Arnstein Antonsen
State Authorised Public Accountant (Norway)



Company Registration No. 991870830
Norway

Tullow Oil Norge AS

Report and Audited Financial Statements

For the year ended 31 December 2019



Tullow Oil Norge AS

Report and financial statements

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Tullow Oil Norge AS

Officers and professional advisers

Directors

A Holland, chairman
H Holte, director – resigned 5 March 2019
P Brudvik, director
C Ditlev-Simonsen, director – appointed 5 March 2019
R Rowland-Clark, deputy director

Officers

A Morgan, managing director – resigned 5 March 2019

Registered office

c/o Simonsen Vogt Wiig AS
Filipstad Brygge 1
0252 Oslo

Solicitors

Simonsen Vogt Wiig AS
Filipstad Brygge 1
0252 Oslo

Bankers

JP Morgan Chase and Co.
25 Bank Street
Canary Wharf
London E14 5JP
United Kingdom

Auditor

Deloitte AS
Statutory Auditor
Dronning Eufemias Gate 14
0191 Oslo
Norway



Tullow Oil Norge AS

Directors' report

The directors of Tullow Oil Norge AS (the "company") present their annual report on the affairs of the company, together with the financial statements and auditor's report for the year ended 31 December 2019.

About Tullow Oil Norge AS

Tullow Oil Norge AS ("Tullow Oil" or "the company") is a 100% owned subsidiary of Tullow Overseas Holding B.V., an entity controlled by Tullow Oil plc.

Tullow Oil was an exploration focused oil company. The company's main business was to explore and appraise oil prospects on the Norwegian Continental Shelf. The company's offices were in Oslo, Norway. The company sold or relinquished all its licences during 2017.

Going concern

The principal activity of the Company was to explore and appraise oil prospects on the Norwegian Continental Shelf. The company does not expect to change its principal activity in the 2020 financial year.

The company recorded a loss NOK 99,048,000, for the year 31 December 2019 (2018: NOK 54,358,000). As at 31 December 2019 the company had a net liability position of NOK 317,066,000 (2018: NOK 218,018,000).

The ability to meet its obligations as they fall due is dependent on the ultimate parent company providing financial support during the period of assessment. A letter of support has therefore been provided by Tullow Oil plc, which states it will provide the necessary financial support to ensure that this company is able to operate as a going concern for at least twelve months from the date of signing of these financial statements.

However, at the time of issuing the consolidated Annual Report and Accounts of Tullow Oil plc and its subsidiaries (the "Group") on 12 March 2020, there were unprecedented market conditions with significant oil price volatility following the demand implications driven by COVID-19 and the failure of OPEC and Russia to reach agreement to cut oil supply to balance markets. Therefore, this increases the risk that the Group may not be able to sufficiently progress any planned portfolio management activities as a result of which its lenders may not approve the semi-annual redetermination of the RBL facility which was under way at that point. Therefore, the Directors of Tullow Oil plc concluded that there is a material uncertainty, that may cast significant doubt, that the Group will be able to operate as a going concern. The Group continues to closely monitor cash flow forecasts and would take mitigating actions in advance to maintain compliance with its external debt facilities, including securing amendments to covenants if necessary. The Directors of the Group believe the RBL gearing covenant could be amended in advance if required which is both consistent with past practice and the reasonable expectation of the commercial interests of the counterparties involved. In this scenario, the Group would also target a further rationalisation of its cost base, including cuts to discretionary capital expenditure. Notwithstanding this material uncertainty, the Board's confidence in the Group's forecasts and ability to deliver portfolio management proceeds supported preparation of the consolidated financial statements of Tullow Oil plc on a going concern basis.

The oil price has continued to be volatile subsequent to the issue of the Group's Annual Report and Accounts as a result of OPEC increasing production and whilst the successful completion of the RBL redetermination was announced on 3 April 2020, the next redetermination of RBL facility in September 2020 is within the going concern period and there remains uncertainty regarding the redetermination. The Directors of the company have therefore concluded that these circumstances constitute a material uncertainty that may cast significant doubt over the Group's and therefore the company's ability to continue as a going concern, such that it may be unable to realise its assets and discharge its liabilities in the normal course of business. However, on the basis of the Directors' assessment of the Company's financial position, the enquiries made of the Directors of Tullow Oil plc, and the mitigating actions available to the Group, the directors have assessed that although a material uncertainty exists, the Company has adequate resources to continue as a going concern for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing the financial statements.



Tullow Oil Norge AS

Directors' report (continued)

The financial statements

The company is financed through debt from Tullow Group. The company's equity ratio is lower than for comparable entities operating on the Norwegian Continental Shelf. Taking into consideration that Tullow Oil Plc is guaranteeing the continued operations of Tullow Oil Norge AS, the equity is considered to be at an acceptable level.

Statement of comprehensive income

Loss from operating activities was NOK 112.2 million in 2019, compared to a NOK 80.6 million loss in 2018. The decreased operating loss in 2019 is mainly attributable to the lower investment impairment and the reduction in activity due to its licences being sold or relinquished during 2017.

Loss before income tax at the end of 2019 amounted to NOK 99.0 million, compared to a NOK 21.3 million loss in 2018.

In 2019, the company incurred an income tax credit of NOK Nil million, a decrease from NOK 75.7 million in 2018.

The net loss after tax was NOK 99.0 million in 2019, compared to a profit of NOK 54.4 million in 2018.

Statement of financial position

The total assets amounted to NOK 4.8 million at the end of 2019, of which total non-current assets represented NOK nil.

Tax receivable amounted to NOK Nil million at year end 2019. The year-end cash position amounted to NOK 4.8 million.

Statement of cash flows

Cash generated from operating activities amounted to NOK 107.9 million in 2019, compared to NOK 3.9 million generated from operating activities in 2018.

Net cash flow generated from investing activities amounted to NOK 106.3 million in 2019, compared to the net cash flow generated from investing activities of NOK 60.7 million in 2018.

Net cash flow utilised in financing activities was NOK 218.6 million in 2019. At the end of 2019 cash and cash equivalents was NOK 4.8 million.

Allocation of loss for the year

In 2019, Tullow Oil Norge AS posted a net loss of NOK 99.0 million. The Board of Directors proposes the following allocation (NOK million):

Transferred to retained earnings: NOK 99.0 million

Risk factors

The company was subject to a variety of inherent risks deriving from the nature of the oil and gas exploration and production business. As all licences were sold or relinquished during 2017, the risks are significantly reduced.

