Publish What You Pay
United States

February 13, 2015

By E-Mail:
Chair Mary Jo White
Commissioner Luis Aguilar
Commissioner Daniel Gallagher
Commissioner Michael Piwowar
Commissioner Kara Stein

Securities and Exchange Commission
100 F Street, NE
Washington, DC 20459-1090

Re: Rulemaking for Section 1504 of the Dodd-Frank Wall Street Reform and Consumer Protection Act – Statoil and Tullow Oil support public disclosure of payments by company, at the project-level, in all countries of operation.

Dear Chair White and Commissioners:

As you work on an implementing rule for Section 1504 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, please take into consideration that two large multinational oil companies are currently tracking or disclosing company payments at the project level without any apparent concern for competitive harm and at little cost. This letter highlights the statements and practices of Statoil and Tullow Oil – two large international oil companies that support public disclosure of payments made to governments for access to natural resources, by company and project, in all countries of operation.[1] This reporting standard is consistent with the 2012 implementing rule for Section 1504, and the European Union Accounting and Transparency Directives, adopted in 2013 ("EU Directives").

Statoil and Tullow Oil's statements and actions demonstrate that a public, company-by-company and project-by-project disclosure standard is practicable, and undermine the American Petroleum Institute's arguments that such a mandate would be too costly and put affected companies at a competitive disadvantage.

[1] Tullow Oil discloses all of its contributions, including those paid on its behalf by a project's operator.

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Statoil Publicly Supports Mandatory Project-Level Disclosure with No Country Exemptions

Statoil is a foreign private issuer with shares trading on the NYSE and OSE. Statoil is an international oil company with operations in 36 countries.[2] It has a market capitalization of nearly $62 billion, and was the world's 12th largest oil and gas company by market cap as of February 2014. Statoil has been a Securities and Exchange Commission (SEC) reporting company since 2001. As a NYSE-listed company (trading under "STO"), Statoil is subject to Section 1504. It is also subject to a Norwegian law, already being implemented, that aligns with the EU Accounting Directive, requiring the company to track and report payments beginning from 2014, at the project-level and with no country exemptions. These reports are due out in March 2015 and will include Statoil's payments to the government of Angola – a country that the American Petroleum Institute has long-claimed prohibits such disclosures. Statoil has noted that project-level disclosure is not unduly burdensome and it supports a uniform reporting requirement that mirrors the EU Accounting and Transparency Directives. As we have previously noted, a rule for Section 1504 similar to that released in 2012 would be consistent with the EU Directives.

Statoil's 2013 Sustainability Report notes:

> *We welcome initiatives to strengthen and harmonise global revenue transparency legislation, including project-by-project disclosure of payments, as laid out in the EU Directive and a similar Norwegian legislation that is effective from 1 January 2014. However, a global standard for revenue disclosure would be even more welcome. For Statoil, it is important that revenue transparency regulation applies globally, is effective, and creates a level playing field for all companies, communities and governments. We support international law-based regulations of revenue disclosure, with public reporting at company level and with no exceptions for local or national conflict of law situations.*[3]

In February 2013, Statoil formally distanced itself from an American Petroleum Institute lawsuit seeking to overturn Section 1504's implementing rule, writing:

> *Statoil has not supported the lawsuit initiated by API; in fact, Statoil has explicitly withheld support for the litigation.*[4]

Far from asserting that a robust payment disclosure requirement would do damage to extractives companies, Statoil endorses equivalent disclosure mandates across jurisdictions. Indeed, nonequivalence would impose duplicative reporting burdens on a host of cross-listed companies in addition to Statoil, including Royal Dutch Shell, BP, Total, and Schlumberger. Thus, with the EU standard set in stone and scheduled to come into force in all 28 European countries no later than July for the Accounting Directive and November for the Transparency Directive, the Securities and Exchange Commission should ensure uniformity by releasing an equivalent implementing rule for Section 1504 of the Dodd-Frank Act.

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[2] http://www.statoil.com/en/About/InBrief/Pages/default.aspx

[3] http://www.statoil.com/no/InvestorCentre/AnnualReport/AnnualReport2013/Documents/DownloadCentreFiles/01_KeyDownloads/SustainabilityReport.pdf, p.19.

[4] http://www.globalwitness.org/sites/default/files/library/Statoil%20Letter%20to%20Global%20Witness.pdf

Tullow Oil Voluntarily Discloses Project-Level Payments for its Global Operations

Tullow Oil is a UK company with shares trading on the London, Irish, and Ghanaian stock exchanges. Tullow Oil operates in 24 countries[5], ranks among the world's 100 largest oil and gas companies by market capitalization, and is valued at nearly $9 billion as of October 2014.

In its 2013 Annual Report, Tullow Oil *voluntarily* published what it paid to governments in 2012 and 2013 for access to natural resources. It did so for each project, in each of the countries in which it did business.[6]

Tullow Oil's disclosures conform to the requirements of the EU Accounting Directive, already in effect in the UK, and due to come into force across the rest of the European Union by July 2015. By voluntarily publishing its payments, by project, ahead of the legal mandate to do so, Tullow Oil demonstrated that payment disclosure is not damaging to business, nor unduly costly.

Indeed, at an October 2014 panel discussion, Tullow Oil's Group Vice President for Safety, Sustainability and External Affairs stated that project-level payment disclosure had neither cost the company a lot of money, nor put it at a competitive disadvantage:

> *On the question of whether there have been any negative repercussions, the short answer is no. It hasn't cost us a lot of money and, candidly, both in the countries in which we operate and others, we haven't had negative repercussions.*[7]

Earlier, Tullow Oil's Chairman noted that the company's compliance costs in publicly reporting project-level data were "negligible."[8]

In its 2013 Corporate Responsibility report, Tullow Oil explained its commitment to payment disclosure as follows:

> *Through transparency we demonstrate our commitment to good corporate governance. We believe revenue transparency enables governments, citizens and international opinion formers to participate in debate and the exchange of ideas on how wealth from oil resources should be managed sustainably and equitably.*[9]

By voluntarily publishing its payments to government at the granular project-level, Tullow Oil will, at little cost to the company, help citizens of resource-rich countries hold their governments accountable, and enable governments to better manage the expectations of their citizens, when appropriate.

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[5] http://www.tullowoil.com/index.asp?pageid=13
[6] http://www.tullowoil.com/files/pdf/tullow_ar_report_2013.pdf, pp. 175 – 179.
[7] Comment made on October 9, 2014 by Sandy Stash, Group Vice President for Safety, Sustainability and External Affairs, Tullow Oil. See: http://www.resourcegovernance.org/news/october-9-washington-power-data-transform-natural-resource-governance-and-drive-economic-develo at 1:00:14.
[8] Statement made on February 20, 2014 by Simon Thompson, Chairman of Tullow Oil. See: http://www.brookings.edu/events/2014/02/20-east-africa-oil-gas panel 3 at 1:03:30.
[9] http://www.tullowoil.com/files/pdf/reports/TLW_CR_2013.pdf, pp. 35 – 39.

