

An aerial photograph of an oil drilling operation in a hilly, arid landscape. A tall drilling rig is the central focus, surrounded by various support structures and equipment. The terrain is covered with sparse, low-lying vegetation and scattered trees. In the background, rolling hills and mountains are visible under a clear blue sky. A small, rectangular pond or reservoir is situated to the right of the drilling site.

Gulf Keystone Petroleum

Half Year 2019 Results

10 September 2019

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Half Year 2019 Highlights

- **Operational progress**

- Considerable headway on work programme to 55,000 bopd – still expected Q2 2020
- Gross H1 production 29,362 bopd (H1 2018: 31,861 bopd)
 - 2019 gross production guidance revised to 30,000-33,000 bopd
- SH-12 reached TD of 2,112m on 23 August and on track for first production in October
- Over 400 days without an LTI

- **Financial performance**

- Revenue of \$95.6m (H1 2018: \$116.2m)
- Profit after tax of \$24.2m (H1 2018: \$26.7m)
- Opex per bbl \$3.9/bbl at low end of guidance

- **Corporate**

- Significant capital distribution
 - \$50m dividend and \$25m share buyback in 2019



1

Operational Review

2

Financial Review

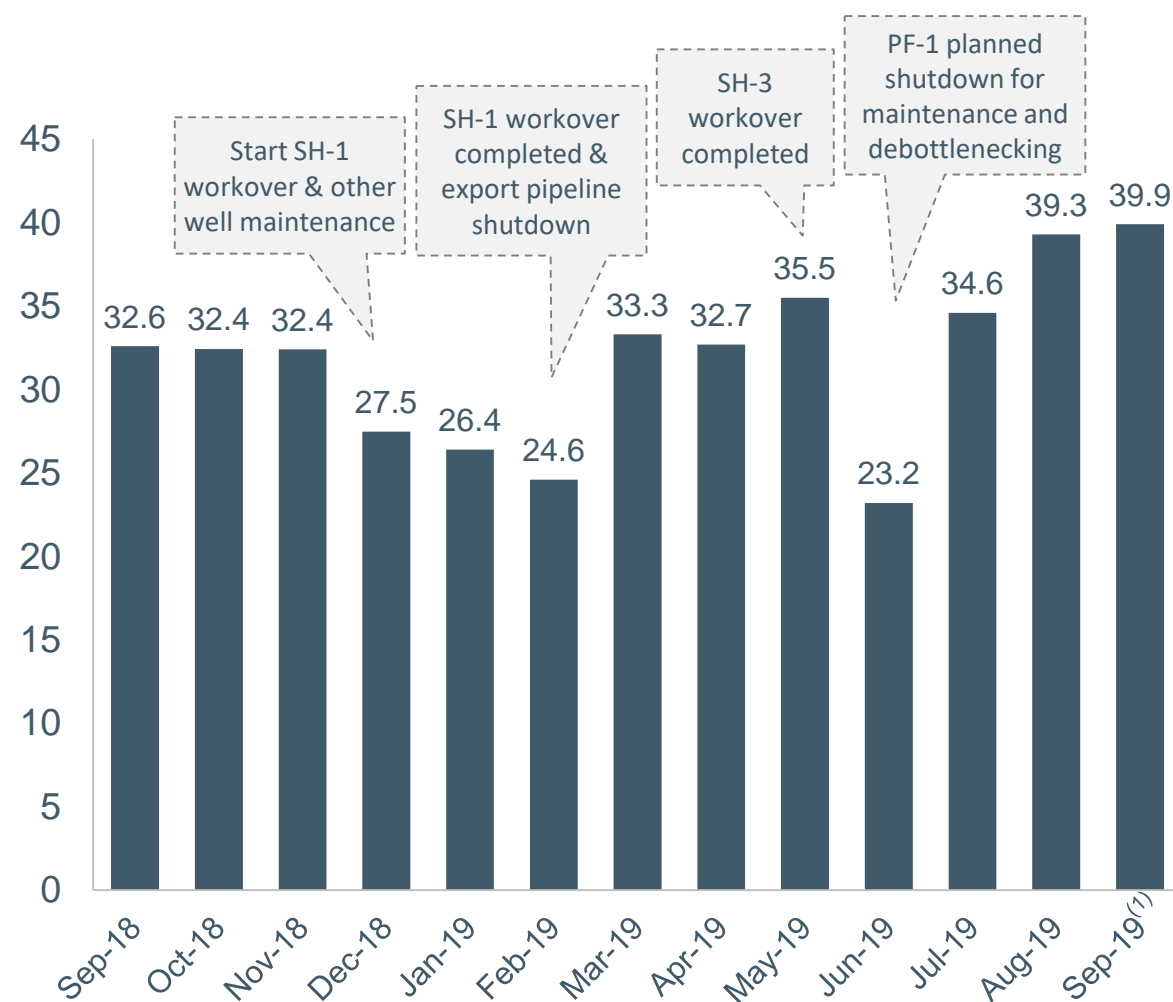
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Outlook