Risk is inherent across the company's operations, and all activities with a potential corporate or business impact are subject to an appropriate review to ensure that risks can be mitigated and controlled.



Tullow Oil Norge AS

Directors' report (continued)

Operational risks

Operational risks are dependent on the continued performance of the company's operational assets. As all licences were sold or relinquished during 2017, the risks are significantly reduced.

Credit risks

A credit risk arises if a customer or other counterparty to a financial instrument fails to meet its contractual obligations. The company has no significant exposure to credit risk from its operating activities.

Financing and liquidity risks

Liquidity risks arise from not having the necessary resources available to meet maturing liabilities with regard to timing, volume and currency structure.

Based on the company's current available credit lines and cash contributions from production, the company regards the financing and liquidity risks as low. Nevertheless, it is important to note that failure to maintain liquidity could have an adverse financial impact on the company's performance.

Currency risks

Currency risks for the company are a direct result of multi-currency cash flows within the company. The biggest single driver behind this risk results from the mismatch of the currencies required for funding exploration and development initiatives and the currencies of the company's source of funding.

Interest risks

Changes in market interest rates affect future interest payments for variable-interest-liabilities. As a result, significant interest rate increases can have an adverse effect on the company's profitability, liquidity and financial position.

Health, safety and environment / equal opportunities

The company aims to carry out its operations to the best health and safety standards and seek to promote a strong safety-oriented culture.

The company experienced no major accidents, injuries, incidents or any environmental claims during the year.

The company has no employees by year-end 2018, and thereby does not have a work environment to comment on.

Currently no member of the Board of Directors is female.

The company is continuously working on assuring the quality in its entire operations. With no licences, the operations of the company have a low potential of polluting the external environment.

Auditor

Following the competitive audit tender carried out in 2018, the Board of Tullow Oil plc selected Ernst & Young LLP as statutory auditors of the group and all subsidiaries.

Ernst & Young LLP indicated their willingness to act and their appointment will be approved at the 2020 Annual General Meeting.



Tullow Oil Norge AS

Directors' report (continued)

Events after the statement of financial position date

The company no longer holds any licences. As a consequence, the company no longer has any operations.

The ultimate parent, Tullow Oil Plc, and its subsidiaries (together "the Group") continues to monitor the ongoing COVID-19 outbreak. The key impact has been in respect of short term oil demand and price volatility as noted above resulting in a material uncertainty in relation to going concern.

The Group has experience of managing infectious diseases of this nature following the significant contingency planning put in place during the West African Ebola outbreak in 2015. The Group actively monitors advice from the World Health Organisation and Public Health England, as well as participates in weekly calls with the International Oil and Gas Producers' Health Committee relating to the COVID-19 outbreak to ensure best practice precautions are being applied.

At present the threat level in the Group's countries of operation remains low, as per our Infectious Disease Health Management Guideline, however we continue to closely monitor this as the situation develops which may result in additional changes to those disclosed above within this note. Clear information and health precautions on how employees should protect themselves and reduce exposure to, and transmission of, a range of illnesses along with general advice has been communicated across the organisation. In both Ghana and Kenya, the Group's in-country teams have set up their EID (Emerging Infectious Disease) Management committees in response to the current COVID-19 outbreak.

These EID committees steer the local management response to the outbreak, including ensuring that our contractors have implemented appropriate measures. We have also implemented 'self-declaration' forms for all personnel travelling to the Group's offshore assets in Ghana, that require people to sign-off that they have not been to the 'specified locations' as defined by the UK Foreign & Commonwealth Office in the last 30 days, as well as implementing business travel restrictions to and from these 'specified locations'. In the event that the COVID-19 outbreak escalates, the country specific Business Continuity Plans set out how the Group will continue to operate, recover quickly from, and effectively manage the response.

There has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Outlook

In January 2017 the company sold its interest in two licences to Conoco Phillips: PL 626 and PL 775. In March 2017, Statoil acquired the company's interest in licence PL 827. In June 2017, the company's interests in PL 636, PL 746S, PL 776, PL 786, PL 791 and PL 826 were sold to Pandion Energy.

During 2017, licences PL 651, PL 689, PL 750/750B and PL 774/774B were relinquished. As a result, the company holds no licences at year end 2019.

The financial statements on pages 3 to 35 were approved by the board of directors on 28 July 2020 and signed on its behalf by:

Adam Holland
Chairman of the Board
28 July 2020

Pål Brudivik
Board Member
28 July 2020

Christian Ditlev-Simonsen
Board Member
28 July 2020



Independent auditor's report to the members of Tullow Oil Norge AS



**Independent auditor's report to the members of Tullow Oil Norge AS
(continued)**



**Independent auditor's report to the members of Tullow Oil Norge AS
(continued)**



Tullow Oil Norge AS

**Statement of comprehensive income
For the year ended 31 December**

	Notes	2019 NOK'000	2018 NOK'000
Exploration costs written off	7	(104,770)	(15,659)
General and administrative expenses	5,6,8	(2,286)	(4,642)
Provision for onerous services contracts	19	1,625	340
Restructuring costs		-	(45)
Investment impairment	11	(6,800)	(60,599)
		<hr/>	<hr/>
Loss from operating activities		(112,231)	(80,604)
Dividends received	9	6,827	60,744
Finance income	9	6,356	25,648
Finance costs	9	-	(27,104)
		<hr/>	<hr/>
Loss before income tax		(99,048)	(21,316)
Income tax credit	10	-	75,674
		<hr/>	<hr/>
(Loss) / profit for the year after tax		(99,048)	54,358
Other comprehensive income		-	-
		<hr/>	<hr/>
Total comprehensive (loss) / income for the year		(99,048)	54,358

All transactions in the current and previous year are derived from continuing operations.

The notes on page 15 - 35 form an integral part of these financial statements.