Summary

Statoil and Tullow Oil make clear that public disclosure of payments made to governments for access to natural resources, by company and project, is not costly and does not cause competitive harm. Furthermore, the statements and actions of Statoil and Tullow Oil show that the American Petroleum Institute does not speak for the entire oil and gas industry: Statoil by rejecting API's legal strategy and calling instead for a global transparency standard that aligns with the EU Directives; and Tullow Oil by voluntarily publishing its payments by project. Relevant portions of the 2013 annual and corporate responsibility reports of Tullow Oil and Statoil are attached to this submission, as is Statoil's February 2013 letter distancing itself from the American Petroleum Institute's lawsuit.

Publish What You Pay – United States urges the Securities and Exchange Commission to reject the American Petroleum Institute's fallacious arguments on the harmful consequences of mandatory disclosure, and re-issue a strong implementing rule for Section 1504 that aligns with its 2012 rule, the EU Directives, and the global standard.

Please do not hesitate to contact me if you have any questions or if we can provide additional information.

Regards,

Jana L. Morgan

Jana L. Morgan
Director
Publish What You Pay – United States

Enclosures (4)

2013

Sustainability report

Statoil

7 Transparency and anti-corruption

We believe that transparency is a cornerstone of good governance. It allows businesses to prosper in a predictable environment, contributes to a level playing field and enables citizens to hold governments accountable. We have zero tolerance for corruption.

Our business generates significant revenues for governments. In 2013, we paid NOK 118 billion in direct taxes, NOK 38.1 billion in profit oil in kind, NOK 6.4 billion in indirect taxes and NOK 2.7 billion in signature bonuses. Transparency is vital to ensuring that the wealth derived from the energy we produce is put to effective and equitable use. More information about our production volumes, operations and financial performance can be found in the *Annual Report on Form 20-F*.

Payments to governments - our position

"Open" is one of our four company values. We were one of the first major oil and gas companies to voluntarily start disclosing all revenues and payments to governments in the countries where we operate. It is a practice we intend to continue. Our aim is to work with industry, governments and civil society to fulfil our commitments in the countries where we operate. We also have a corporate partnership with Transparency International.

We welcome initiatives to strengthen and harmonise global revenue transparency legislation, including project-by-project disclosure of payments, as laid out in the EU Directive and a similar Norwegian legislation that is effective from 1 January 2014. However, a global standard for revenue disclosure would be even more welcome. For Statoil, it is important that revenue transparency regulation applies globally, is effective, and creates a level playing field for all companies, communities and governments. We support international law-based regulations of revenue disclosure, with public reporting at company level and with no exceptions for local or national conflict of law situations.

Country-by-country reporting of payments

Provided below is a country-by-country overview for 2013 of investments, revenues, signature bonuses, taxes, profit oil in-kind, community investments and employee benefits. Not all exploration activity is successful, and if a discovery is made, a long time may elapse from discovery until production. There are therefore examples of countries on the list in which we have investments and other activities, but where we do not yet pay taxes.

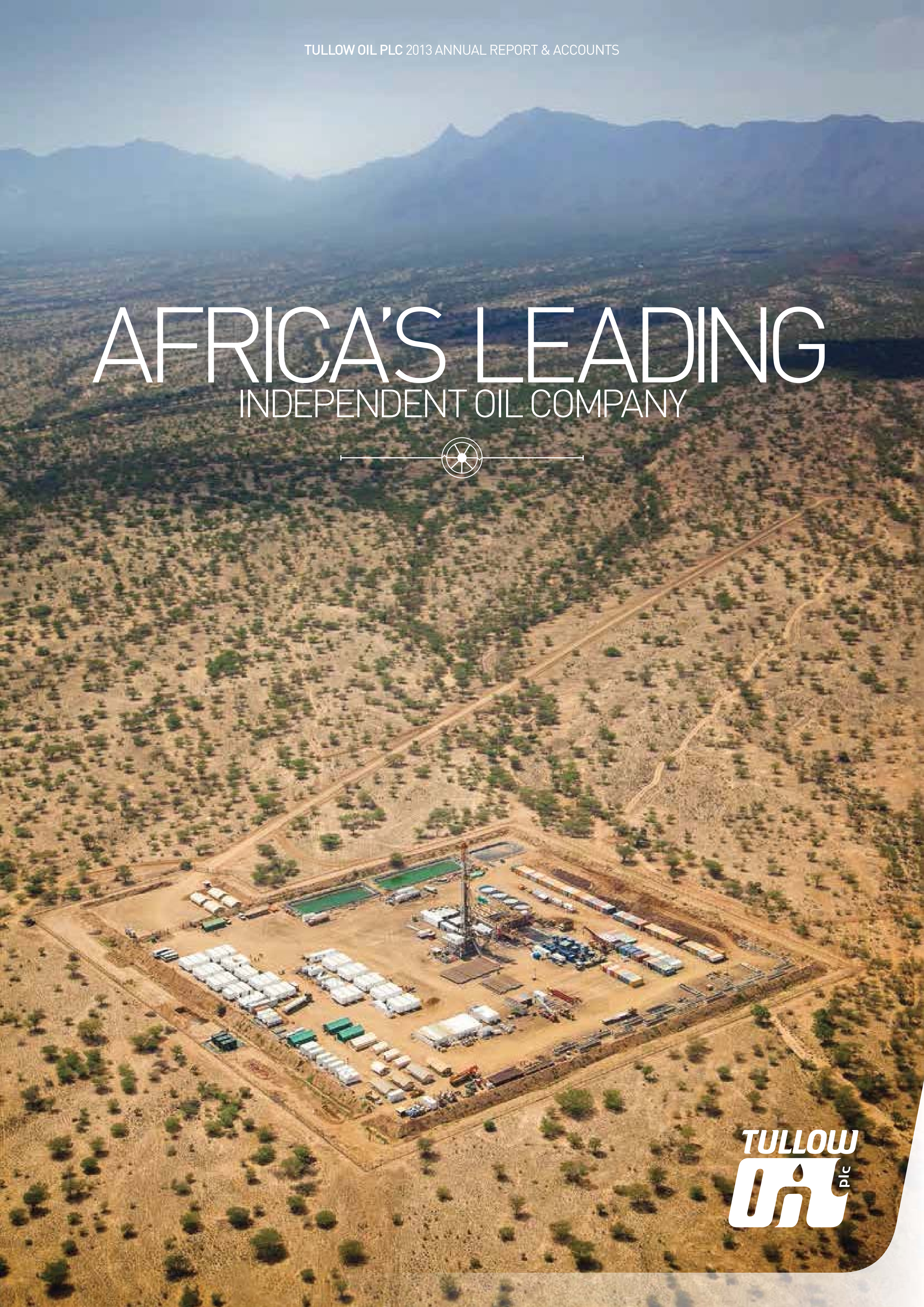
Authorities in certain host countries demand payment in advance of exploration activities for the right to develop an exploration area. This type of payment is called a signature bonus. The size of the signature bonus is based on the exploration licence's presumed recovery potential and value, and the market's interest in the rights. In 2013, Statoil paid NOK 2.7 billion in signature bonuses to governments, of which NOK 453 million was paid in the US, NOK 268 million in Australia, NOK 535 million in Brazil amd NOK 1.4 billion in Angola.

