Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2018 - 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:	01.01.2018 - 31.12.2018

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Pål Brudvik
Dato for fastsettelse av årsregnskapet:	11.04.2019

Grunnlag for avgivelse

År 2018: Årsregnskapet er elektronisk innlevert
År 2017: Tall er hentet fra elektronisk innlevert årsregnskap fra 2018

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, 01.09.2020

Resultatregnskap

Beløp i: NOK	Note	2018	2017
RESULTATREGNSKAP			
Salgsinntekt	7		
Kostnader			
Exploration costs written (off) / back	8,10,11	15 659 000	-7 552 000
General and administrative expences	8,9,11	4 642 000	19 546 000
Provision for onerous serivice contracts	22	-340 000	114 818 000
Restructuring costs		45 000	3 153 000
Investment impariment	14	60 599 000	
Sum kostnader		**80 605 000**	**129 965 000**
Driftsresultat		**-80 605 000**	**-129 965 000**
Finansinntekter og finanskostnader			
Dividend received	12	60 744 000	
Annen finansinntekt	12	25 648 000	3 686 000
Sum finansinntekter		**86 392 000**	**3 686 000**
Annen finanskostnad	12	27 104 000	28 380 000
Sum finanskostnader		**27 104 000**	**28 380 000**
Netto finans		**59 288 000**	**-24 694 000**
Ordinært resultat før skattekostnad		**-21 317 000**	**-154 659 000**
Skattekostnad på ordinært resultat	13	-75 674 000	-164 912 000
Ordinært resultat etter skattekostnad		**54 357 000**	**10 253 000**
Årsresultat		**54 357 000**	**10 253 000**
Overføringer og disponeringer			
Udekket tap		54 357 000	10 253 000
Sum overføringer og disponeringer		**54 357 000**	**10 253 000**

Balanse

Beløp i: NOK	Note	2018	2017
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Exploration and evaluation assets	15	0	0
Konsesjoner, patenter, lisenser, varemerker og lignende rettigheter	13	0	262 299 000
Sum immaterielle eiendeler		**0**	**262 299 000**
Finansielle anleggsmidler			
Investering i datterselskap	12,14, 16	6 800 000	67 399 000
Other financial non-current assets	17,24	99 489 000	99 601 000
Sum finansielle anleggsmidler		**106 289 000**	**167 000 000**
Sum anleggsmidler		**106 289 000**	**429 299 000**
Omløpsmidler			
Varer			
Fordringer			
Trade and other receivables	18,24	30 000	4 310 000
Tax receivable	13	337 973 000	11 108 000
Konsernfordringer	19,24	131 767 000	59 542 000
Sum fordringer		**469 770 000**	**74 960 000**
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents, restricted	20,24	40 000	3 978 000
Cash and cash equivalents, unrestricted	20,24	9 138 000	12 601 000
Sum bankinnskudd, kontanter og lignende		**9 178 000**	**16 579 000**
Sum omløpsmidler		**478 948 000**	**91 539 000**
SUM EIENDELER		**585 237 000**	**520 838 000**

BALANSE - EGENKAPITAL OG GJELD

Balanse

Beløp i: NOK	Note	2018	2017
Egenkapital			
Innskutt egenkapital			
Share capital	21	85 266 000	85 266 000
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		2 364 313 000	2 418 671 000
Sum opptjent egenkapital		**-457 644 000**	**-512 002 000**
Sum egenkapital		**-218 018 000**	**-272 376 000**
Provision for other liabilites and charges			
Sum langsiktig gjeld		**0**	**0**
Kortsiktig gjeld			
Leverandørgjeld	23,24	9 813 000	6 620 000
Kortsiktig konserngjeld	19,24	671 965 000	671 776 000
Provisions for other liabilites and charges	9,22	121 477 000	114 818 000
Sum kortsiktig gjeld		**803 255 000**	**793 214 000**
Sum gjeld		**803 255 000**	**793 214 000**
SUM EGENKAPITAL OG GJELD		**585 237 000**	**520 838 000**

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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 2018, 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 2018, 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.

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.

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.

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, the going concern assumption and the proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.

Deloitte.

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, 11. april 2019
Deloitte AS

Arnstein Antonsen

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 2018

Tullow Oil Norge AS

Report and financial statements 2018

Contents

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 2018.

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 company has received a guarantee from Tullow Oil plc securing continued operations. Pursuant to § 3-3 of the Norwegian Accounting Act, the Board of Directors confirms that the conditions for continued operations as a going concern are present for the company and that the annual financial statements for 2018 have been prepared under this presumption.

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.

Income statement

Loss from operating activities was NOK 80.6 million in 2018, compared to a NOK 130.0 million loss in 2017. The increased operating loss in 2018 is mainly attributable to the investment and related party impairments.

Loss before income tax at the end of 2018 amounted to NOK 21.3 million, compared to a NOK 154.7 million loss in 2017.

In 2018, the company incurred an income tax credit of NOK 75.7 million, a decrease from NOK 164.9 million in 2017.

The net profit after tax was NOK 54.4 million in 2018, compared to a profit of NOK 10.2 million in 2017.

Balance sheet

The total assets amounted to NOK 585.2 million at the end of 2018, of which total non-current assets represented NOK 106.3 million.

Tax receivable amounted to NOK 338 million at year end 2018. The year-end cash position amounted to NOK 9.1 million.

Total interest-bearing debt was NOK nil at the end of 2017 and NOK nil at end 2018, as a result of a full repayment and cancellation of the Revolving Exploration Finance Facility.

Tullow Oil Norge AS

Directors' report (continued)

Cash flow statement

Cash utilised in operating activities amounted to NOK 3.9 million in 2018, compared to NOK 519.4 million generated from operating activities in 2017.

Net cash flow generated from investing activities amounted to NOK 60.7 million in 2018, compared to the net cash flow generated from investing activities of NOK 191.1 million in 2017.

Net cash flow utilised in financing activities was NOK 72 million in 2018. At the end of 2018 cash and cash equivalents was NOK 9.2 million.

Allocation of profit for the year

In 2018, Tullow Oil Norge AS posted a net profit of NOK 54.4 million. The Board of Directors proposes the following allocation (NOK million):

Transferred to retained earnings: NOK 54.4 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.

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.

Tullow Oil Norge AS

Directors' report (continued)

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.

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 2018.

Approved by the board of directors and signed on its behalf by:

Adam Holland	Pål Brudvik	Christian Ditlev-Simonsen
Chairman of the Board	Board Member	Board Member
11 April 2019	11 April 2019	11 April 2019

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Tullow Oil Norge AS

Statement of comprehensive income
For the year ended 31 December 2018

	Notes	2018 NOK'000	2017 NOK'000
Revenue from crude oil and gas sales	7	-	-
Cost of sales		-	-
Gross profit		-	-
Exploration costs written (off) / back	8,10,11	(15,659)	7,552
General and administrative expenses	8,9,11	(4,642)	(19,546)
Provision for onerous service contracts	22	340	(114,818)
Restructuring costs		(45)	(3,153)
Investment impairment	14	(60,599)	-
Loss from operating activities		(80,604)	(129,965)
Dividends received	12	60,744	-
Finance income	12	25,648	3,686
Finance costs	12	(27,104)	(28,380)
Loss before income tax		(21,316)	(154,659)
Taxation	13	75,674	164,912
Profit for the year after taxation		54,358	10,253
Other comprehensive income		-	-
Total comprehensive income for the year		54,358	10,253

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

The notes on page 14 - 37 form an integral part of these financial statements.