Shaikan back at c.40,000 bopd production in September

- Gross H1 production 29,362 bopd on the back of high activity level
 - 2019 gross production guidance revised to 30,000–33,000 bopd
- Plant uptime remains high at 95% in H1 even with PF-1 June shutdown
- Over 400 days without an LTI despite high levels of activity
- Jurassic reservoir continues to perform strongly

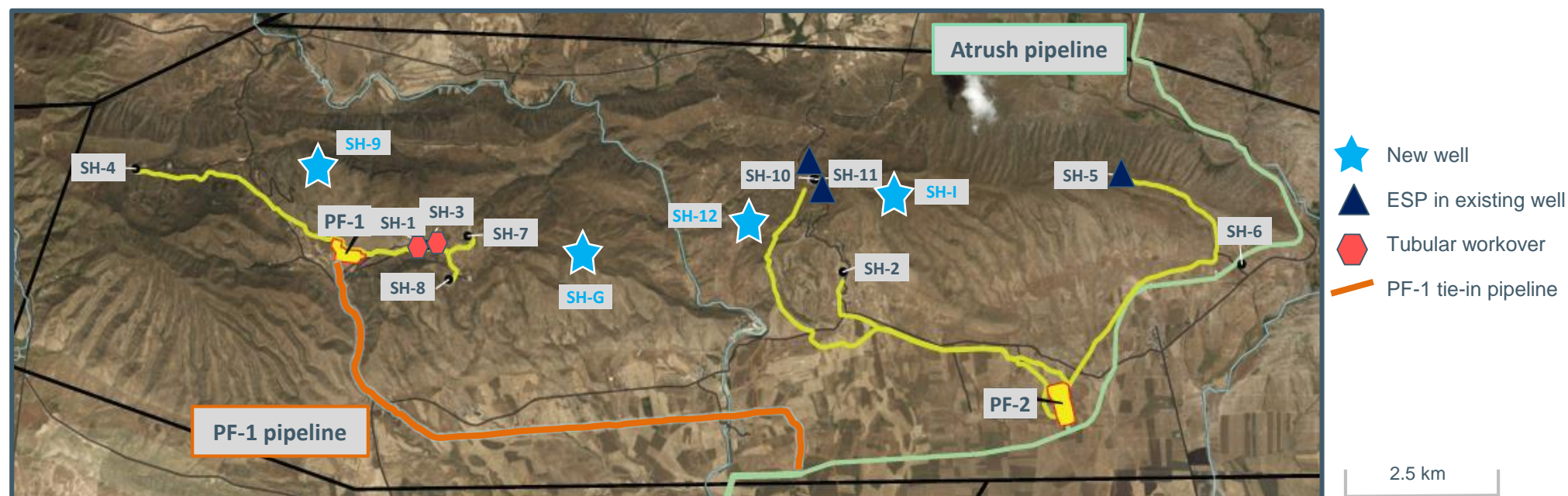
Last 12 Months Shaikan Gross Production ('000 bopd)