Tullow Oil Norge AS

Statement of financial position

At 31 December

	Notes	2019 NOK'000	2018 NOK'000
Assets			
Non-current assets			
Intangible assets			
Deferred tax assets	10	-	-
Total Intangible assets		-	-
Financial non-current assets			
Investment in subsidiaries	11,12	-	6,800
Other financial non-current assets	13,21	-	99,489
Total financial non-current assets		-	106,289
Total non-current assets		-	106,289
Current assets			
Trade and other receivables	14,21	11	30
Cash and cash equivalents, restricted	16,21	40	40
Cash and cash equivalents, unrestricted	16,21	4,781	9,138
Receivables from group companies	15,21	-	131,767
Tax receivable	10	-	337,973
Total current assets		4,832	478,948
Total assets		4,832	585,236
Equity and liabilities			
Equity			
Paid-in capital			
Share capital	17	85,266	85,266
Share premium		154,360	154,360
Other reserves		1,906,669	1,906,669
Total paid-in capital		2,146,295	2,146,295
Accumulated loss		(2,463,361)	(2,364,313)
Total equity		(317,066)	(218,018)



Tullow Oil Norge AS

Statement of financial position (continued)

At 31 December

	Notes	2019 NOK'000	2018 NOK'000
Current liabilities			
Trade and other payables	20,21	261	9,813
Payables to group companies	15,21	321,637	671,965
Provisions for other liabilities and charges	19	-	121,477
Total current liabilities		321,898	803,254
Total liabilities		321,898	803,254
Total equity and liabilities		4,832	585,236

The notes on page 15 – 35 form an integral part of these financial statements.

The financial statements of the company, Tullow Oil Norge AS (company no: 991870830), on pages 3 to 35 were approved by the board of directors on 28 July 2020 and signed on its behalf by:

Adam Holland
Chairman of the Board

28 July 2020

Pål Brudvik
Board Member

28 July 2020

Christian Ditlev-Simonsen
Board Member

28 July 2020



Tullow Oil Norge AS

**Statement of changes in equity
For the year ended 31 December**

	Share capital NOK'000	Share premium NOK'000	Other reserves NOK'000	Accumulated loss NOK'000	Total NOK'000
Balance at 31 December 2017	85,266	154,360	1,906,669	(2,418,671)	(272,376)
Total comprehensive income for the year	-	-	-	54,358	54,358
Balance at 31 December 2018	85,266	154,360	1,906,669	(2,364,313)	(218,018)
Total comprehensive loss for the year	-	-	-	(99,048)	(99,048)
Balance at 31 December 2019	85,266	154,360	1,906,669	(2,463,361)	(317,066)

The notes on page 15 - 35 form an integral part of these financial statements.



Tullow Oil Norge AS

Statement of cash flows
For the year ended 31 December

	Notes	2019 NOK'000	2018 NOK'000
Cash flows from operating activities			
Loss before income tax		(99,048)	(21,316)
Income tax refunded	10	337,973	11,108
Provision onerous contract		(1,625)	-
Change in trade and other receivables		18	4,281
Change in trade and other payables		(129,404)	9,853
		<u>107,914</u>	<u>3,925</u>
Net cash inflow from operating activities			
Cash flows from investing activities			
Purchase of other investments		99,489	113
Investment in subsidiaries	12	6,800	60,599
		<u>106,289</u>	<u>60,712</u>
Net cash inflow from investing activities			
Cash flows from financing activities			
Borrowings from group companies	15	(218,561)	(72,037)
		<u>(218,561)</u>	<u>(72,037)</u>
Net cash outflow from financing activities			
Net decrease in cash and cash equivalents			
Cash and cash equivalents at beginning of the year	16	9,179	16,579
		<u>4,821</u>	<u>9,179</u>
Cash and cash equivalents at end of the year			

The notes on page 15 – 35 form an integral part of these financial statements.



Tullow Oil Norge AS

Notes to the financial statements

For the year ended 31 December 2019

1. Corporate information

Tullow Oil Norge AS ("the company") is a private limited liability company incorporated and domiciled in Norway. Its registered office is c/o Simonsen Vogt Wiig AS, Filipstad Brygge 1, 0252 Oslo, Norway.

Tullow Oil Norge AS was established 19 October 2007 with operations commencing in March 2008. The company is an oil and gas company operating on the Norwegian Continental Shelf. The company has not prepared consolidated financial accounts for the year ending 31 December 2019, since the company and its subsidiaries are included in the consolidated accounts of the ultimate parent company.

The financial statements of Tullow Oil Norge AS for the year ended 31 December 2019 were authorised for issue in accordance with a resolution of the Board of Directors on 28 July 2020.

2. Accounting Policies

Basis of preparation

The Financial Statements of the company have been prepared in accordance with the Norwegian Accounting Act of 17 July 1998, § 3-9 and regulations regarding the simplified application of International Financial Reporting Standards (IFRS) as determined by the Ministry of Finance on 21 January 2008 ("Norwegian Simplified IFRS"). This mainly implies that recognition and measurement are in accordance with the Simplified International Financial Reporting Standards (IFRSs) pursuant to the Norwegian Act 3-9, presentation and disclosures are prepared in accordance with the Norwegian Accounting Act.

The financial statements have been prepared on the historical cost basis.

Going concern

The financial statements have been prepared on the going concern basis. In order to determine whether it is appropriate for the Company to report as a going concern, the Directors consider financial position of the company, its business activities, principal risks and uncertainties, as well as the Company's reliance on its ultimate parent company, Tullow Oil plc, providing financial support during the period of assessment. The details of the going concern assessment performed and conclusion reached, including the identification of a material uncertainty related to going concern, are discussed in the Director's report on page 3. The adoption of the going concern basis of accounting is a critical accounting judgement, as disclosed in note 3.

The principal accounting policies are set out below.

The functional and reporting currency of the company is Norwegian krone (NOK).

Adoption of new and revised standards

Standards not affecting the reported results or the financial position

All relevant new and revised Standards and Interpretations have been adopted in the current year. Their adoption has not had any significant impact on the amounts reported in these financial statements.

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2019, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the company.

Classification of expenses

Expenses are classified in the statement of comprehensive income based on their function within the entity. Exploration expenses as presented in the statement of comprehensive income include a share of salaries and related expenses and other indirect administrative expenses reclassified using allocation keys based on time writing.



Tullow Oil Norge AS

Notes to the financial statements (continued)

For the year ended 31 December 2019

2. Accounting Policies (continued)

Statement of financial position classification

Current assets and current liabilities include items due less than a year from the statement of financial position date, and items related to the operating cycle, if longer. Other assets and liabilities are classified as non-current. The current portion of non-current debt is included under current liabilities. Financially motivated investments in shares are classified as current assets, while strategic investments are classified as non-current assets.