Tullow Oil Norge AS

Statement of financial position
At 31 December 2018

	Notes	2018 NOK'000	2017 NOK'000
Assets			
Non-current assets			
Intangible assets			
Exploration and evaluation assets	15	-	-
Deferred tax assets	13	-	262,299
Total Intangible assets		-	262,299
Financial non-current assets			
Investment in subsidiaries	12,14,16	6,800	67,399
Other financial non-current assets	17,24	99,489	99,601
Total financial non-current assets		106,289	167,000
Total non-current assets		106,289	429,299
Current assets			
Trade and other receivables	18,24	30	4,310
Cash and cash equivalents, restricted	20,24	40	3,978
Cash and cash equivalents, unrestricted	20,24	9,138	12,601
Receivables from group companies	19,24	131,767	59,542
Tax receivable	13	337,973	11,108
Total current assets		478,948	91,539
Total assets		585,236	520,838
Equity and liabilities			
Equity			
Paid-in capital			
Share capital	21	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		(2,364,313)	(2,418,671)
Total equity		(218,018)	(272,376)

Tullow Oil Norge AS
Statement of financial position (continued)
At 31 December 2018

	Notes	2018 NOK'000	2017 NOK'000
Non-current liabilities			
Provisions for other liabilities and charges	22	-	-
Total non-current liabilities		-	-
Current liabilities			
Trade and other payables	23,24	9,813	6,620
Payables to group companies	19,24	671,965	671,776
Provisions for other liabilities and charges	9,22	121,477	114,818
Total current liabilities		803,254	793,214
Total liabilities		803,254	793,214
Total equity and liabilities		585,236	520,838

The notes on page 14 – 37 form an integral part of these financial statements.

The financial statements of the company, Tullow Oil Norge AS (company no: 991870830), were approved and issued by the board of directors and authorised for issue on 11 April 2019.

Signed on behalf of the board of directors on 11 April 2019 by:

Adam Holland	Pål Brudvik	Christian Ditlev-Simonsen
Chairman of the Board	Board Member	Board Member
11 April 2019	11 April 2019	11 April 2019

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Tullow Oil Norge AS

Statement of changes in equity
For the year ended 31 December 2018

	Share capital NOK'000	Share premium NOK'000	Other reserves NOK'000	Accumulated loss NOK'000	Total NOK'000
Balance at 31 December 2016	85,266	154,360	1,906,669	(2,428,924)	(282,629)
Total comprehensive income for the year	-	-	-	10,253	10,253
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)

The notes on page 14 - 37 form an integral part of these financial statements.

Tullow Oil Norge AS

Statement of cash flows
For the year ended 31 December 2018

	Notes	2018 NOK'000	2017 NOK'000
Cash flows from operating activities			
Loss before income tax		(21,316)	(39,841)
Income tax refunded	13	11,108	772,999
Expensed capitalised exploration costs	10	-	(7,552)
Net interest income		-	24,694
Change in trade and other receivables		4,281	1,045
Change in trade and other payables		9,853	(231,940)
Net cash (outflow) / inflow from operating activities		3,925	519,405
Cash flows from investing activities			
Purchase of other investments		113	-
Disposal of E&E assets (proceeds)	15	-	63,897
Sale and relinquishment of licences	14	-	123,551
Investment in subsidiaries	16	60,599	-
Interest income		-	3,686
Net cash inflow from investing activities		60,712	191,134
Cash flows from financing activities			
Repayment of bank loans		-	(724,863)
Borrowings from group companies	19	(72,037)	(216,783)
Interest and fees paid		-	(19,708)
Net cash outflow from financing activities		(72,037)	(961,354)
Net decrease in cash and cash equivalents		(7,400)	(250,815)
Cash and cash equivalents at beginning of the year	20	16,579	267,394
Cash and cash equivalents at end of the year	20	9,179	16,579

The notes on page 14 – 37 form an integral part of these financial statements.

Tullow Oil Norge AS

Notes to the financial statements
For the year ended 31 December 2018

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 2018, 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 2018 were authorised for issue in accordance with a resolution of the Board of Directors on 11 April 2019.

2. Accounting Principles

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.

IFRS 9 Financial Instruments
The implementation of IFRS 9 had one key impact on the Company's financial statements. This related to the treatment of modification or exchange of financial liabilities.

The classification and measurement of financial liabilities held with Group companies is materially different to that required by IAS 39. The Company has identified that retrospective application of IFRS 9 has resulted in no provision being made in respect of the recoverability of amounts due from subsidiary undertakings.

The financial statements have been prepared on the historical cost basis. 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 2018, 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 income statement based on their function within the entity. Exploration expenses as presented in the income statement 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 2018

2. Accounting Principles (continued)

Balance sheet classification

Current assets and current liabilities include items due less than a year from the balance sheet 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 balance sheet 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 balance sheet 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 balance sheet.

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 income statement, 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 2018

2. Accounting Principles (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 income statement 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 income statement, 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 balance sheet at cost less accumulated depreciation and any recognised impairment loss. Depreciation on property, plant and equipment other than production assets is provided at rates calculated to write off the cost less 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 2018

2. Accounting Principles (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 income statement 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 2018

2. Accounting Principles (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); 'held-to-maturity' investments; 'available-for-sale' (AFS) financial assets; and 'loans and receivables'. 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.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and liabilities and of allocating interest income / interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or, where appropriate, a shorter period.

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.

Tullow Oil Norge AS

Notes to the financial statements (continued)
For the year ended 31 December 2018

2. Accounting Principles (continued)

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 balance sheet 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 income statement. Foreign exchange differences arising in respect of operating business items are included in operating profit in the appropriate income statement 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 balance sheet 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.

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 balance sheet date.

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

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.

Tullow Oil Norge AS

Notes to the financial statements (continued)
For the year ended 31 December 2018

2. Accounting Principles (continued)

Income taxes (continued)

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 balance sheet 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 balance sheet 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 balance sheet 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 balance sheet date.

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

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 taxation authority / tax regime. Timing differences are considered.

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 income statement 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 income statement 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.

Tullow Oil Norge AS

Notes to the financial statements (continued)
For the year ended 31 December 2018

2. Accounting Principles (continued)

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 balance sheet 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.

Cash flow statement

The cash flow statement 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.

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:

Tullow Oil Norge AS

Notes to the financial statements (continued)
For the year ended 31 December 2018

2. Accounting Principles (continued)

Critical accounting estimates and judgements (continued)

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 income statement 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 14.

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 22.

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 26.

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 taxation 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 13.

Tullow Oil Norge AS

Notes to the financial statements (continued)
For the year ended 31 December 2018

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 23 for the maturity profile of trade and other payables.

Interest rate risk

The company's interest rate risk arose from its interest bearing borrowings. As at 31 December 2018 there is no interest bearing debt. Borrowings issued with floating interest rate conditions exposed the company to cash flow interest rate risk. The company may, from time to time, seek to reduce its interest rate risk by entering into floating-to-fixed interest rate swaps. No such swaps have been used in 2018 or 2017.