The Extractive Industries Transparency Initiative (EITI)

We have supported the Extractive Industries Transparency Initiative (EITI) since its inception, and we respect and promote the EITI principles. The EITI is a coalition of governments, companies, civil society groups, investors and international organisations working together to promote globally developed standards for revenue transparency at the local level. The EITI standard implies that companies report what they pay to governments, and governments disclose receipts of payments. Tax and other relevant payments are reconciled in an EITI country report by an independent third party. EITI country reports are available at www.eiti.org.

We continued to be a supporting company for the EITI and represented the national oil company pillar on the EITI Board as an alternate board member in 2013. We operated in the following EITI-implementing countries in 2013: Azerbaijan, Indonesia, Kazakhstan, Mozambique, Nigeria, Norwa and Tanzania. In addition to disclosing the requested financial information in these countries, Statoil provided support in-kind to the EITI, including a secondment to the EITI International Secretariat. We are represented in the national EITI multi-stakeholder groups in Norway and Azerbaijan.

AFRICA'S LEADING
INDEPENDENT OIL COMPANY



TULLOW OIL plc

TRANSPARENCY

Part of our commitment to creating shared prosperity is to ensure that there is transparent disclosure of payments to governments in the countries in which we operate. In 2012, we acted ahead of regulatory developments and published our tax and other payments to governments and other major stakeholders in our annual CR Report. The revised EU Accounting Directive will require all companies in the extractive sector to disclose tax payments to governments at a project or company level as appropriate, by 2015. EU member states are in the process of developing legislation in response and the UK is expected to have this in place in 2014.

This year, we have aligned our disclosure with the EU Directive through three key changes: reporting our tax disclosure on a cash basis; disclosing payments where they have arisen; and disclosing category level payments on production entitlements, income taxes and royalties, among others.

For a fuller understanding of the payments we make to the governments of our host countries, we have provided voluntary disclosure on VAT, withholding tax, PAYE and other taxes. See page 52 for our total economic contribution to all stakeholders. Detailed disclosure on our 2013 and 2012 tax payments can be found on pages 176 to 179.

The European transparency directive information disclosed on pages 176 to 179 has been prepared in accordance with the EU Directive. Payments are disclosed based on where the obligation for the payment arose such that where a payment arose at a project level it has been disclosed at a project level and where payment arose at a corporate level it has been disclosed on that basis. However, where a payment or a series of related payments do not exceed €100,000 they are disclosed at a corporate level, in accordance with the Directive.

All of the payments disclosed in accordance with the Directive have been made to National Governments, either directly or through a Ministry or Department of the National Government with the exception of the below payments.

1. Ghana payments in respect to production entitlements and licence fees are paid to the Ghana National Oil Company.

2. Bangladesh payments in respect to production entitlements and licence fees are paid to the Bangladesh National Oil Company.

Production entitlements in barrels includes non-cash royalties and state participating interest paid in barrels of oil or gas out of Tullow's working interest share of production in a licence. The figures disclosed are produced on an entitlement basis rather than a liftings basis. It does not include the Government's or NOC's working interest share of production in a licence.

All payments other than production entitlements are disclosed on a cash basis; this differs from the transparency disclosure included in the 2012 Corporate Social Responsibility Report whereby payments were disclosed on an accounting basis.

Oil payments in kind have been multiplied by the 2013 average realised oil price $105.7/bbl. Gas payments in kind in USD have been multiplied by the Bangora 2013 average gas realised price $2.3/mmcf.

The voluntary disclosure has been prepared on a corporate level. Income taxes do not include fines and penalties.

Summary table

	Production entitlements		European transparency directive disclosure		Voluntary disclosure		Total (including production entitlements)	
	2013 bbl (000s)	2012 bbl (000s)	**2013 USD (000s)**	2012 USD (000s)	**2013 USD (000s)**	2012 USD (000s)	**2013 USD (000s)**	2012 USD (000s)
West and North Africa	**3,263**	2,325	**379,444**	125,974	**110,288**	89,497	**834,631**	466,477
South and East Africa	**–**	–	**5,313**	142,826	**41,376**	43,093	**46,689**	185,919
Total Africa	**3,263**	2,325	**384,757**	268,800	**151,664**	132,590	**881,320**	652,396
Europe, South America and Asia	**505**	601	**(65,209)**	(38,804)	**47,311**	74,190	**(10,927)**	43,685
Total Group	**3,768**	2,926	**319,548**	229,996	**198,975**	206,780	**870,393**	696,081

	European transparency directive disclosure							
Licence / Corporate level	Production entitlements bbl (000s)	Production entitlements USD (000s)	Income taxes USD (000s)	Royalties (cash only) USD (000s)	Dividends USD (000s)	Bonus payments USD (000s)	Licence fees USD (000s)	Infrastructure improvement payments USD (000s)
M'Boundi	294	–	–	–	–	–	–	–
Total Congo	294	–	–	–	–	–	–	–
CI-26 Espoir	282	11,379	–	–	–	–	–	–
Corporate	–	–	–	–	–	–	–	367
Total Cote d'Ivoire	282	11,379	–	–	–	–	–	367
Ceiba	202	–	–	–	–	–	–	–
Okume Complex	508	–	–	–	–	–	–	–
Corporate	–	–	139,039	–	–	–	–	–
Total Equatorial Guinea	710	–	139,039	–	–	–	–	–
Echira	–	–	–	2,153	–	–	–	–
Etame	152	–	–	–	–	–	–	–
Limande	–	–	–	8,960	–	–	–	–
Niungo	–	–	–	5,967	–	–	–	–
Tchatamba	533	–	–	12,618	–	–	–	–
Turnix	-	–		1,366	–	–	–	–
Corporate – Tullow Oil Gabon SA	-	–	62,050	–	–	–	63	–
Oba	–	–	–	2,406	–	–	–	–
Obangue	21	–	–	–	–	–	–	–
Onal	314	–	–	5,446	–	–	–	–
Tsiengui	76	–	–	–	–	–	–	–
Corporate – Tulipe Oil SA	-	–	8,994	–	–	–	–	–
Total Gabon	1,096	–	71,044	38,916	–	–	63	–
Jubilee	812	–	–	–	–	–	–	5,268
Company level	–	–	106,909	–	–	–	64	688
Total Ghana	812	–	106,909	–	–	–	64	5,956
Company level	–	–	–	–	–	–	–	–
Total Guinea	–	–	–	–	–	–	–	–
Block 1	–	–	–	–	–	2,000	–	–
Block C-3	–	–	–	–	–	1,600	–	–
Block C-6	–	–	–	–	–	1,760	–	–
PSC B (Chinguetti EEA)	69	–	–	–	–	–	258	–
Corporate	–	–	–	–	–	–	89	–
Total Mauritania	69	–	–	–	–	5,360	347	–
South Omo	–	–	–	–	–	–	176	–
Corporate	–	–	–	–	–	–	–	107
Total Ethiopia	–	–	–	–	–	–	176	107
Corporate	–	–	–	–	–	–	212	–
Total Kenya	–	–	–	–	–	–	212	–
Corporate	–	–	–	–	–	–	–	–
Total Madagascar	–	–	–	–	–	–	–	–
Corporate	–	–	1	–	–	–	–	–
Total Mozambique	–	–	1	–	–	–	–	–
Production Licence 003	–	–	–	–	–	–	667	–
Company level	–	–	–	–	–	–	–	–
Total Namibia	–	–	–	–	–	–	667	–
Corporate	–	–	1	–	–	–	–	–
Total South Africa	–	–	1	–	–	–	–	–
Corporate	–	–	4,138	–	–	–	11	–
Total Uganda	–	–	4,138	–	–	–	11	–
Block 9	505	–	–	–	–	–	–	–
Total Bangladesh	505	–	–	–	–	–	–	–
Corporate	–	–	–	–	–	–	–	–
Total Ireland	–	–	–	–	–	–	–	–
Corporate	–	–	557	–	–	–	625	–
Total Netherlands	–	–	557	–	–	–	625	–
Corporate	–	–	(105,689)	–	–	–	75	–
Total Norway	–	–	(105,689)	–	–	–	75	–
Corporate	–	–	93	2	–	–	25	14
Total Pakistan	–	–	93	2	–	–	25	14
Corporate	–	–	–	–	–	–	–	–
Total Suriname	–	–	–	–	–	–	–	–
Ketch	–	–	–	–	–	–	718	–
Schooner	–	–	–	–	–	–	867	–
Corporate	–	–	25,698	–	–	–	700	11,106
Total UK	–	–	25,698	–	–	–	2,285	11,106
Corporate	–	–	–	–	–	–	–	–
Total Uruguay	–	–	–	–	–	–	–	–
TOTAL	**3,768**	**11,379**	**241,791**	**38,918**	**–**	**5,360**	**4,550**	**17,550**