Investment in subsidiaries

The investment in subsidiaries is carried in the statement of financial position valued at historical cost less any impairment losses.

Dividends, group contributions and other distributions from subsidiaries are recognised in the same year as they are recognised in the financial statement of the provider. If dividends/group contributions exceed withheld profits after the acquisition date, the excess amount represents repayment of invested capital, and the distribution will be deducted from the recorded value of the acquisition in the statement of financial position of the company.

Interests in joint arrangements

The company applies IFRS 11 to all joint arrangements. Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The company 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. Interests in joint operations are recognized by including the company's share of assets, liabilities, income and expense on a line-by-line basis. In addition, where the company acts as Operator to the joint operation, the gross liabilities and receivables (including amounts due to or from non-operating partners) of the joint venture are included in the company statement of financial position.

Exploration, evaluation and production assets

The company 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. Interest payable is capitalised insofar as it relates to specific development activities.

These costs are then written off as exploration costs in the statement of comprehensive income, unless commercial reserves have been established or the determination process has not been completed and there are no indications of impairment. All field development costs are capitalised as property, plant and equipment. Property, plant and equipment related to production activities are amortised in accordance with the company's depletion and amortisation accounting policy.

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 per cent statistical probability that the actual quantity of recoverable reserves will be more than the amount estimated as proven and probable reserves, and a 50 per cent statistical probability that it will be less.



Tullow Oil Norge AS

Notes to the financial statements (continued)

For the year ended 31 December 2019

2. Accounting Policies (continued)

Depletion and amortisation – discovered fields

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.

Where there has been a change in economic conditions that indicates a possible impairment in a discovered field, the recoverability of the net book value relating to that field is assessed by comparison with the estimated discounted future cash flows based on management's expectations of future oil and gas prices and future costs. Where there is evidence of economic interdependency between fields, such as common infrastructure, the fields are grouped as a single cash generating unit for impairment purposes.

Any impairment identified is charged to the statement of comprehensive income as additional depletion and amortisation. Where conditions giving rise to impairment subsequently reverse, the effect of the impairment charge is also reversed as a credit to the statement of comprehensive income, net of any amortisation that would have been charged since the impairment.

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, and is reassessed 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.

Disposal of oil and gas assets

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount and are included in operating profit. Gains and losses on disposals are recorded without tax effects.

Property, plant and equipment

Property, plant and equipment is stated in the statement of financial position 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 estimated residual value of each asset on a straight-line basis over its expected useful economic life of between three and five years.



Tullow Oil Norge AS

Notes to the financial statements (continued)

For the year ended 31 December 2019

2. Accounting Policies (continued)

Farm in and farm out in exploration phase

Agreements in connection with acquisition/sale of interests in licenses (Farm in / Farm out agreements) in the exploration phase, often involve a situation where the owner of a working interest (the farmor) transfers a portion of its working interest to another party (the farmee) in return for the farmee's performance of some agreed upon action. For example, the farmee may agree to cover drilling expenses for the farmor limited up to a fixed amount. In return, the farmor agrees to transfer a portion of the working interest in the property to the farmee. This well carry / carried interest is accounted for by the farmee as the costs are incurred and is classified in accordance with the policy for treatment of the exploration expenses (for Tullow Oil Norge AS successful efforts method). The farmor does not record any profit or loss but accounts for the well carry as a reduction in expenses when it occurs.

Costs incurred prior to the completion of the transaction, and carried by the farmee, are accounted for as license costs, net of tax.

In the development phase or production phase, a farm in / farm out agreement as described above is treated as a transaction recorded at fair value as represented by the costs carried by the farmee.

Asset swaps involving only exploration and evaluation Assets

The company accounts for exploration and evaluation assets obtained in a swap transaction at the carrying amount of the asset given up, except in transactions where there is cash compensation in addition/in between.

Asset swaps involving PP&E

The acquisition of PP&E in exchange for non-monetary assets, or a combination of monetary and non-monetary assets, is measured at fair value at the time of the transaction, with recognition of profit or loss. The exception for such measurement at fair value is in transactions where the exchange transaction lacks commercial substance, or the fair value of neither the asset received nor the asset given up can be reliably measured.

If exploration and evaluation assets are acquired in exchange for PP&E or intangible assets, such transactions are also measured at fair value at the time of the transaction, with recognition of profit or loss, unless the exchange transaction lacks commercial substance, or the fair value of neither the asset received nor the asset given up can be reliably measured.

Finance costs and debt

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.

Finance costs of debt are allocated to periods over the term of the related debt at a constant rate on the carrying amount. Arrangement fees and issue costs are deducted from the debt proceeds on initial recognition of the liability and are amortised and charged to the statement of comprehensive income as finance costs over the term of the debt.



Tullow Oil Norge AS

Notes to the financial statements (continued)

For the year ended 31 December 2019

2. Accounting Policies (continued)

Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL); financial assets 'at fair value through other comprehensive income (FVTOCI)'; and amortised cost. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

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.

Trade and other receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market as classified as financial assets held at amortised cost, less impairment or allowance based on the expected credit loss of the balance under IFRS 9.

Impairment of financial assets

The entity recognises lifetime expected credit losses (ECL) for other receivables and related party receivables, as the receivables are from loans with non-contractual payment terms. The expected credit losses on these financial assets are estimated using a provision matrix based on the entity's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Measurement and recognition of expected credit losses (ECL)

Under IFRS 9, lenders of intercompany loans will be required to consider forward-looking information to calculate expected credit losses, regardless of whether there has been an impairment trigger. The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default.

As the receivables are from related party loans with non-contractual payment terms, the IFRS 9 ECL measurement will be calculated for lifetime ECL. IFRS 9 stipulates that for performing loans the ECL will only be measured for a 12 month period. A loan can only be classified as performing when contractual payments are met, which is not applicable for related party loans. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above.

All the loans across the group are repayable on demand. Consequently, IFRS 9 requires that each loan is assessed for its ability to be repaid on demand at each reporting date (i.e. within a day from liquid assets such as cash and cash equivalents). Where the amount of any loan outstanding exceeds the value of the borrower's liquid assets, the loan would be in default if called. If the borrower could not repay the loan if demanded at the reporting date, the lender should consider the expected manner of recovery to measure expected lifetime credit losses.