1) Average from September 1st to 8th

55,000 bopd expansion programme on track for Q2 2020

- SH-1 and SH-3 tubing workovers completed; >100% and 40% production increase respectively
- SH-12 drilled and expected to be on production in October
- Next well, SH-9, designed to assess the gas reinjection potential of the Jurassic formation
- PF-1 export station and pipeline expected to be in service in the coming weeks
- ESP workovers moved into 2020 to coincide with new permanent facilities
- Capital expenditure for expansion remains in line with earlier guidance: \$200-230 million gross



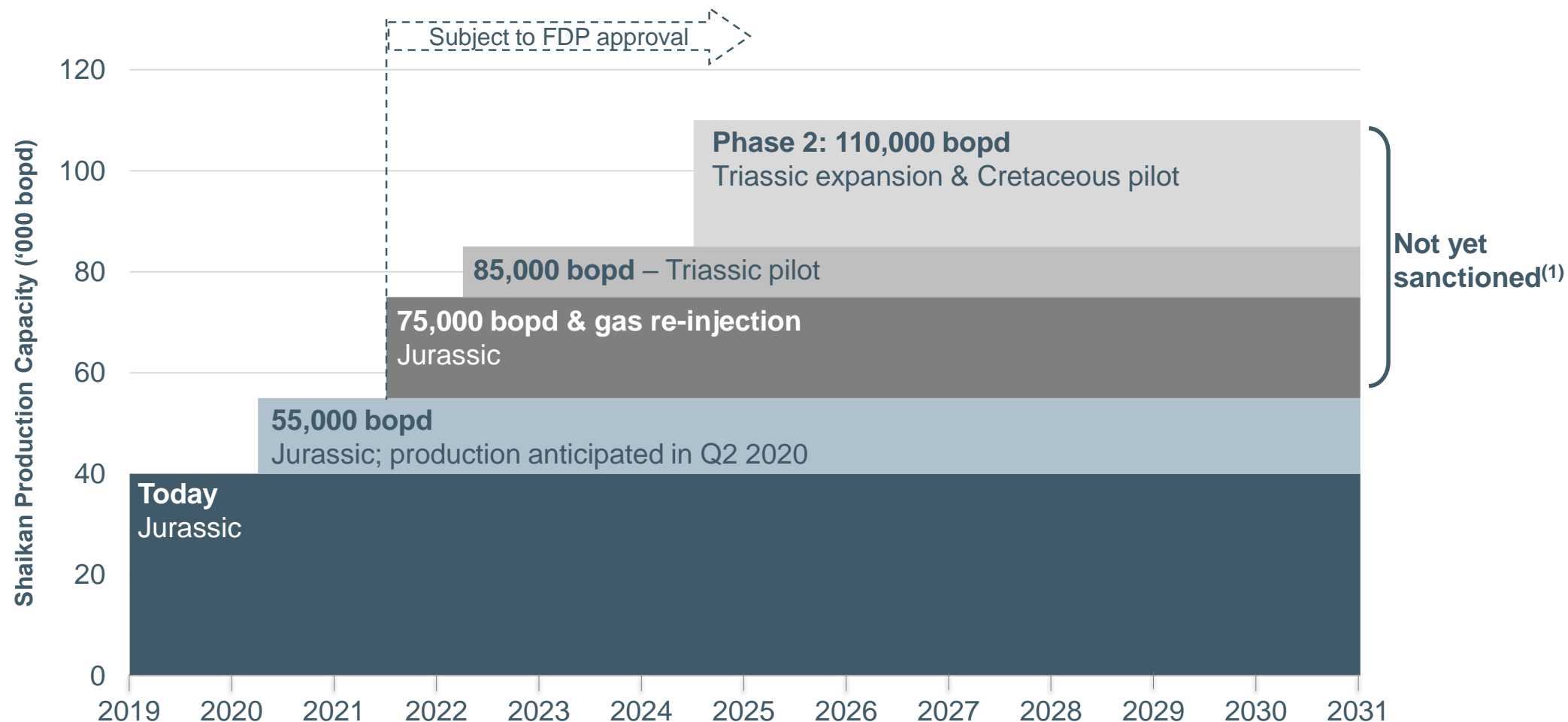
Note: Well locations, pipeline routes and licence boundary are approximate