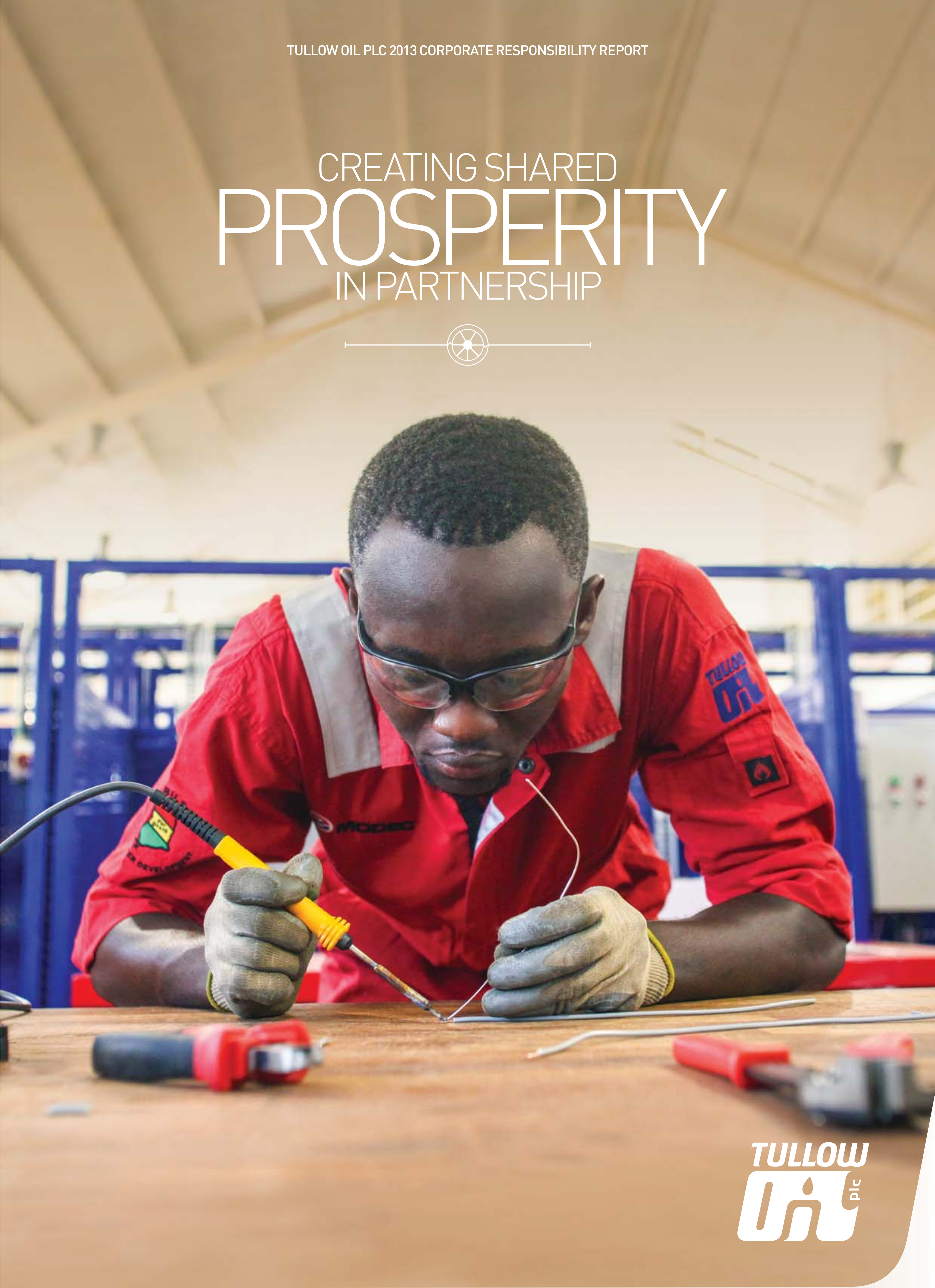
Voluntary disclosure							
VAT USD (000s)	Withholding tax USD (000s)	PAYE & national insurance USD (000s)	Carried interests USD (000s)	Customs duties USD (000s)	Training allowances USD (000s)	TOTAL USD (000s)	TOTAL bbl (000s)
–	–	–	–	–	–	–	294
–	–	–	–	–	–	–	294
–	–	–	–	–	–	11,379	282
–	105	2,408	–	–	–	2,880	–
–	105	2,408	–	–	–	14,259	282
–	–	–	–	–	–	–	202
–	–	–	–	–	–	–	508
–	–	–	–	–	–	139,039	–
–	–	–	–	–	–	139,039	710
–	–	–	–	–	–	2,153	–
–	–	–	–	–	–	–	152
–	–	–	–	–	–	8,960	–
–	–	–	–	–	–	5,967	–
–	–	–	–	–	–	12,618	533
–	–	–	–	–	–	1,366	-
(144)	703	831	–	–	50	63,553	–
–	–	–	–	–	–	2,406	-
–	–	–	–	–	–	-	21
–	–	–	–	–	–	5,446	314
–	–	–	–	–	–	-	76
(5)	4	17	–	–	–	9,010	–
(149)	707	848	–	–	50	111,479	1,096
–	–	–	–	–	–	5,268	812
2,326	61,017	14,734	18,572	4,688	250	209,248	–
2,326	61,017	14,734	18,572	4,688	250	214,516	812
-	-	8	-	-	-	8	–
–	–	8	–	–	–	8	–
–	–	–	–	–	–	2,000	–
–	–	–	–	–	–	1,600	–
–	–	–	–	–	–	1,760	–
–	–	–	–	–	–	258	69
–	2,662	–	–	–	2,062	4,813	–
–	2,662	–	–	–	2,062	10,431	69
–	–	–	–	–	–	176	–
–	232	126	–	–	150	615	–
–	232	126	–	–	150	791	–
1,159	8,919	10,882	–	272	248	21,692	–
1,159	8,919	10,882	–	272	248	21,692	–
291	–	5	–	–	–	296	–
291	–	5	–	–	–	296	–
–	–	–	–	–	–	1	–
–	–	–	–	–	–	1	–
–	–	–	–	–	–	667	–
–	9	197	–	–	–	206	–
–	9	197	–	–	–	873	–
(1)	–	6	–	–	–	6	–
(1)	–	6	–	–	–	6	–
4,870	1,861	12,100	–	–	50	23,030	–
4,870	1,861	12,100	–	–	50	23,030	–
–	–	–	–	–	45	45	505
–	–	–	–	–	45	45	505
(2,774)	–	7,415	–	–	–	4,641	–
(2,774)	–	7,415	–	–	–	4,641	–
4,150	–	663	–	–	–	5,995	–
4,150	–	663		–	–	5,995	–
(4,373)	7,116	2,378	–	–	–	(100,493)	–
(4,373)	7,116	2,378	–	–	–	(100,493)	–
1	181	1	–	–	7	324	–
1	181	1	–	–	7	324	–
–	–	411	–	–	19	430	–
–	–	411	–	–	19	430	–
–	–	–	–	–	–	718	–
–	–	–	–	–	–	867	–
10,147	–	21,820	–	–	–	69,471	–
10,147	–	21,820	–	–	–	71,056	–
–	–	–	–	–	104	104	–
–	–	–	–	–	104	104	–
15,647	**82,809**	**74,002**	**18,572**	**4,960**	**2,985**	**518,523**	**3,768**
						Payments in kind in USD	351,870
						TOTAL	**870,393**