The entity recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.



Tullow Oil Norge AS

Notes to the financial statements (continued)

For the year ended 31 December 2019

2. Accounting Policies (continued)

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Foreign currency translation and transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities in foreign currencies are translated into functional currency at the statement of financial position date exchange rates. Non-monetary items are translated at the historical exchange rate on the transaction date and non-monetary items that are measured at fair value are translated at the exchange rate on the date when the fair value was determined. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income. Foreign exchange differences arising in respect of operating business items are included in operating profit in the appropriate statement of comprehensive income account. Those arising in respect of financial assets and liabilities are recorded net as a financial item.

Dividends

Dividends to holders of equity instruments are recognised as a liability when it is proposed by the board of directors. This represents a GAAP difference between IFRS as adopted by the EU and "Norwegian Simplified IFRS".

Revenues from production of oil and gas

Revenues from the production of oil and gas properties are recognised on the basis of the company's net working interest in those properties, regardless of whether the production is lifted and sold (the entitlement method). The revenue recognition according to the entitlement method is based on actual production in the period.

Underlift and overlift of oil and gas follows from the entitlement method and is valued at its net realisable value on the statement of financial position date. Underlift and overlift is calculated as the difference between Tullow Oil Norge's share of production and its actual sales and are classified as respectively current assets and current liabilities. If accumulated production exceeds accumulated sales there is an underlift (asset) and if accumulated sales exceeds accumulated production there is an overlift (liability). Changes in underlift / overlift are recognised within "cost of sales".

Revenues from sales of services are recorded when the service has been performed.



Tullow Oil Norge AS

Notes to the financial statements (continued)

For the year ended 31 December 2019

2. Accounting Policies (continued)

Income taxes

The income tax expense / credit consists of current income tax (taxes payable/receivable) and changes in deferred income tax.

Current Income Tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted by the statement of financial position date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of comprehensive income.

Oil-exploration companies operating on the Norwegian Continental Shelf under the offshore tax regime can claim a 78% cash refund of their exploration costs, limited to taxable losses for the year. The refund is paid out in December in the following year. This tax receivable is classified as a current asset.

Deferred Income Tax

Deferred income tax is provided using the liability method on temporary differences between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes at the statement of financial position date.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that a taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Companies operating on the Norwegian Continental Shelf under the offshore tax regime can claim the tax value of any unused tax losses or other tax credits related to its offshore activities to be paid in cash (including interest) from the tax authorities when operations cease. Deferred tax assets that are based on offshore tax losses carried forward are therefore normally recognised in full. The carrying amount of deferred income tax assets related to onshore activities are reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets related to onshore activities are reassessed at each statement of financial position date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date.

Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the statement of comprehensive income.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against income tax liabilities and the deferred income taxes relate to the same taxable entity and the same tax authority / tax regime. Timing differences are considered.



Tullow Oil Norge AS

Notes to the financial statements (continued)

For the year ended 31 December 2019

2. Accounting Policies (continued)

Employee benefits

Pensions

According to Norwegian law employees are mandatory members of the Norwegian Pension Scheme ("obligatorisk tjenestepensjon"). The pension scheme used in Tullow Oil Norge is based on a contribution plan. Contributions are paid to pension insurance plans and charged to the statement of comprehensive income in the period to which the contributions relate. Once the contributions have been paid, there are no further payment obligations.

Share-based payment

The cost of share-based payments consisting of share based awards based on equity-settled shares or share options over the shares in Tullow Oil Plc (Ultimate parent company) granted to employees and others providing similar services, is measured by reference to the fair value of the options or other equity instruments at the date on which they are granted. The fair value of the options or other equity instruments is estimated on the grant date and charged to the statement of comprehensive income over the vesting period, together with a corresponding increase in equity. The vesting period is the period in which the performance conditions are fulfilled, ending on the date on which they become fully entitled to the award ('vesting date'). The share based payments will be settled by Tullow Oil Plc, and the company is not required to provide any repayment to Tullow Oil Plc.

Provisions and contingent liabilities

A provision is recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable (i.e. more likely than not) 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. Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate.

The amount of the provision is the present value of the risk adjusted expenditures expected to be required to settle the obligation, determined using the estimated risk free interest rate as discount rate. Where discounting is used, the carrying amount of the provision increases in each period to reflect the unwinding of the discount by the passage of time. This increase is recognised as a finance cost.

Contingent liabilities that have not been recognised based on the criteria listed above could be subject to recognition if such liabilities are acquired through a business combination. Significant contingent liabilities are disclosed, with the exception of contingent liabilities where the probability of the liability occurring is remote.

Statement of cash flows

The statement of cash flows is prepared using the indirect method.

Segment reporting

The company has identified its reportable segments based on the nature of the risk and return within its business. The company's only business segment is oil and gas on the Norwegian Continental Shelf.



Tullow Oil Norge AS

Notes to the financial statements (continued)

For the year ended 31 December 2019

2. Accounting Policies (continued)

Related parties

Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the party in making financial or operational decisions. Parties are also related if they are subject to common control.

Transactions between related parties are transfers of resources, services or obligations, regardless of whether a price is charged. All transactions between related parties are made based on the principle of 'arm's length', which is the estimated market price.

Critical accounting estimates and judgements

The preparation of financial statements requires management to make judgments, use estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenues and expenses.

Although these estimates are based on management's best knowledge of historical experience and current events, actual results may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis. Changes in estimates will be recognised when new estimates can be determined with certainty.

Currently, the company's most important accounting estimates are related to the following items:

Carrying value of intangible exploration and evaluation assets

Where a project is sufficiently advanced, the recoverability of intangible exploration assets is assessed by comparing the carrying value to internal and operator estimates of the net present value of projects. Intangible exploration assets are inherently judgemental to value. The amounts for intangible exploration and evaluation assets represent active exploration projects. These amounts will be written off to the statement of comprehensive income as exploration costs unless commercial reserves are established or the determination process is not completed and there are no indications of impairment. The outcome of ongoing exploration, and therefore whether the carrying value of exploration and evaluation assets will ultimately be recovered, is inherently uncertain.