High levels of activity



Shaikan field development plan

- Staged approach to de-risk long-term potential
- Revised FDP submitted in May 2019 – in discussions with MNR to reach approval



1) Sanction timing of phases from 75,000 bopd & gas re-injection and beyond remain to be confirmed following FDP approval



1

Operational Review

2

Financial Review

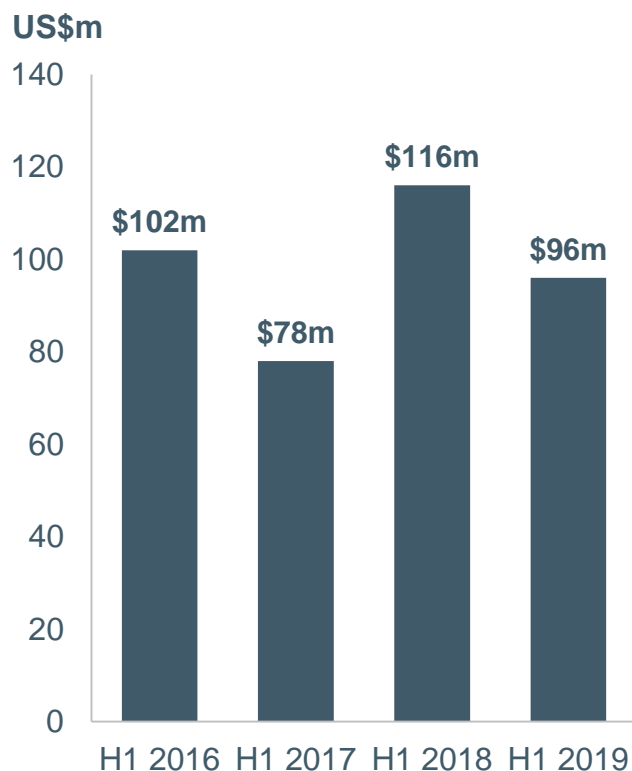
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Outlook

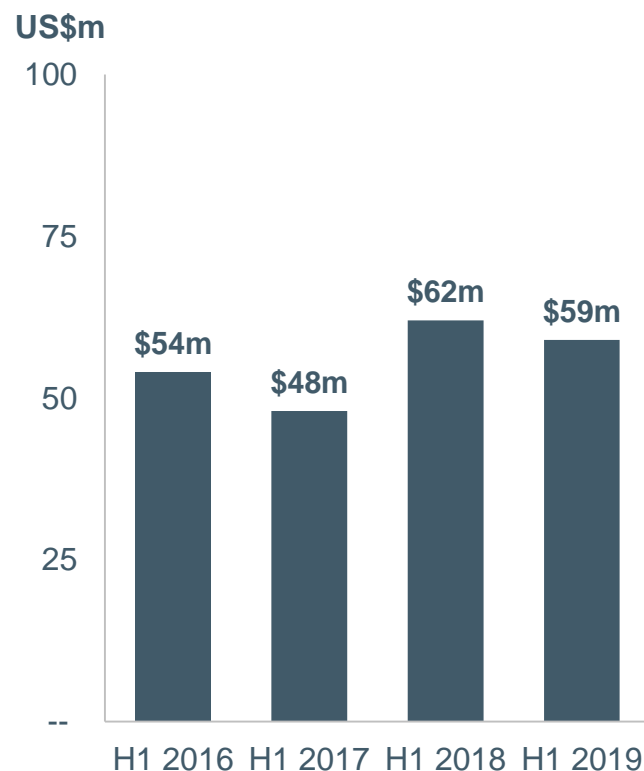
Half year financial highlights

- Continuous payments supported by crude oil sales agreement
- Revenue decrease reflects lower oil prices and production vs. H1 2018
- EBITDA and profit after tax remain steady