	European transparency directive disclosure						
Licence / Corporate level	Production entitlements bbl (000s)	Income taxes USD (000s)	Royalties (cash only) USD (000s)	Dividends USD (000s)	Bonus payments USD (000s)	Licence fees USD (000s)	Infrastructure improvement payments USD (000s)
M'Boundi	289	–	–	–	–	–	–
Congo	289	–	–	–	–	–	–
CI-103	–	–	–	–	–	–	293
CI-105	-	-	-	-	-	-	759
CI-26 Espoir	296	–	–	–	–	–	–
Corporate	–	–	–	–	–	–	200
Cote d'Ivoire	296	–	–	–	–	–	1,252
Ceiba	179	–	–	–	–	–	–
Okume Complex	824	–	–	–	–	–	–
Corporate	–	4	–	–	–	–	–
Equatorial Guinea	1,003	4	–	–	–	–	–
Echira	–	–	3,006	–	–	–	–
Limande	–	–	6,215	–	–	–	–
Niungo	–	–	8,199	–	–	–	–
Omko	39	–	4,327	–	–	–	–
Tchatamba	17	–	1,851	–	–	–	–
Corporate – Tullow Oil Gabon SA	–	59,916	–	–	–	51	–
Oba	–	–	2,933	–	–	–	–
Onal	148	–	16,492	–	–	–	–
Corporate – Tulipe Oil SA	–	8,177	–	–	–	–	–
Gabon	204	68,093	43,023	–	–	51	–
Jubilee	464	–	–	–	–	–	3,824
Company level	–	–	–	–	–	64	4,276
Ghana	464	–	–	–	–	64	8,100
Block 1	–	–	–	–	180	–	–
Block 7	–	–	–	–	1,808	–	–
Block C-6	–	–	–	–	2,000	–	–
Block C-18	–	–	–	–	1,000	–	–
PSC B (Chinguetti EEA)	69	–	–	–	–	242	–
Company level	–	–	–	–	–	157	–
Mauritania	69	–	–	–	4,988	399	–
South Omo	–	–	–	–	–	–	246
Corporate	–	–	–	–	–	118	–
Ethiopia	–	–	–	–	–	118	246
Block 12B	–	–	–	–	300	–	–
Company level	–	–	–	–	–	326	–
Kenya	–	–	–	–	300	326	–
Corporate	–	–	–	–	–	–	–
Madagascar	–	–	–	–	–	–	–
Corporate	–	–	–	–	–	–	–
Namibia	–	–	–	–	–	–	–
Corporate	–	1	–	–	–	–	–
South Africa	–	1	–	–	–	–	–
Corporate	–	141,824	–	–	–	11	–
Uganda	–	141,824	–	–	–	11	–
Block 9	601	–	–	–	–	541	–
Bangladesh	601	–	–	–	–	541	–
Corporate	–	–	–	–	–	–	–
Ireland	–	–	–	–	–	–	–
Corporate	–	(423)	–	–	–	641	–
Netherlands	–	(423)	–	–	–	641	–
Corporate	–	(93,608)	–	–	–	152	–
Norway	–	(93,608)	–	–	–	152	–
Corporate	–	100	30	–	–	20	14
Pakistan	–	100	30	–	–	20	14
Murdoch	–	11,863	–	–	–	–	–
Ketch	–	–	–	–	–	459	–
Schooner	–	–	–	–	–	595	–
Corporate	–	26,259	–	–	–	348	14,205
UK	–	38,122	–	–	–	1,402	14,205
TOTAL	**2,926**	**154,113**	**43,053**	**–**	**5,288**	**3,725**	**23,817**

Voluntary disclosure							
VAT USD (000s)	Withholding tax USD (000s)	PAYE & national insurance USD (000s)	Carried interests USD (000s)	Customs duties USD (000s)	Training allowances USD (000s)	TOTAL USD (000s)	TOTAL bbl (000s)
–	–	–	–	–	–	–	289
–	–	–	–	–	–	–	289
–	–	–	–	–	–	293	–
-	-	-	-	-	-	759	-
–	–	–	–	–	–	–	296
–	–	60	4,030	–	–	4,290	–
–	–	60	4,030	–	–	5,342	296
–	–	–	–	–	–	–	179
–	–	–	–	–	–	–	824
–	–	–	–	–	–	4	–
–	–	–	–	–	–	4	1,003
–	–	–	–	–	–	3,006	–
–	–	–	–	–	–	6,215	–
–	–	–	–	–	–	8,199	–
–	–	–	–	–	–	4,327	39
–	–	–	–	–	–	1,851	17
(58)	24	676	–	–	50	60,659	–
–	–	–	–	–	–	2,933	–
–	–	–	–	–	–	16,492	148
(3)	8	18	–	–	–	8,200	–
(61)	32	694	–	–	50	111,882	204
–	–	–	–	–	–	3,824	464
1,554	37,675	14,762	26,944	3,417	250	88,942	–
1,554	37,675	14,762	26,944	3,417	250	92,766	464
–	–	–	–	–	–	180	–
–	–	–	–	–	–	1,808	–
–	–	–	–	–	–	2,000	–
–	–	–	–	–	–	1,000	–
–	–	–	–	–	–	242	69
–	8	–	–	–	82	247	–
–	8	–	–	–	82	5,477	69
–	–	–	–	–	–	246	–
–	98	99	–	–	150	465	–
–	98	99	–	–	150	711	–
–	–	–	–	–	–	300	–
–	5,336	3,527	–	201	619	10,009	–
–	5,336	3,527	–	201	619	10,309	–
–	–	5	–	–	–	5	–
–	–	5	–	–	–	5	–
(4)	–	205	–	–	–	201	–
(4)	–	205	–	–	–	201	–
(1)	–	7	–	–	–	7	–
(1)	–	7	–	–	–	7	–
16,428	3,445	12,811	–	117	50	174,686	–
16,428	3,445	12,811	–	117	50	174,686	–
–	–	–	–	–	–	541	601
–	–	–	–	–	–	541	601
(1,377)	–	7,090	–	–	–	5,713	–
(1,377)	–	7,090	–	–	–	5,713	–
2,585	–	474	–	–	–	3,277	–
2,585	–	474	–	–	–	3,277	–
1,736	5,424	1,865	–	–	–	(84,431)	–
1,736	5,424	1,865	–	–	–	(84,431)	–
19	31	242	–	–	7	463	–
19	31	242	–	–	7	463	–
–	–	–	–	–	–	11,863	–
–	–	–	–	–	–	459	–
–	–	–	–	–	–	595	–
44,772	–	11,322	–	–	–	96,906	–
44,772	–	11,322	–	–	–	109,823	–
65,651	**52,049**	**53,163**	**30,974**	**3,735**	**1,208**	**436,776**	**2,926**
						Payments in kind in USD	259,305
						TOTAL	**696,081**