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 2017.

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.

Tullow Oil Norge AS

Notes to the financial statements (continued)
For the year ended 31 December 2018

4. Asset acquisitions and disposals

Acquisitions of exploration licences:

Acquired in 2018	
Licence	**Interests acquired**
none	nil

Acquired in 2017	
Licence	**Interests acquired**
none	nil

All licenses were either disposed of or relinquished in 2017.

Disposals of exploration licences:

Sales in 2017	
Licence	**Interests disposed**
PL 626	30.0 %
PL 636	20.0 %
PL 746S	30.0 %
PL 775	40.0 %
PL 776	40.0 %
PL 786	50.0 %
PL 791	50.0 %
PL 826	30.0 %
PL 827	40.0 %

Relinquishment in 2017:	
Licence	**Interests disposed**
PL 651	60.0 %
PL 689	20.0 %
PL 750 / 750B	60.0 %
PL 774 / 774B	40.0 %

Tullow Oil Norge AS

Notes to the financial statements (continued)
For the year ended 31 December 2018

5. Investments in Joint Ventures

Interests in production licences on the Norwegian Continental Shelf as of

Licence source	Licence portfolio	Dec-18	Dec-17
APA 2011	PL 626	0.0 %	0.0 %
APA 2011	PL 636	0.0 %	0.0 %
APA 2011	PL 651	0.0 %	0.0 %
APA 2012	PL 689	0.0 %	0.0 %
APA 2013	PL 750 (operator)	0.0 %	0.0 %
APA 2013	PL 746S	0.0 %	0.0 %
APA 2014	PL 774 (operator)	0.0 %	0.0 %
APA 2014	PL 775 (operator)	0.0 %	0.0 %
APA 2014	PL 776 (operator)	0.0 %	0.0 %
APA 2014	PL 786	0.0 %	0.0 %
APA 2014	PL 791	0.0 %	0.0 %
APA 2015	PL 826	0.0 %	0.0 %
APA 2015	PL 827S (operator)	0.0 %	0.0 %

In January 2016 the Company was awarded five new licences and three licences with additional acreage in the announced APA 2015, these included one new operatorship.

On 31 January 2017, the company completed the divestment of its working interest in PL 626 (30%) and PL 775 (40%) to ConocoPhillips AS.

On 31 March 2017, the company completed the divestment of its working interest in PL 827S (40%) to Statoil Petroleum AS.

On 22 June 2017, the company completed the divestment of its working interest in PL 636 (20%), PL 746S (30%), PL 776 (40%), PL 786 (50%), PL 791 (50%) and PL 826 (30%) to Pandion Energy AS.

In February 2017, the relinquishments of PL 651, PL 689, PL 750 and PL 774 were formally approved by partners in the licences.

6. 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 income statements, the balance sheets and the statements of cash flow.

7. Revenue

No revenues from crude oil and gas sales were recognised in 2018 and 2017.

Tullow Oil Norge AS

Notes to the financial statements (continued)
For the year ended 31 December 2018

8. Personnel expenses

	2018 NOK'000	2017 NOK'000
Salary expenses	(436)	(957)
Employer's payroll tax expenses	2,970	8,249
Pensions	-	1,199
Total personnel expenses	2,534	8,491
Number of man-years during the year	nil	12.5

During 2018 all employees have left the company due to the company ending its business in Norway.

Pensions
The company had a defined contribution pension plan for its employees which satisfied the statutory requirements in the Norwegian law on required occupational pension ("lov om obligatorisk tjenestepensjon").

	2018 NOK'000	2017 NOK'000
Contribution to defined contribution plan recognised as expense	-	1,199
Salary compensation for private pension schemes	-	-
Total expenses for pensions	-	1,199

Please refer to note 25 for details on compensation to Business Manager and Board of Directors.

Expenses arising from share-based payments:

	2018 NOK'000	2017 NOK'000
Share-based payments (group scheme)	-	-
Total expenses arising from share-based payments	-	-

The information on calculation of share-based payment is provided in the financial statements of the ultimate parent company (Tullow Oil plc).

The employee would, if certain objectives were met, each year be granted a bonus as a percentage of the total fixed salary in the range of 0-30%.

Most employees took part in the prevailing Employee Share Award Plan ("ESAP") which has replaced the previous Share Option Scheme ("2010 SOP") for grants in 2014. Most employees were eligible to be granted nil exercise price options under the ESAP. These are normally exercisable from three to ten years following grant. An individual must normally remain in employment for three years from grant for the share to vest. Awards are not subject to post-grant performance conditions.

Senior executives take part in the Tullow Incentive Plan ("TIP") described in note 25.

Tullow Oil Norge AS

Notes to the financial statements (continued)
For the year ended 31 December 2018

9. Operating leases

Operating expenses related to lease are agreements accounted for as operating leases

The company had a lease contract for office facilities in 2017 and 2016. Most of the leased space was vacated as at 31 March 2017. The last part of the lease contract was terminated as at 30 June 2017 with the final invoice being settled in February 2018.

	2018 NOK'000	2017 NOK'000
Building	118	2,908
Total	118	2,908

Future minimum lease payments under non-cancellable lease agreements

As at 31 December 2018 Tullow Oil Norge AS has no future minimum lease payments under non-cancellable lease agreements.

Other commitments:
The company's future commitments related to vessel and helicopter lease, and seismic contracts:

	2018 NOK'000	2017 NOK'000
Within 1 year	-	-
1 to 5 years	-	-
After 5 years	-	-
Total	-	-

10. Exploration costs written off

	Note	2018 NOK'000	2017 NOK'000
Expensed previously capitalised new venture exploration expenses	15	(67)	5,796
Expensed previously capitalised other exploration expenses	15	15,726	2,963
Expenses for onerous (loss) contracts		-	(16,311)
Total exploration costs written back / (off)		15,659	(7,552)

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 22.

Tullow Oil Norge AS

Notes to the financial statements (continued)
For the year ended 31 December 2018

11. General and administrative expenses

	Note	2018 NOK'000	2017 NOK'000
Total personnel expenses	8	1,451	8,491
Lease expenses	9	118	2,908
Consulting, legal and audit fees		1,961	6,865
IT expenses		655	4,992
Other operating expenses		450	1,457
Total general and administrative expenses before allocations and recharging		4,635	24,713
Of this:			
Total general and administrative expenses charged to group companies		7	(263)
Total general and administrative expenses allocated to exploration, cost of goods sold and joint venture partners		-	(4,904)
Total general and administrative expenses in income statement		4,642	19,546

Auditor's fees	2018 NOK'000	2017 NOK'000
Auditing services	323	689
Other advisory services	-	113
Joint venture audit fees	-	84
Total auditor's fees	323	886

Restructuring costs of NOK 44,700 in 2018 and NOK 3.2 million in 2017 were related to workforce reductions and onerous contracts in connection with downsizing of operations.