Impairment Indicators

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the oil price and reserves and resources assumption may change, which may then impact the estimated life of the field and may then require a material adjustment to the carrying value of tangible and intangible assets. The company monitors internal and external indicators of impairment relating to its tangible and intangible assets. See note 11.

Provisions

Provisions such as workforce reductions, onerous contracts and legal claims are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value. See note 19



Tullow Oil Norge AS

Notes to the financial statements (continued)

For the year ended 31 December 2019

2. Accounting Policies (continued)

Critical accounting estimates and judgements (continued)

Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events. See note 22.

Tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income.

The Norwegian entities are subject to the Norwegian oil tax regime which involves an allocation of indirect costs to exploration expenses as items allowable for tax deductions and subsequent tax refunds. The allocation and the calculated tax receivable is based on judgments and understanding by the Companies regarding items allowable for tax deduction, and the view may differ from the Norwegian Authorities' practice in the final settlement of the tax refund. See Note 10.

Application of the going concern basis of accounting

The financial statements have been prepared on the going concern basis. In order to determine whether it is appropriate for the company to report as a going concern, the directors consider financial position of the company, its business activities, principal risks and uncertainties, as well as the company's reliance on its ultimate parent company, Tullow Oil plc, providing financial support during the period of assessment. The details of the going concern assessment performed and conclusion reached, including the identification of a material uncertainty related to going concern, are discussed in the Director's Report on page 3.

3. Financial risk management

Overview

The Company is exposed to a variety of risks from its use of financial instruments, including credit risk, liquidity risk, interest rate risk and currency risk. This note presents information about the Company's exposure to each of the above mentioned risks, and the Company's objectives, policies and processes for managing such risks. The note also presents the Company's objectives, policies and processes for managing capital.

Credit risk

The Company has no significant concentration of credit risk. The Company is exposed to credit risk related to trade receivables, over call joint venture, non-current financial receivables and cash and cash equivalents. Sales are only made to customers that have not experienced any significant payment problems. Cash and cash equivalents are receivables from banks.

Liquidity risk

Liquidity risk is the risk of being unable to pay financial liabilities as they fall due. The Company's approach to managing liquidity risk is to ensure that it will always have sufficient liquidity to meet its financial liabilities as they fall due, under normal as well as extraordinary circumstances, without incurring unacceptable losses or risking damage to the Company's reputation. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Company aims to maintain flexibility in funding by keeping both committed and uncommitted credit lines available. See note 20 for the maturity profile of trade and other payables.



Tullow Oil Norge AS

Notes to the financial statements (continued)

For the year ended 31 December 2019

3. Financial risk management (continued)

Currency risk

The Company is exposed to foreign exchange rate risk related to the value of NOK relative to other currencies, mainly due to operational costs in USD and EUR. The Company may, from time to time, seek to reduce the currency risk by entering into foreign currency instruments. No such instruments have been used in 2018 or 2019.

Capital management

The overall objective of the Company is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure, and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may issue new shares, sell assets to reduce debt, or return capital to shareholders through dividend payments.

4. Segment information

Operating segments align with internal management reporting and the segments are determined based on differences in the nature of their operations, products and geographical location of the activity. The Company has only one business segment, which is oil and gas exploration, development and production, and one geographical area which is the Norwegian Continental Shelf. The segment and geographical information will therefore be the same in the statement of comprehensive incomes, the statement of financial positions and the statements of cash flow.

5. Personnel expenses

	2019 NOK'000	2018 NOK'000
Salary expenses	-	(436)
Employer's payroll tax expenses	-	2,970
	<hr/>	<hr/>
Total personnel expenses	-	2,534
	<hr/>	<hr/>

There were no employees in 2019 due to the company ending business in Norway.



Tullow Oil Norge AS

Notes to the financial statements (continued)

For the year ended 31 December 2019

6. Operating leases

Operating expenses related to lease agreements accounted for as operating leases

The company did not have any lease agreements as at 31 December 2019

	2019 NOK'000	2018 NOK'000
Building	-	118
Total	-	118

Future minimum lease payments under non-cancellable lease agreements

As at 31 December 2019 Tullow Oil Norge AS has no future minimum lease payments under non-cancellable lease agreements.

7. Exploration costs written off

	2019 NOK'000	2018 NOK'000
Expensed previously capitalised new venture exploration expenses	-	(67)
Expensed previously capitalised other exploration expenses	104,770	15,726
Total exploration costs written off	104,770	15,659

Those parts of personnel and other operating expenses that can be ascribed to exploration have been reclassified and allocated to exploration expenses.

Expenses for onerous (loss) contracts are mainly related to recognised provision and prepayments in connection with not utilised slots in Borgland Dolphin rig consortium. See also note 19.

Management has written off the contingent receivable due to uncertainty regarding the approved Plan for Development and Operation (PDO) within December 31, 2021. The balance is included in the amount written off in 2019. See also note 13.



Tullow Oil Norge AS

Notes to the financial statements (continued)

For the year ended 31 December 2019

8. General and administrative expenses	Note	2019 NOK'000	2018 NOK'000
Total personnel expenses	5	-	1,451
Lease expenses	6	-	118
Consulting, legal and audit fees		2,180	1,961
IT expenses		-	655
Other operating expenses		106	450
Total general and administrative expenses before allocations and recharging		<u>2,286</u>	<u>4,635</u>
Of this:			
Total general and administrative expenses charged to group companies		-	7
Total general and administrative expenses in statement of comprehensive income		<u>2,286</u>	<u>4,642</u>
Auditor's fees		2019 NOK'000	2018 NOK'000
Auditing services		294	323
Total auditor's fees		<u>294</u>	<u>323</u>
Restructuring costs of NOK nil in 2019 and NOK 44,700 in 2018 were related to workforce reductions and onerous contracts in connection with downsizing of operations.			
9. Net financial items		2019 NOK'000	2018 NOK'000
Interest income on bank accounts and receivables		91	135
Intercompany dividend		6,827	60,744
Interest income on tax refund		2,418	-
Net exchange rate gain / (loss)		3,847	(1,590)
Net financial items		<u>13,183</u>	<u>59,288</u>

**Tullow Oil Norge AS****Notes to the financial statements (continued)
For the year ended 31 December 2019****10. Income tax credit**

	2019	2018
	NOK'000	NOK'000
Income taxes recognised in the statement of comprehensive income		
Tax refund of Cessation/exploration costs NCS	-	337,973
Change in deferred tax	-	(262,299)
	<hr/>	<hr/>
Total income taxes recognised in the statement of comprehensive income	-	75,674
	<hr/>	<hr/>

The NOK 338 million tax refund for 2018 arose from cessation of oil tax.