TULLOW OIL PLC 2013 CORPORATE RESPONSIBILITY REPORT

CREATING SHARED PROSPERITY IN PARTNERSHIP



TULLOW OIL plc

OUR TOTAL ECONOMIC CONTRIBUTION

Through transparency we demonstrate our commitment to good corporate governance. We believe revenue transparency enables governments, citizens and international opinion formers to participate in debate and the exchange of ideas on how wealth from oil resources should be managed sustainably and equitably.

We are committed to transparency, both in the way we run our business and in our disclosure of payments to major stakeholders. Our tax payments represent the largest economic contribution we make in the countries in which we work.

Reporting ahead of the EU Accounting Directive

To demonstrate our commitment to the transparent disclosure of payments we published our payments to government for the first time in our 2012 Corporate Responsibility Report, acting ahead of any regulatory requirements. In June 2013, an EU Accounting Directive was finalised which requires companies in the extractive industries to disclose payments made to governments by project or at company level in each country of operation. EU member states must enact relevant legislation by 2015, and the UK is expected to do so in 2014.

This year we are reporting in line with the incoming legislation, making three significant changes. Our reporting is:

- In line with the payment categories specified in the Directive;
- On a cash basis, i.e. taxes physically paid in the reporting year. For clarity and comparison we have restated our 2012 disclosures, which were previously reported on an accounting basis; and
- On a project or Company level, depending on where the tax liability is payable.

IAN SPRINGETT CHIEF FINANCIAL OFFICER

"TULLOW IS ONE OF THE FIRST OIL COMPANIES TO DISCLOSE ITS PAYMENTS TO GOVERNMENT IN LINE WITH THE 2013 EU DIRECTIVE."

We have disclosed payments based on where the obligation for the payment arose. Where a payment is due at project level it has been disclosed at a project level, and where payments are due at a corporate level it has been disclosed on that basis. However, where a payment or series of related payments do not exceed €100,000, they are disclosed at a corporate level in accordance with the Directive.

In addition, to provide a fuller understanding of the payments we make to the governments of our host countries, we have also provided a range of voluntary disclosures in relation to other payments to governments such as Value Added Tax (VAT) and withholding tax.

2013 disclosure

Our payments to governments, including payments in kind, amounted to $870 million in 2013 (2012: $696 million). Total payments including employees, suppliers and communities, as well as governments, brought our total socio-economic contribution to $1.6 billion for the year (2012: $1.3 billion). This included $217 million spent with local suppliers, $304 million in payroll globally and $17 million in discretionary spend on social projects.

Not included in this summary are: local employment or the Local Content of our international suppliers; and social investments we make as part of our contractual obligations.

African governments receive the majority of the payments we make and in 2013 they received $881 million from Tullow. This amount is larger than our total Group tax bill, due to the $100 million tax rebate we receive from the Norwegian Government on exploration costs. These payments included production entitlements, royalties, bonus payments, licence fees, infrastructure improvements, VAT, withholding tax, Pay as you earn (PAYE) and national insurance, carried interests and training allowances.

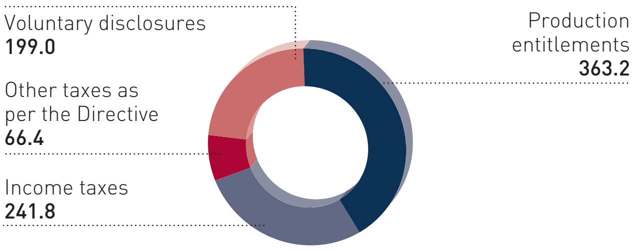
Income taxes to African governments totalled $321 million. Disregarding tax rebates from the Norwegian Government, we paid 92% of our income taxes to African governments.

Our transparency disclosure brings together payments made to governments in 22 of our countries of operation and three countries where we have corporate offices. We do not pay taxes in five of the countries where we hold licences because we do not yet have active operations.

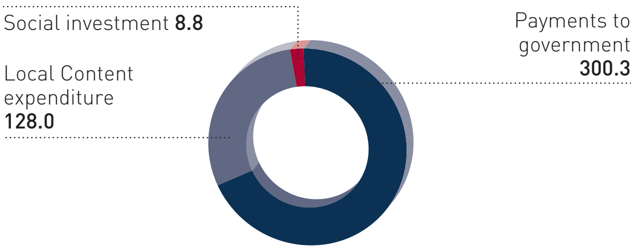
Payments in Ghana

The Jubilee field is Tullow's flagship operated offshore asset which contributed around 40% of the Group's production last year. In 2013, we paid our first income tax to the Government of Ghana of $107 million. Withholding tax on imports almost doubled from $38 million to $61 million between 2012 and 2013 as the TEN project moved into the development phase. Spend by Tullow on behalf of our industry partners with local suppliers increased by 85% to $128 million (2012: $69 million). Total payments to the Government of Ghana, including production entitlements in barrels of oil, was over $300 million.