12. Net financial items

	2018 NOK'000	2017 NOK'000
Interest income on bank accounts and receivables	135	176
Intercompany dividend	60,744	-
Interest income on tax refund	-	3,286
Interest expense on financial liabilities measured at amortised cost	-	(22,910)
Net exchange rate gain / (loss)	(1,590)	(5,236)
Other financial expenses	-	(10)
Net financial items	59,288	(24,694)

Tullow Oil Norge AS

Notes to the financial statements (continued)
For the year ended 31 December 2018

13. Taxes

Income taxes recognised in the income statement	2018 NOK'000	2017 NOK'000
Tax refund of Cessation/exploration costs NCS	337,973	11,108
Change in deferred tax	(262,299)	153,804
Total income taxes recognised in the income statement	75,674	164,912

The Nok 338 million tax refund for 2018 arose from cessation of oil taxation while Nok 11 million for 2017 was for exploration refund

Reconciliation of income taxes	2018 NOK'000	2017 NOK'000
Loss before income tax	(21,316)	(154,659)
Expected income tax at nominal tax rate (23%)	4,903	37,118
Expected petroleum tax (55%)	11,724	83,516
Financial items	25,074	(8,345)
Permanent differences	34,360	52,039
Changes related to new tax rates	-	(2,638)
Changes related to prior years	386	3,529
Other items	-	(307)
Total income taxes recognised in the income statement	75,674	164,912
Effective income tax rate	(355.0%)	(189.1%)

Tax refund recognised in the balance sheet	2018 NOK'000	2017 NOK'000
Tax refund of cessation/exploration costs NCS recognised in tax income	337,973	11,108
Total Tax refund recognised in the balance sheet	337,973	11,108

Specification of tax effects on temporary differences, tax losses and uplift carried forward	2018 NOK'000	2017 NOK'000
Tangible and intangible non-current assets	-	(73,527)
Other assets and liabilities	-	89,558
Tax losses carried forward, onshore	-	-
Tax losses carried forward, offshore 22% / 23%	-	115,410
Tax losses carried forward, offshore 55% / 54%	-	115,969
Uplift carried forward, 55% / 54%	-	14,889
Total deferred tax assets	-	262,299

Tullow Oil Norge AS

Notes to the financial statements (continued)
For the year ended 31 December 2018

13. Taxes (continued)

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

	2018 NOK'000	2017 NOK'000
Valuation allowance for deferred tax assets	-	-
Total deferred tax assets recognised	-	262,299

Change in deferred taxes	**2018** **NOK'000**	**2017** **NOK'000**
Deferred tax income	262,299	153,804
Total change in deferred taxes	262,299	153,804

Tax rates for 2018 are 23% 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

14. Impairment

Investment in subsidiaries

An impairment loss of NOK 60,598,535 has been recognised to reduce the carrying amount of investment in subsidiary Tullow Oil (Bream) Norge AS to estimated fair value of NOK 6,800,000. 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. No further impairment of investment in subsidiary Tullow Oil (Bream) Norge AS was necessary in 2018 or 2017.

Tullow Oil Norge AS

Notes to the financial statements (continued)
For the year ended 31 December 2018

15. Intangible assets

	Exploration and evaluation assets NOK'000
2018	
Cost at 1 January 2018	-
Additions	15,659
Expensed exploration expenditures previously capitalised	(15,659)
Cost at 31 December 2018	-
Carrying amount at 31 December 2018	-

	Exploration and evaluation assets NOK'000
2017	
Cost at 1 January 2017	-
Additions	8,759
Expensed exploration expenditures previously capitalised	(8,759)
Cost at 31 December 2017	-
Carrying amount at 31 December 2017	-

16. Investments in subsidiaries

Company	Principal activity	Country	Date of acquisition /Incorporation	Ownership and voting share	Profit/ (Loss)	Equity
				2018	2018	2018
					TNOK	TNOK
Tullow Oil (Bream) Norge AS	Oil and gas exploration	Norway	2008/10/31	100%	(61,004)	2,026

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 14 for information about impairment of investment in subsidiary.

Tullow Oil Norge AS

Notes to the financial statements (continued)
For the year ended 31 December 2018

17. Financial non-current assets

	2018 NOK'000	2017 NOK'000
Contingent receivable (1)	99,489	99,601
Financial Non-Current Assets at 31 December	99,489	99,601

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

18. Trade and other receivables

	2018 NOK'000	2017 NOK'000
Trade receivables	-	115
Working capital and over call, joint venture	-	79
VAT receivable	30	277
Other deposits	-	3,839
Total Trade and other receivables	30	4,310

The receivables all mature within one year.

19. Intercompany balances

Receivables from group companies	2018 NOK'000	2017 NOK'000
Tullow Greenland Exploration Limited	38	-
Tullow Oil Finance Limited	130,769	58,674
Tullow Group Services Limited	903	811
Tullow Oil Limited	57	57
Total receivables from group companies	131,767	59,542

Payables from group companies	2018 NOK'000	2017 NOK'000
Tullow Oil Finance Limited	663,004	663,015
Tullow Group Services Limited	7,243	7,121
Tullow Oil Canada Ltd	1,374	1,300
Tullow Greenland Exploration Limited	38	36
Tullow Oil Limited	306	304
Total payables from group companies	671,965	671,776

Tullow Oil Norge AS

Notes to the financial statements (continued)
For the year ended 31 December 2018

20. Cash and cash equivalents

	2018 NOK'000	2017 NOK'000
Bank deposits, restricted	40	3,978
Bank deposits, unrestricted	9,138	12,601
Total cash and cash equivalents	9,179	16,579

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

21. 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 2017	1,058	-	-	1,058
Number of shares at 31 December 2017	1,058	-	-	1,058
Number of shares at 31 December 2018	1,058	-	-	1,058

At 31 December 2018, the par value for ordinary shares is NOK 80,591.50. Each share has equal voting rights.

Shareholders as of end December 2018
Tullow Overseas Holding B.V. owns 100% of the shares in the company.

Dividends
No dividends are proposed for 2018.

22. Provisions for liabilities and charges

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
Provisions at 31 December 2018	121,477	-	121,477

2017	Provisions for onerous contracts NOK'000	Other provisions NOK'000	Total NOK'000
At 1 January 2017	14,787	-	14,787
Additions	100,031	(9)	100,022
Translation difference and other changes	-	9	9
Provisions at 31 December 2017	114,818	-	114,818

Tullow Oil Norge AS

Notes to the financial statements (continued)
For the year ended 31 December 2018

22. Provisions for liabilities and charges (continued)

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 2018 or 2017.

Asset retirement obligations
The company has no asset retirement obligations at year end 2018 or 2017.

23. Trade and other payables

	2018 NOK'000	2017 NOK'000
Trade creditors	9,591	2,883
Withholding payroll taxes and social security	-	5,127
Payables, joint venture	-	(1,395)
Other accrued expenses [1]	223	5
Total trade and other payables	9,813	6,620

[1] Mainly related to accrued bonus, drilling and other exploration expenses.

The payables all mature within 6 months.

24. Financial instruments by category

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

[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 2018

24. Financial instruments by category (continued)

2018	**Amortised cost NOK'000**	**Fair value through profit or loss NOK'000**	**Total carrying amount NOK'000**
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.

2017	**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	99,601	-	99,601
Receivables from group companies	59,542	-	59,542
Trade and other receivables [1]	4,310	-	4,310
Cash and cash equivalents	16,579	-	16,579
Total	180,032	-	180,032

2017	**Amortised cost NOK'000**	**Fair value through profit or loss NOK'000**	**Total carrying amount NOK'000**
Financial liabilities			
Payables to group companies	671,776	-	671,776
Trade and other payables [1]	6,619	-	6,619
Total	678,395	-	678,395

[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 2018 and NOK nil in 2017.