	2019	2018
	NOK'000	NOK'000
Reconciliation of income taxes		
Loss before income tax	(99,048)	(21,316)
	<hr/>	<hr/>
Expected income tax at nominal tax rate (2019: 22% - 2018: 23%)	(21,791)	4,903
Expected petroleum tax (55%)	-	11,724
Financial items	-	25,074
Permanent differences	21,791	34,360
Changes related to prior years	-	386
	<hr/>	<hr/>
Total income taxes recognised in the statement of comprehensive income	-	75,674
	<hr/>	<hr/>
Effective income tax rate	0%	(355.0%)

	2019	2018
	NOK'000	NOK'000
Tax refund recognised in the statement of financial position		
Tax refund of cessation/exploration costs NCS recognised in tax income	-	337,973
	<hr/>	<hr/>
Total Tax refund recognised in the statement of financial position	-	337,973
	<hr/>	<hr/>



Tullow Oil Norge AS

Notes to the financial statements (continued) For the year ended 31 December 2019

10. Income tax credit (continued)

Specification of tax effects on temporary differences, tax losses and uplift carried forward

	2019 NOK'000	2018 NOK'000
Valuation allowance for deferred tax assets	-	-
Total deferred tax assets recognised	-	-
Change in deferred taxes	2019 NOK'000	2018 NOK'000
Deferred tax income	-	262,299
Total change in deferred taxes	-	262,299

Tax rates for 2019 are 22% for taxable income/ loss subject to the ordinary tax regime, and 55% for taxable income/ loss subject to the special tax regime.

Companies operating on the Norwegian Continental Shelf under the offshore tax regime can claim the tax value of any unused tax losses or other tax credits related to its offshore activities to be paid in cash (including interest) from the tax authorities when operations cease. Deferred tax assets that are based on offshore tax losses carried forward are therefore normally recognised in full.

The Company has ceased its petroleum activity and is claiming a cessation tax refund in the 2018 tax return, cf. Petroleum Tax Act section 3 c, subsection 4, and it is therefore recognized as current tax refund in the balance sheet. The repayment of this refund was received in 2019.

11. Impairment

Investment in subsidiaries

An impairment loss of NOK 60,598,535 was recognised to reduce the carrying amount of investment in subsidiary Tullow Oil (Bream) Norge AS to estimated fair value of NOK 6,800,334 in 2018. The impairment of shares reflects an impairment of the underlying assets in the subsidiary, and was partly offset by reversal of previously impaired receivable from Tullow Oil (Bream) Norge AS converted to equity. The remaining balance was impaired in 2019 following the liquidation of Tullow Oil (Bream) Norge AS and receipt of liquidation dividend.

**Tullow Oil Norge AS****Notes to the financial statements (continued)
For the year ended 31 December 2019****12. Investments in subsidiaries**

Company	Principal activity	Country	Date of acquisition /Incorporation	Ownership and voting share	Profit/ (Loss)	Equity
				2019	2019	2019
Tullow Oil (Bream) Norge AS	Oil and gas exploration	Norway	2008/10/31	0%	TNOK nil	TNOK (61,004)

The Tullow Oil (Bream) Norge AS was dissolved on 14 March 2019.

The Company is included in the consolidated financial statements of the ultimate parent company (Tullow Oil plc), and no consolidated financial statements have been prepared for Tullow Oil Norge AS and its subsidiaries. The consolidated financial statements of Tullow Oil plc can be obtained at the company's registered office, 9 Chiswick Park, 566 Chiswick High Road, London W4 5XT, England. Refer to note 16 for information about impairment of investment in subsidiary.

13. Financial non-current assets

	2019 NOK'000	2018 NOK'000
Contingent receivable ⁽¹⁾	-	99,489
Financial Non-Current Assets at 31 December	-	99,489

⁽¹⁾ Contingent receivable related to divestment of PL 537 Wisting, classified as financial instrument measured at fair value.

The contingent receivable related to divestment of PL537 Wisting classified as financial instrument in 2016 has been written off due to uncertainty regarding the approved Plan for Development and Operation (PDO) within December 31, 2021.

14. Trade and other receivables

	2019 NOK'000	2018 NOK'000
VAT receivable	11	30

The receivables all mature within one year.

**Tullow Oil Norge AS****Notes to the financial statements (continued)
For the year ended 31 December 2019****15. Intercompany balances**

	2019 NOK'000	2018 NOK'000
Receivables from group companies		
Tullow Greenland Exploration Limited	-	38
Tullow Oil Finance Limited	-	130,769
Tullow Group Services Limited	-	903
Tullow Oil Limited	-	57
	<hr/>	<hr/>
Total receivables from group companies	-	131,767
	<hr/>	<hr/>
Payables from group companies		
Tullow Oil Finance Limited	320,245	663,004
Tullow Group Services Limited	-	7,243
Tullow Oil Canada Ltd	1,392	1,374
Tullow Greenland Exploration Limited	-	38
Tullow Oil Limited	-	306
	<hr/>	<hr/>
Total payables from group companies	321,637	671,965
	<hr/>	<hr/>

The loans above are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

16. Cash and cash equivalents

	2019 NOK'000	2018 NOK'000
Bank deposits, restricted	40	40
Bank deposits, unrestricted	4,781	9,138
	<hr/>	<hr/>
Total cash and cash equivalents	4,821	9,179
	<hr/>	<hr/>

Restricted bank deposits include interest reserve account, pledge account, office rental deposit and employee taxes.

17. Share capital and shareholder information

Number of shares issued and fully paid	Ordinary shares	Preference A shares	Preference B shares	Total
Number of shares at 1 January 2018	1,058	-	-	1,058
Number of shares at 31 December 2018	1,058	-	-	1,058
Number of shares at 31 December 2019	1,058	-	-	1,058

At 31 December 2019, the par value for ordinary shares is NOK 80,591.50. Each share has equal voting rights.



Tullow Oil Norge AS

Notes to the financial statements (continued)

For the year ended 31 December 2019

18. Share capital and shareholder information (continued)

Shareholders as of end December 2019

Tullow Overseas Holding B.V. owns 100% of the shares in the company.