2013 payments to governments ($ million)

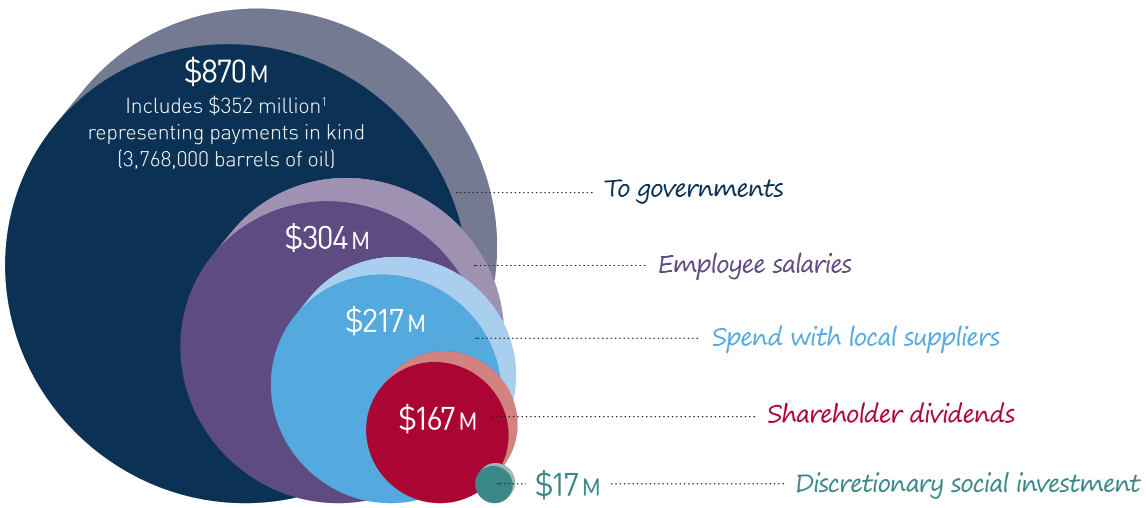


Payments to major stakeholder groups – Ghana ($ million)



Our social & economic payments

Payments to governments, employees, suppliers, shareholders and communities brought our total socio-economic contribution to $1.6 billion for the year.



1. Oil payments in kind have been multiplied by the 2013 average realised oil price $105.7bbl.

Image courtesy of the American Times

"GLOBALLY, THERE IS A GROWING CONSENSUS THAT TRANSPARENCY IS GOOD FOR BUSINESS, SINCE IT IMPROVES THE BUSINESS CLIMATE IN WHICH COMPANIES WORK, & FOSTERS GOOD GOVERNANCE & ACCOUNTABILITY."

HON. SETH TERKPER MINISTER OF FINANCE & ECONOMIC PLANNING, GOVERNMENT OF GHANA

The Government and people of Ghana recognise the positive potential contribution that natural resources can make to economic and social development of the country, and have agreed to realise this potential through improved resource governance by adopting approved international transparency initiatives. These initiatives complement our own policies and legal mechanisms, notably, the requirements under Ghana's Petroleum Revenue Management Act (PRMA) as well as our value-addition strategies. These initiatives come at a time when we are making significant efforts at stabilising Ghana's middle-income status and at deepening the governance of our natural resources.

$107 MILLION

in income tax paid to the Government of Ghana by Tullow in 2013

$881 MILLION

received in taxes by African governments in 2013 from Tullow

Active in many of Tullow's countries and communities of operation, Oxfam advocates just government policies and corporate practices in the oil, gas, and mining industries. In the US, Oxfam has played a leading role in the campaign to pass landmark transparency legislation through Section 1504, referred to as the Cardin-Lugar provision, of the Dodd-Frank financial reform law, which requires oil and mining companies to disclose the payments they make to foreign governments.

"CITIZENS & PROJECT-AFFECTED COMMUNITIES NEED DISCLOSURE OF PAYMENTS TO GOVERNMENTS BY OIL, GAS & MINING COMPANIES TO HELP HOLD THEIR OWN GOVERNMENTS TO ACCOUNT. MANDATORY REPORTING REQUIREMENTS & VOLUNTARY DISCLOSURE BY COMPANIES WILL PUT THE SPOTLIGHT ON GOVERNMENTS TO HELP ENSURE THE GOOD USE OF BILLIONS OF DOLLARS EVERY YEAR."

IAN GARY, OXFAM AMERICA, SENIOR POLICY MANAGER, EXTRACTIVE INDUSTRIES

Building capacity with our stakeholders on transparency of payments

During 2013, we engaged with CSOs and NGOs on the transparency agenda. We attended meetings in Kampala and Ghana organised by local CSOs where we presented our approach to transparency and discussed the EITI membership process. We also held an NGO roundtable in Washington DC, USA to get feedback and input from international NGOs on ways to build capacity for resource revenue management in our countries of operation. Some of the key issues raised included the potential capacity needs of CSOs to be able to engage meaningfully on resource revenue management and understanding the stage in the oil life cycle at which a project generates revenues.

Extractive Industry Transparency Initiative

As a corporate supporter of the Extractive Industry Transparency Initiative (EITI), Tullow actively participates in the multi-stakeholder process of the EITI member countries in which we operate. In May 2013, a new EITI Standard was approved, which requires full disclosure of taxes and other payments made by oil, gas and mining companies to governments. Since then we have worked with our in-country teams to understand the changes so that they can contribute effectively to the revision of local reporting requirements.

In 2013 we also took part in a meeting with Ugandan CSOs on the level of preparation needed for the country to adopt EITI. Their key capacity requirements for effective EITI implementation included the need for simpler language with which to explain EITI to stakeholders, understanding the oil and gas life cycle and understanding balance sheets.

Our tax payments through the oil life cycle

To help build awareness regarding the different stages at which capital is invested and revenues received by host governments, we have published information which describes when the contractor, typically an international oil company (IOC), commits up-front capital investment to the exploration, appraisal and development phases. It also describes when the host country's government begins to receive revenues through their share of production, taxes and royalties resulting from the oil production phase. The IOCs carry all the financial risk and capital exposure through the exploration and appraisal phase.

Typically the IOC will carry the host government's share of costs through to First Oil. In addition to the risked capital, through the exploration, appraisal and development phases the IOC pays the host government a number taxes including withholding taxes on the capital spent in the host country, VAT on imported goods, PAYE on staff payroll, customs on imported goods as well as land rentals, training and ongoing licence costs. When First Oil is achieved, the host government will receive revenues and taxes in a number of forms. Host governments receive a share of production or 'profit oil' either directly or via a national oil company.

The remainder of the host government's take from oil production is made up of bonuses, royalties, corporate tax and direct interests in projects. A share of the production will also be allocated to the IOC to recover the significant investment that has been made during the exploration, appraisal and development phases. The agreement between the IOC and the host government determines when and how costs can be recovered and how production and revenue are shared. Typically the IOC's share of production or revenue is higher in the earlier years of production as costs are recovered in the form of allowable deductions against corporate tax or as an allocation of production, commonly known as 'cost oil'. Once the IOC's costs have been recovered, then production and revenue sharing between the IOC and host government more closely track the production profile of the project.

"GOVERNMENT AND BUSINESS HAVE A COMMON INTEREST IN ESTABLISHING A LEGAL, FISCAL AND REGULATORY REGIME THAT IS FAIR, TRANSPARENT AND, ABOVE ALL, PREDICTABLE, IN ORDER TO ATTRACT THE LONG-TERM INVESTMENT REQUIRED TO DEVELOP THE OIL INDUSTRY."