Tullow Oil Norge AS

Notes to the financial statements (continued)
For the year ended 31 December 2018

25. Related party transactions

For balances and transactions between the company and other group companies, please see note 19.

Other transactions with associated parties are considered not to be material for disclosure.

Compensation to Business Manager:	**2018 NOK'000**	**2017 NOK'000**
Remuneration	-	2,229
Bonuses	-	1,116
Pensions contribution	-	668
Other benefits	-	1,947
Total compensation to Managing Director	-	5,960

Compensation to Board of Directors:	**2018 NOK'000**	**2017 NOK'000**
Directors' fees	-	37,523
Total compensation to Board of Directors	-	37,523

2018 expenses:

In 2018 all employees have left the company. The former managing director is still a part of Tullow Incentive Plan until 2021.

2017 expenses:

In 2017 all employees have left the company. The former managing director is still a part of Tullow Incentive Plan until 2021.

26. 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 2018 the company held no licences, and thereby no carry or minimum work programmes.

Legal disputes

Save as disclosed in Note 22, the company was not subject to any legal disputes at 31 December 2018 or 2017.

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 2018 the company held no licences and thereby no liabilities for damages / insurance.

Tullow Oil Norge AS

Notes to the financial statements (continued)
For the year ended 31 December 2018

26. Commitments and contingencies (continued)

Asset retirement obligations

The company has no asset retirement obligations at 31 December 2018 or 2017.

27. Events after the balance sheet date

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

Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Jan Hoelstad	16.09.2010	29.09.2010
Telefon	Deres referanse	Vår referanse
22077325	Lars Husby	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 produksjonsfokusert 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 långivere 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 skjevt 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 vei 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 Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Jan Hoelstad

Company Registration No. 991870830
Norway

Tullow Oil Norge AS

Report and Audited Financial Statements

For the year ended 31 December 2018

Tullow Oil Norge AS

Report and financial statements 2018

Contents

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 2018.

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 company has received a guarantee from Tullow Oil plc securing continued operations. Pursuant to § 3-3 of the Norwegian Accounting Act, the Board of Directors confirms that the conditions for continued operations as a going concern are present for the company and that the annual financial statements for 2018 have been prepared under this presumption.

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.

Income statement

Loss from operating activities was NOK 80.6 million in 2018, compared to a NOK 130.0 million loss in 2017. The increased operating loss in 2018 is mainly attributable to the investment and related party impairments.

Loss before income tax at the end of 2018 amounted to NOK 21.3 million, compared to a NOK 154.7 million loss in 2017.

In 2018, the company incurred an income tax credit of NOK 75.7 million, a decrease from NOK 164.9 million in 2017.

The net profit after tax was NOK 54.4 million in 2018, compared to a profit of NOK 10.2 million in 2017.

Balance sheet

The total assets amounted to NOK 585.2 million at the end of 2018, of which total non-current assets represented NOK 106.3 million.

Tax receivable amounted to NOK 338 million at year end 2018. The year-end cash position amounted to NOK 9.1 million.

Total interest-bearing debt was NOK nil at the end of 2017 and NOK nil at end 2018, as a result of a full repayment and cancellation of the Revolving Exploration Finance Facility.

Tullow Oil Norge AS

Directors' report (continued)

Cash flow statement

Cash utilised in operating activities amounted to NOK 3.9 million in 2018, compared to NOK 519.4 million generated from operating activities in 2017.

Net cash flow generated from investing activities amounted to NOK 60.7 million in 2018, compared to the net cash flow generated from investing activities of NOK 191.1 million in 2017.

Net cash flow utilised in financing activities was NOK 72 million in 2018. At the end of 2018 cash and cash equivalents was NOK 9.2 million.

Allocation of profit for the year

In 2018, Tullow Oil Norge AS posted a net profit of NOK 54.4 million. The Board of Directors proposes the following allocation (NOK million):

Transferred to retained earnings: NOK 54.4 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.

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.

Tullow Oil Norge AS

Directors' report (continued)

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.

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 2018.

Approved by the board of directors and signed on its behalf by:

Adam Holland	Pål Brudvik	Christian Ditlev-Simonsen
Chairman of the Board	Board Member	Board Member
11 April 2019	11 April 2019	11 April 2019

Deloitte.

Deloitte AS
Strandsvingen 14 A
NO-4032 Stavanger
Norway

Tel: +47 51 81 56 00
www.deloitte.no

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 2018, 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 2018, 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.

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.

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.

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, the going concern assumption and the proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.

Deloitte.

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, 11. april 2019
Deloitte AS

Arnstein Antonsen

Arnstein Antonsen
State Authorised Public Accountant (Norway)

Tullow Oil Norge AS

Statement of comprehensive income
For the year ended 31 December 2018

	Notes	2018 NOK'000	2017 NOK'000
Revenue from crude oil and gas sales	7	-	-
Cost of sales		-	-
Gross profit		-	-
Exploration costs written (off) / back	8,10,11	(15,659)	7,552
General and administrative expenses	8,9,11	(4,642)	(19,546)
Provision for onerous service contracts	22	340	(114,818)
Restructuring costs		(45)	(3,153)
Investment impairment	14	(60,599)	-
Loss from operating activities		(80,604)	(129,965)
Dividends received	12	60,744	-
Finance income	12	25,648	3,686
Finance costs	12	(27,104)	(28,380)
Loss before income tax		(21,316)	(154,659)
Taxation	13	75,674	164,912
Profit for the year after taxation		54,358	10,253
Other comprehensive income		-	-
Total comprehensive income for the year		54,358	10,253

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

The notes on page 14 - 37 form an integral part of these financial statements.

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Tullow Oil Norge AS

Statement of financial position
At 31 December 2018

	Notes	2018 NOK'000	2017 NOK'000
Assets			
Non-current assets			
Intangible assets			
Exploration and evaluation assets	15	-	-
Deferred tax assets	13	-	262,299
Total Intangible assets		-	262,299
Financial non-current assets			
Investment in subsidiaries	12,14,16	6,800	67,399
Other financial non-current assets	17,24	99,489	99,601
Total financial non-current assets		106,289	167,000
Total non-current assets		106,289	429,299
Current assets			
Trade and other receivables	18,24	30	4,310
Cash and cash equivalents, restricted	20,24	40	3,978
Cash and cash equivalents, unrestricted	20,24	9,138	12,601
Receivables from group companies	19,24	131,767	59,542
Tax receivable	13	337,973	11,108
Total current assets		478,948	91,539
Total assets		585,236	520,838
Equity and liabilities			
Equity			
Paid-in capital			
Share capital	21	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		(2,364,313)	(2,418,671)
Total equity		(218,018)	(272,376)

Tullow Oil Norge AS
Statement of financial position (continued)
At 31 December 2018

	Notes	2018 NOK'000	2017 NOK'000
Non-current liabilities			
Provisions for other liabilities and charges	22	-	-
Total non-current liabilities		-	-
Current liabilities			
Trade and other payables	23,24	9,813	6,620
Payables to group companies	19,24	671,965	671,776
Provisions for other liabilities and charges	9,22	121,477	114,818
Total current liabilities		803,254	793,214
Total liabilities		803,254	793,214
Total equity and liabilities		585,236	520,838

The notes on page 14 – 37 form an integral part of these financial statements.