Dividends

No dividends are proposed for 2019.

19. Provisions for liabilities and charges

2019	Provisions for onerous contracts NOK'000	Other provisions NOK'000	Total NOK'000
At 1 January 2019	-	-	-
Additions	-	-	-
	<hr/>	<hr/>	<hr/>
Provisions at 31 December 2019	-	-	-
	<hr/>	<hr/>	<hr/>
2018	Provisions for onerous contracts NOK'000	Other provisions NOK'000	Total NOK'000
At 1 January 2018	114,818	-	114,818
Additions	6,659	-	6,659
	<hr/>	<hr/>	<hr/>
Provisions at 31 December 2018	121,477	-	121,477
	<hr/>	<hr/>	<hr/>

Provision for onerous contracts

Due to uncertainty related to utilisation of three of the remaining four slots in Borgland Dolphin rig consortium, a provision for onerous contract was recognised in 2015. However, the amount was released, and the company retained NOK 114,818,000 as at 31 Dec 2017. A dispute arose on the offshore rig contract and this was settled by the company agreeing to pay USD 14,000,000 equivalent of NOK 121,476,600. This was paid in Feb 2019.

Other provisions

The company has no other provisions at year end 2019 or 2018.

Asset retirement obligations

The company has no asset retirement obligations at year end 2019 or 2018.



Tullow Oil Norge AS

Notes to the financial statements (continued)

For the year ended 31 December 2019

20. Trade and other payables

	2019 NOK'000	2018 NOK'000
Trade creditors	47	9,591
Other accrued expenses ⁽¹⁾	214	223
	<hr/>	<hr/>
Total trade and other payables	261	9,813
	<hr/>	<hr/>

⁽¹⁾ Mainly related to accrued bonus, drilling and other exploration expenses.

The payables all mature within 6 months.

21. Financial instruments by category

2019	Loans and receivables NOK'000	Fair value through profit or loss NOK'000	Total carrying amount NOK'000
Financial assets			
Trade and other receivables	11	-	11
Cash and cash equivalents	4,821	-	4,821
	<hr/>	<hr/>	<hr/>
Total	4,832	-	4,832
	<hr/>	<hr/>	<hr/>

2019	Amortised cost NOK'000	Fair value through profit or loss NOK'000	Total carrying amount NOK'000
Financial liabilities			
Payables to group companies	261	-	261
Trade and other payables ⁽¹⁾	321,637	-	321,637
	<hr/>	<hr/>	<hr/>
Total	321,898	-	321,898
	<hr/>	<hr/>	<hr/>

⁽¹⁾ Prepaid expenses, accrued receivables and accrued expenses are not included.



Tullow Oil Norge AS

Notes to the financial statements (continued)

For the year ended 31 December 2019

21. Financial instruments by category (continued)

2018	Loans and receivables NOK'000	Fair value through profit or loss NOK'000	Total carrying amount NOK'000
Financial assets			
Other financial non-current assets	99,489	-	99,489
Receivables from group companies	127,304	-	127,304
Trade and other receivables ⁽¹⁾	30	-	30
Cash and cash equivalents	13,885	-	13,885
Total	240,708	-	240,708
Financial liabilities			
Payables to group companies	671,965	-	671,965
Trade and other payables ⁽¹⁾	9,813	-	14,520
Total	681,777	-	686,485

⁽¹⁾ Prepaid expenses, accrued receivables and accrued expenses are not included.

Fair value measurement

It is assessed that the carrying amounts of assets and liabilities, except for interest bearing debt, is equal to its fair values. For interest-bearing debt, the fair value is estimated to be NOK nil in 2019 and NOK nil in 2018.

22. Commitments and contingencies

Carry and minimum work programmes

The company was obliged to carry parts of the sellers' shares of drilling or seismic costs for some of the acquired licences. The company was further required to participate in the approved work programmes for the licences. At year end 2019 the company held no licences, and thereby no carry or minimum work programmes.

Legal disputes

Save as disclosed in Note 19, the company was not subject to any legal disputes at 31 December 2019 or 2018.



Tullow Oil Norge AS

Notes to the financial statements (continued)

For the year ended 31 December 2019

22. Commitments and contingencies (continued)

Liability for damages / insurance

The company's operations involved risk of damages, including pollution. Installations and operations were covered by an operations insurance policy. At year end 2019 the company held no licences and thereby no liabilities for damages / insurance.

Asset retirement obligations

The company has no asset retirement obligations at 31 December 2019 or 2018.

23. Events after the statement of financial position date

The company no longer holds any licences. As a consequence, the company no longer has any operations.

The ultimate parent, Tullow Oil Plc, and its subsidiaries (together "the Group") continues to monitor the ongoing COVID-19 outbreak. The key impact has been in respect of short term oil demand and price volatility as noted in the going concern section in the Directors Report on page 3 of these financial statements resulting in a material uncertainty in relation to going concern.

The Group has experience of managing infectious diseases of this nature following the significant contingency planning put in place during the West African Ebola outbreak in 2015. The Group actively monitors advice from the World Health Organisation and Public Health England, as well as participates in weekly calls with the International Oil and Gas Producers' Health Committee relating to the COVID-19 outbreak to ensure best practice precautions are being applied.

At present the threat level in the Group's countries of operation remains low, as per our Infectious Disease Health Management Guideline, however we continue to closely monitor this as the situation develops which may result in additional changes to those disclosed above within this note. Clear information and health precautions on how employees should protect themselves and reduce exposure to, and transmission of, a range of illnesses along with general advice has been communicated across the organisation. In both Ghana and Kenya, the Group's in-country teams have set up their EID (Emerging Infectious Disease) Management committees in response to the current COVID-19 outbreak.

These EID committees steer the local management response to the outbreak, including ensuring that our contractors have implemented appropriate measures. We have also implemented 'self-declaration' forms for all personnel travelling to the Group's offshore assets in Ghana, that require people to sign-off that they have not been to the 'specified locations' as defined by the UK Foreign & Commonwealth Office in the last 30 days, as well as implementing business travel restrictions to and from these 'specified locations'. In the event that the COVID-19 outbreak escalates, the country specific Business Continuity Plans set out how the Group will continue to operate, recover quickly from, and effectively manage the response.

There has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.