SIMON THOMPSON CHAIRMAN

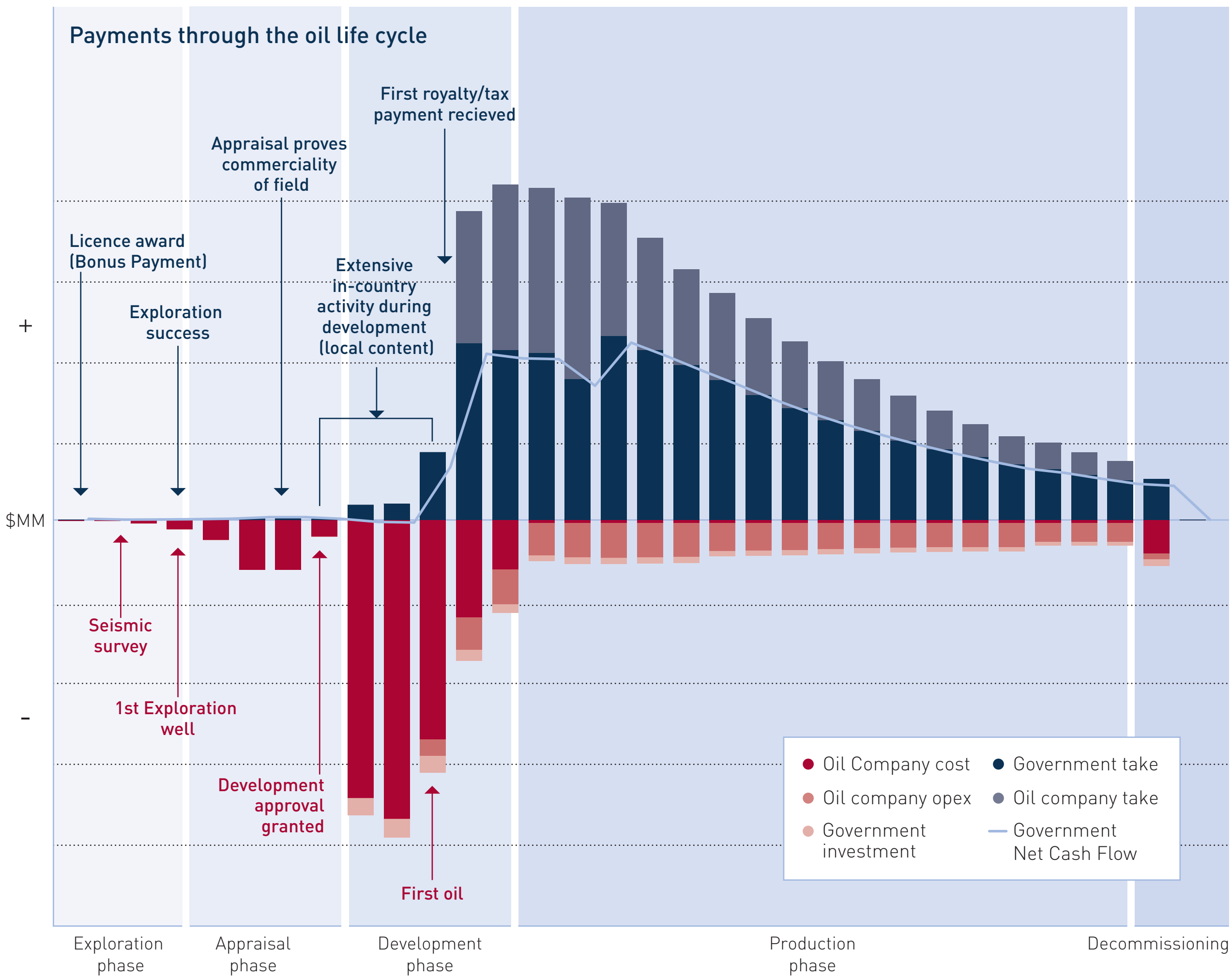
Our approach to taxation

We seek to engage with governments and relevant stakeholders to encourage a stable, transparent and competitive tax and regulatory framework. We pay the appropriate amount of tax due in the jurisdictions in which our activities are undertaken as determined by the domestic tax laws or the relevant production sharing agreement. We believe it is appropriate to share both the risks and rewards between host governments and oil exploration companies to ensure that the long-term investment in the industry is viable and sustained.

As we enter new frontier territories, our primary objective is to reach a common understanding with the authorities of the application of the relevant rules, for which there is often little precedent. Once those rules are established we aim to comply with them, and put in place processes and controls to ensure this is done.

We do seek to take advantage of tax incentives and exemptions offered by host governments, but only where such planning is justified by the commercial activity being undertaken. In international matters generally, we follow the relevant Organisation for Economic Co-operation and Development (OECD) guidance dealing with such matters as transfer pricing. We believe our approach to taxation is consistent with the seven tax principles set out by the Confederation of British Industry (CBI) in May 2013, which were discussed by the Board during the year.

Ian Springett
Chief Financial Officer



Our date
2013-02-05

Our reference

Administrative officer
Baiba A. Rubesa

Your date
2013-01-25

Your reference

Statoil

Global Witness
Attn.: Simon Taylor
6th Floor, Buchanan House, 30 Holborn
EC 1N 2HS London
United Kingdom

Dear Mr Taylor,

REGARDING DODD-FRANK ACT SECTION 1504 AND THE LAW SUIT INITIATED BY THE AMERICAN PETROLEUM INSTITUTE

Reference is made to your letter dated 25 January regarding the law suit filed by the American Petroleum Institute (API) against the US Securities and Exchange Commission (SEC) in the US.

Statoil has not supported the lawsuit initiated by API; in fact, Statoil has explicitly withheld support for the litigation. As you know, we have not taken an active stand regarding the law suit, but chose to communicate our view on the new rule to SEC, internally in the API and in other relevant *fora*. At the same time, we have not wanted to impede other members from promoting their view through the API.

Let me also respond to some of the specific issues of concern that you highlight in your letter:

- Reporting on licenses in the Gulf of Mexico. Since 2007 Statoil has been reporting payments made to governments in the countries we are present, including the United States of America, and will continue to do so. Thus, we are certain that our investors and the general public understand that no matter what the final ruling regarding the new SEC rules may be, we will continue to disclose payments as has been our practice to date.

- Companies' Freedom of Speech. We trust that the outcome of the legal process in the United States will not impede the current global disclosure and responsibility environment which over the years has indeed been able to better protect investors from fraud, significantly strengthen the fight against money laundering and corruption by ensuring strong regulation and legislation on a broad scope of processes and industries. It is, however, up to the American legal system to debate and rule on this specific item, and it would not behove a Norwegian foreign investor in the United States to comment further.

You clearly know that Statoil has for several years shown a particular commitment to ensure increased transparency with respect to payments made to foreign governments. Since 2007, Statoil has accordingly, on a voluntary basis, publicly reported such payments on a country-by-country basis. We believe that such reporting is not an impediment for doing business, but has been a competitive advantage for Statoil.

Statoil continues to support efforts to provide regulations that will ensure increased revenue transparency, and we welcome any opportunity to participate in a constructive dialogue about relevant measures. Whatever the solution, we support reporting that is contingent upon requirements being unambiguous and predictable, practical to implement, and as homogenous as possible across different parts of the world. In addition, we are of the opinion that the cost of such reporting should be reasonable and not outweigh the benefits.

Simon, we look forward to continued engagement with you and your colleagues in Oslo.

Kind regards
Statoil ASA

A. Rubesa

Baiba A. Rubesa
Vice President, Corporate Social Responsibility

lvbaru@statoil.com