The financial statements of the company, Tullow Oil Norge AS (company no: 991870830), were approved and issued by the board of directors and authorised for issue on 11 April 2019.

Signed on behalf of the board of directors on 11 April 2019 by:

Adam Holland	Pål Brudvik	Christian Ditlev-Simonsen
Chairman of the Board	Board Member	Board Member
11 April 2019	11 April 2019	11 April 2019

Tullow Oil Norge AS

Statement of changes in equity
For the year ended 31 December 2018

	Share capital NOK'000	Share premium NOK'000	Other reserves NOK'000	Accumulated loss NOK'000	Total NOK'000
Balance at 31 December 2016	85,266	154,360	1,906,669	(2,428,924)	(282,629)
Total comprehensive income for the year	-	-	-	10,253	10,253
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)

The notes on page 14 - 37 form an integral part of these financial statements.

Tullow Oil Norge AS

Statement of cash flows
For the year ended 31 December 2018

	Notes	2018 NOK'000	2017 NOK'000
Cash flows from operating activities			
Loss before income tax		(21,316)	(39,841)
Income tax refunded	13	11,108	772,999
Expensed capitalised exploration costs	10	-	(7,552)
Net interest income		-	24,694
Change in trade and other receivables		4,281	1,045
Change in trade and other payables		9,853	(231,940)
Net cash (outflow) / inflow from operating activities		3,925	519,405
Cash flows from investing activities			
Purchase of other investments		113	-
Disposal of E&E assets (proceeds)	15	-	63,897
Sale and relinquishment of licences	14	-	123,551
Investment in subsidiaries	16	60,599	-
Interest income		-	3,686
Net cash inflow from investing activities		60,712	191,134
Cash flows from financing activities			
Repayment of bank loans		-	(724,863)
Borrowings from group companies	19	(72,037)	(216,783)
Interest and fees paid		-	(19,708)
Net cash outflow from financing activities		(72,037)	(961,354)
Net decrease in cash and cash equivalents		(7,400)	(250,815)
Cash and cash equivalents at beginning of the year	20	16,579	267,394
Cash and cash equivalents at end of the year	20	9,179	16,579

The notes on page 14 – 37 form an integral part of these financial statements.

Tullow Oil Norge AS

Notes to the financial statements
For the year ended 31 December 2018

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 2018, 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 2018 were authorised for issue in accordance with a resolution of the Board of Directors on 11 April 2019.

2. Accounting Principles

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.

IFRS 9 Financial Instruments
The implementation of IFRS 9 had one key impact on the Company's financial statements. This related to the treatment of modification or exchange of financial liabilities.

The classification and measurement of financial liabilities held with Group companies is materially different to that required by IAS 39. The Company has identified that retrospective application of IFRS 9 has resulted in no provision being made in respect of the recoverability of amounts due from subsidiary undertakings.

The financial statements have been prepared on the historical cost basis. 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 2018, 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 income statement based on their function within the entity. Exploration expenses as presented in the income statement 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 2018

2. Accounting Principles (continued)

Balance sheet classification

Current assets and current liabilities include items due less than a year from the balance sheet 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 balance sheet 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 balance sheet 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 balance sheet.

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 income statement, 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 2018

2. Accounting Principles (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 income statement 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 income statement, 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 balance sheet at cost less accumulated depreciation and any recognised impairment loss. Depreciation on property, plant and equipment other than production assets is provided at rates calculated to write off the cost less 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 2018

2. Accounting Principles (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 income statement 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 2018

2. Accounting Principles (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); 'held-to-maturity' investments; 'available-for-sale' (AFS) financial assets; and 'loans and receivables'. 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.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and liabilities and of allocating interest income / interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or, where appropriate, a shorter period.

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.

Tullow Oil Norge AS

Notes to the financial statements (continued)
For the year ended 31 December 2018

2. Accounting Principles (continued)

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 balance sheet 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 income statement. Foreign exchange differences arising in respect of operating business items are included in operating profit in the appropriate income statement 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 balance sheet 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.

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 balance sheet date.

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

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.

Tullow Oil Norge AS

Notes to the financial statements (continued)
For the year ended 31 December 2018

2. Accounting Principles (continued)

Income taxes (continued)

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 balance sheet 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 balance sheet 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 balance sheet 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 balance sheet date.

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

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 taxation authority / tax regime. Timing differences are considered.

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 income statement 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 income statement 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.

Tullow Oil Norge AS

Notes to the financial statements (continued)
For the year ended 31 December 2018

2. Accounting Principles (continued)

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 balance sheet 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.

Cash flow statement

The cash flow statement 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.

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:

Tullow Oil Norge AS

Notes to the financial statements (continued)
For the year ended 31 December 2018

2. Accounting Principles (continued)

Critical accounting estimates and judgements (continued)

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 income statement 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 14.

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 22.

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 26.

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 taxation 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 13.

Tullow Oil Norge AS

Notes to the financial statements (continued)
For the year ended 31 December 2018

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 23 for the maturity profile of trade and other payables.

Interest rate risk

The company's interest rate risk arose from its interest bearing borrowings. As at 31 December 2018 there is no interest bearing debt. Borrowings issued with floating interest rate conditions exposed the company to cash flow interest rate risk. The company may, from time to time, seek to reduce its interest rate risk by entering into floating-to-fixed interest rate swaps. No such swaps have been used in 2018 or 2017.

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 2017.

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.

Tullow Oil Norge AS

Notes to the financial statements (continued)
For the year ended 31 December 2018

4. Asset acquisitions and disposals

Acquisitions of exploration licences:

Acquired in 2018	
Licence	**Interests acquired**
none	nil

Acquired in 2017	
Licence	**Interests acquired**
none	nil

All licenses were either disposed of or relinquished in 2017.

Disposals of exploration licences:

Sales in 2017	
Licence	**Interests disposed**
PL 626	30.0 %
PL 636	20.0 %
PL 746S	30.0 %
PL 775	40.0 %
PL 776	40.0 %
PL 786	50.0 %
PL 791	50.0 %
PL 826	30.0 %
PL 827	40.0 %

Relinquishment in 2017:	
Licence	**Interests disposed**
PL 651	60.0 %
PL 689	20.0 %
PL 750 / 750B	60.0 %
PL 774 / 774B	40.0 %

Tullow Oil Norge AS

Notes to the financial statements (continued)
For the year ended 31 December 2018

5. Investments in Joint Ventures

Interests in production licences on the Norwegian Continental Shelf as of

Licence source	Licence portfolio	Dec-18	Dec-17
APA 2011	PL 626	0.0 %	0.0 %
APA 2011	PL 636	0.0 %	0.0 %
APA 2011	PL 651	0.0 %	0.0 %
APA 2012	PL 689	0.0 %	0.0 %
APA 2013	PL 750 (operator)	0.0 %	0.0 %
APA 2013	PL 746S	0.0 %	0.0 %
APA 2014	PL 774 (operator)	0.0 %	0.0 %
APA 2014	PL 775 (operator)	0.0 %	0.0 %
APA 2014	PL 776 (operator)	0.0 %	0.0 %
APA 2014	PL 786	0.0 %	0.0 %
APA 2014	PL 791	0.0 %	0.0 %
APA 2015	PL 826	0.0 %	0.0 %
APA 2015	PL 827S (operator)	0.0 %	0.0 %

In January 2016 the Company was awarded five new licences and three licences with additional acreage in the announced APA 2015, these included one new operatorship.

On 31 January 2017, the company completed the divestment of its working interest in PL 626 (30%) and PL 775 (40%) to ConocoPhillips AS.

On 31 March 2017, the company completed the divestment of its working interest in PL 827S (40%) to Statoil Petroleum AS.

On 22 June 2017, the company completed the divestment of its working interest in PL 636 (20%), PL 746S (30%), PL 776 (40%), PL 786 (50%), PL 791 (50%) and PL 826 (30%) to Pandion Energy AS.

In February 2017, the relinquishments of PL 651, PL 689, PL 750 and PL 774 were formally approved by partners in the licences.

6. 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 income statements, the balance sheets and the statements of cash flow.

7. Revenue

No revenues from crude oil and gas sales were recognised in 2018 and 2017.

Tullow Oil Norge AS

Notes to the financial statements (continued)
For the year ended 31 December 2018

8. Personnel expenses

	2018 NOK'000	2017 NOK'000
Salary expenses	(436)	(957)
Employer's payroll tax expenses	2,970	8,249
Pensions	-	1,199
Total personnel expenses	2,534	8,491
Number of man-years during the year	nil	12.5

During 2018 all employees have left the company due to the company ending its business in Norway.

Pensions
The company had a defined contribution pension plan for its employees which satisfied the statutory requirements in the Norwegian law on required occupational pension ("lov om obligatorisk tjenestepensjon").

	2018 NOK'000	2017 NOK'000
Contribution to defined contribution plan recognised as expense	-	1,199
Salary compensation for private pension schemes	-	-
Total expenses for pensions	-	1,199

Please refer to note 25 for details on compensation to Business Manager and Board of Directors.

Expenses arising from share-based payments:

	2018 NOK'000	2017 NOK'000
Share-based payments (group scheme)	-	-
Total expenses arising from share-based payments	-	-

The information on calculation of share-based payment is provided in the financial statements of the ultimate parent company (Tullow Oil plc).

The employee would, if certain objectives were met, each year be granted a bonus as a percentage of the total fixed salary in the range of 0-30%.

Most employees took part in the prevailing Employee Share Award Plan ("ESAP") which has replaced the previous Share Option Scheme ("2010 SOP") for grants in 2014. Most employees were eligible to be granted nil exercise price options under the ESAP. These are normally exercisable from three to ten years following grant. An individual must normally remain in employment for three years from grant for the share to vest. Awards are not subject to post-grant performance conditions.

Senior executives take part in the Tullow Incentive Plan ("TIP") described in note 25.

Tullow Oil Norge AS

Notes to the financial statements (continued)
For the year ended 31 December 2018

9. Operating leases

Operating expenses related to lease are agreements accounted for as operating leases

The company had a lease contract for office facilities in 2017 and 2016. Most of the leased space was vacated as at 31 March 2017. The last part of the lease contract was terminated as at 30 June 2017 with the final invoice being settled in February 2018.

	2018 NOK'000	2017 NOK'000
Building	118	2,908
Total	118	2,908

Future minimum lease payments under non-cancellable lease agreements

As at 31 December 2018 Tullow Oil Norge AS has no future minimum lease payments under non-cancellable lease agreements.

Other commitments:
The company's future commitments related to vessel and helicopter lease, and seismic contracts:

	2018 NOK'000	2017 NOK'000
Within 1 year	-	-
1 to 5 years	-	-
After 5 years	-	-
Total	-	-

10. Exploration costs written off

	Note	2018 NOK'000	2017 NOK'000
Expensed previously capitalised new venture exploration expenses	15	(67)	5,796
Expensed previously capitalised other exploration expenses	15	15,726	2,963
Expenses for onerous (loss) contracts		-	(16,311)
Total exploration costs written back / (off)		15,659	(7,552)

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 22.

Tullow Oil Norge AS

Notes to the financial statements (continued)
For the year ended 31 December 2018

11. General and administrative expenses

	Note	2018 NOK'000	2017 NOK'000
Total personnel expenses	8	1,451	8,491
Lease expenses	9	118	2,908
Consulting, legal and audit fees		1,961	6,865
IT expenses		655	4,992
Other operating expenses		450	1,457
Total general and administrative expenses before allocations and recharging		4,635	24,713
Of this:			
Total general and administrative expenses charged to group companies		7	(263)
Total general and administrative expenses allocated to exploration, cost of goods sold and joint venture partners		-	(4,904)
Total general and administrative expenses in income statement		4,642	19,546

Auditor's fees	2018 NOK'000	2017 NOK'000
Auditing services	323	689
Other advisory services	-	113
Joint venture audit fees	-	84
Total auditor's fees	323	886

Restructuring costs of NOK 44,700 in 2018 and NOK 3.2 million in 2017 were related to workforce reductions and onerous contracts in connection with downsizing of operations.

12. Net financial items

	2018 NOK'000	2017 NOK'000
Interest income on bank accounts and receivables	135	176
Intercompany dividend	60,744	-
Interest income on tax refund	-	3,286
Interest expense on financial liabilities measured at amortised cost	-	(22,910)
Net exchange rate gain / (loss)	(1,590)	(5,236)
Other financial expenses	-	(10)
Net financial items	59,288	(24,694)

Tullow Oil Norge AS

Notes to the financial statements (continued)
For the year ended 31 December 2018

13. Taxes

Income taxes recognised in the income statement	**2018 NOK'000**	**2017 NOK'000**
Tax refund of Cessation/exploration costs NCS	337,973	11,108
Change in deferred tax	(262,299)	153,804
Total income taxes recognised in the income statement	75,674	164,912

The Nok 338 million tax refund for 2018 arose from cessation of oil taxation while Nok 11 million for 2017 was for exploration refund

Reconciliation of income taxes	**2018 NOK'000**	**2017 NOK'000**
Loss before income tax	(21,316)	(154,659)
Expected income tax at nominal tax rate (23%)	4,903	37,118
Expected petroleum tax (55%)	11,724	83,516
Financial items	25,074	(8,345)
Permanent differences	34,360	52,039
Changes related to new tax rates	-	(2,638)
Changes related to prior years	386	3,529
Other items	-	(307)
Total income taxes recognised in the income statement	75,674	164,912
Effective income tax rate	(355.0%)	(189.1%)

Tax refund recognised in the balance sheet	**2018 NOK'000**	**2017 NOK'000**
Tax refund of cessation/exploration costs NCS recognised in tax income	337,973	11,108
Total Tax refund recognised in the balance sheet	337,973	11,108

Specification of tax effects on temporary differences, tax losses and uplift carried forward	**2018 NOK'000**	**2017 NOK'000**
Tangible and intangible non-current assets	-	(73,527)
Other assets and liabilities	-	89,558
Tax losses carried forward, onshore	-	-
Tax losses carried forward, offshore 22% / 23%	-	115,410
Tax losses carried forward, offshore 55% / 54%	-	115,969
Uplift carried forward, 55% / 54%	-	14,889
Total deferred tax assets	-	262,299

Tullow Oil Norge AS

Notes to the financial statements (continued)
For the year ended 31 December 2018

13. Taxes (continued)

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

	2018 NOK'000	2017 NOK'000
Valuation allowance for deferred tax assets	-	-
Total deferred tax assets recognised	-	262,299

Change in deferred taxes	**2018 NOK'000**	**2017 NOK'000**
Deferred tax income	262,299	153,804
Total change in deferred taxes	262,299	153,804

Tax rates for 2018 are 23% 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

14. Impairment

Investment in subsidiaries

An impairment loss of NOK 60,598,535 has been recognised to reduce the carrying amount of investment in subsidiary Tullow Oil (Bream) Norge AS to estimated fair value of NOK 6,800,000. 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. No further impairment of investment in subsidiary Tullow Oil (Bream) Norge AS was necessary in 2018 or 2017.

Tullow Oil Norge AS

Notes to the financial statements (continued)
For the year ended 31 December 2018

15. Intangible assets

	Exploration and evaluation assets NOK'000
2018	
Cost at 1 January 2018	-
Additions	15,659
Expensed exploration expenditures previously capitalised	(15,659)
Cost at 31 December 2018	-
Carrying amount at 31 December 2018	-

	Exploration and evaluation assets NOK'000
2017	
Cost at 1 January 2017	-
Additions	8,759
Expensed exploration expenditures previously capitalised	(8,759)
Cost at 31 December 2017	-
Carrying amount at 31 December 2017	-

16. Investments in subsidiaries

Company	Principal activity	Country	Date of acquisition /Incorporation	Ownership and voting share	Profit/ (Loss)	Equity
				2018	2018	2018
Tullow Oil (Bream) Norge AS	Oil and gas exploration	Norway	2008/10/31	100%	TNOK (61,004)	TNOK 2,026

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 14 for information about impairment of investment in subsidiary.

Tullow Oil Norge AS

Notes to the financial statements (continued)
For the year ended 31 December 2018

17. Financial non-current assets

	2018 NOK'000	2017 NOK'000
Contingent receivable [1]	99,489	99,601
Financial Non-Current Assets at 31 December	99,489	99,601

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

18. Trade and other receivables

	2018 NOK'000	2017 NOK'000
Trade receivables	-	115
Working capital and over call, joint venture	-	79
VAT receivable	30	277
Other deposits	-	3,839
Total Trade and other receivables	30	4,310

The receivables all mature within one year.

19. Intercompany balances

Receivables from group companies	2018 NOK'000	2017 NOK'000
Tullow Greenland Exploration Limited	38	-
Tullow Oil Finance Limited	130,769	58,674
Tullow Group Services Limited	903	811
Tullow Oil Limited	57	57
Total receivables from group companies	131,767	59,542

Payables from group companies	2018 NOK'000	2017 NOK'000
Tullow Oil Finance Limited	663,004	663,015
Tullow Group Services Limited	7,243	7,121
Tullow Oil Canada Ltd	1,374	1,300
Tullow Greenland Exploration Limited	38	36
Tullow Oil Limited	306	304
Total payables from group companies	671,965	671,776

Tullow Oil Norge AS

Notes to the financial statements (continued)
For the year ended 31 December 2018

20. Cash and cash equivalents

	2018 NOK'000	2017 NOK'000
Bank deposits, restricted	40	3,978
Bank deposits, unrestricted	9,138	12,601
Total cash and cash equivalents	9,179	16,579

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

21. 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 2017	1,058	-	-	1,058
Number of shares at 31 December 2017	1,058	-	-	1,058
Number of shares at 31 December 2018	1,058	-	-	1,058

At 31 December 2018, the par value for ordinary shares is NOK 80,591.50. Each share has equal voting rights.

Shareholders as of end December 2018
Tullow Overseas Holding B.V. owns 100% of the shares in the company.

Dividends
No dividends are proposed for 2018.

22. Provisions for liabilities and charges

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
Provisions at 31 December 2018	121,477	-	121,477

2017	Provisions for onerous contracts NOK'000	Other provisions NOK'000	Total NOK'000
At 1 January 2017	14,787	-	14,787
Additions	100,031	(9)	100,022
Translation difference and other changes	-	9	9
Provisions at 31 December 2017	114,818	-	114,818

Tullow Oil Norge AS

Notes to the financial statements (continued)
For the year ended 31 December 2018

22. Provisions for liabilities and charges (continued)

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 2018 or 2017.

Asset retirement obligations
The company has no asset retirement obligations at year end 2018 or 2017.

23. Trade and other payables

	2018 NOK'000	2017 NOK'000
Trade creditors	9,591	2,883
Withholding payroll taxes and social security	-	5,127
Payables, joint venture	-	(1,395)
Other accrued expenses (1)	223	5
Total trade and other payables	9,813	6,620

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

The payables all mature within 6 months.

24. Financial instruments by category

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

(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 2018

24. Financial instruments by category (continued)

2018	**Amortised cost NOK'000**	**Fair value through profit or loss NOK'000**	**Total carrying amount NOK'000**
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.

2017	**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	99,601	-	99,601
Receivables from group companies	59,542	-	59,542
Trade and other receivables (1)	4,310	-	4,310
Cash and cash equivalents	16,579	-	16,579
Total	180,032	-	180,032

2017	**Amortised cost NOK'000**	**Fair value through profit or loss NOK'000**	**Total carrying amount NOK'000**
Financial liabilities			
Payables to group companies	671,776	-	671,776
Trade and other payables (1)	6,619	-	6,619
Total	678,395	-	678,395

(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 2018 and NOK nil in 2017.

Tullow Oil Norge AS

Notes to the financial statements (continued)
For the year ended 31 December 2018

25. Related party transactions

For balances and transactions between the company and other group companies, please see note 19.

Other transactions with associated parties are considered not to be material for disclosure.

Compensation to Business Manager:	**2018 NOK'000**	**2017 NOK'000**
Remuneration	-	2,229
Bonuses	-	1,116
Pensions contribution	-	668
Other benefits	-	1,947
Total compensation to Managing Director	-	5,960

Compensation to Board of Directors:	**2018 NOK'000**	**2017 NOK'000**
Directors' fees	-	37,523
Total compensation to Board of Directors	-	37,523

2018 expenses:

In 2018 all employees have left the company. The former managing director is still a part of Tullow Incentive Plan until 2021.

2017 expenses:

In 2017 all employees have left the company. The former managing director is still a part of Tullow Incentive Plan until 2021.

26. 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 2018 the company held no licences, and thereby no carry or minimum work programmes.

Legal disputes

Save as disclosed in Note 22, the company was not subject to any legal disputes at 31 December 2018 or 2017.

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 2018 the company held no licences and thereby no liabilities for damages / insurance.

Tullow Oil Norge AS

Notes to the financial statements (continued)
For the year ended 31 December 2018

26. Commitments and contingencies (continued)

Asset retirement obligations

The company has no asset retirement obligations at 31 December 2018 or 2017.

27. Events after the balance sheet date

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