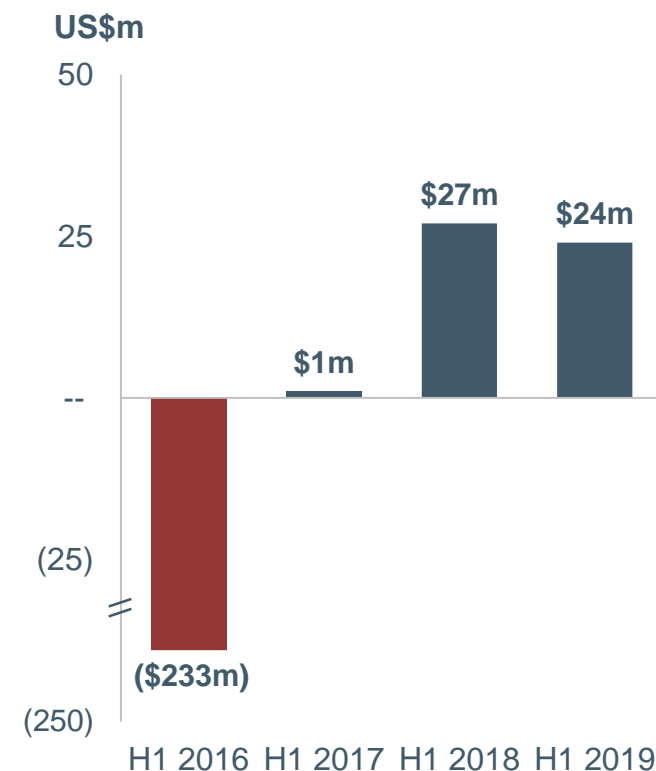
Revenue



EBITDA



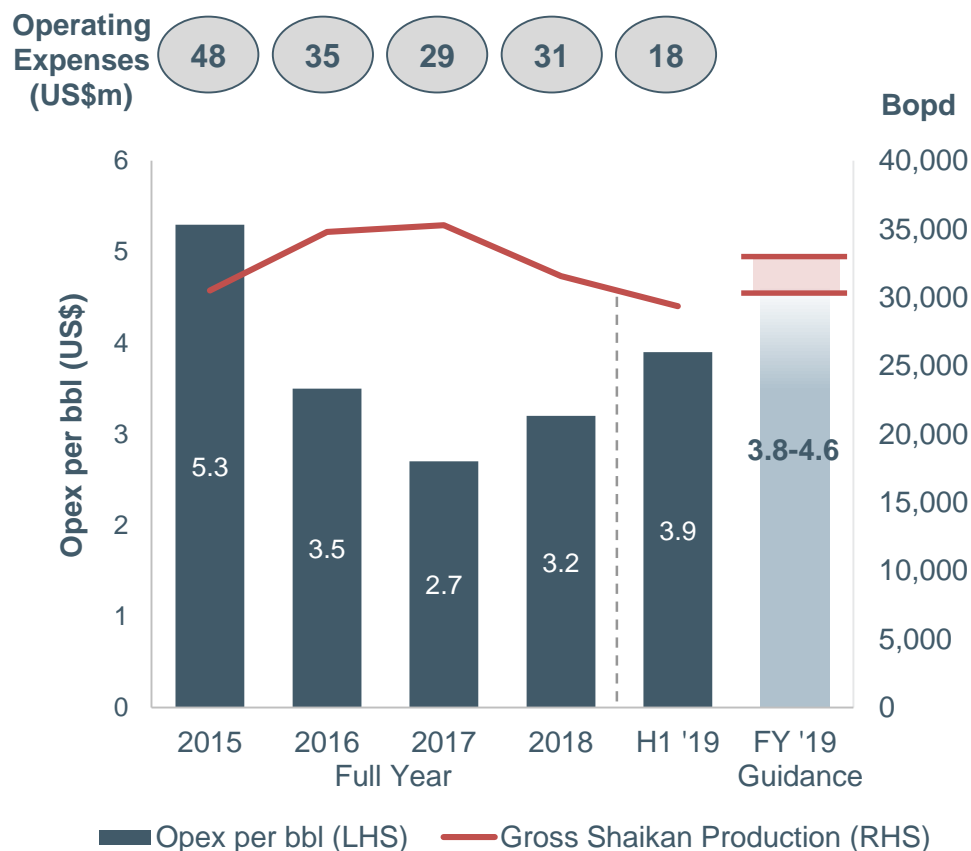
Profit/(Loss) After Tax



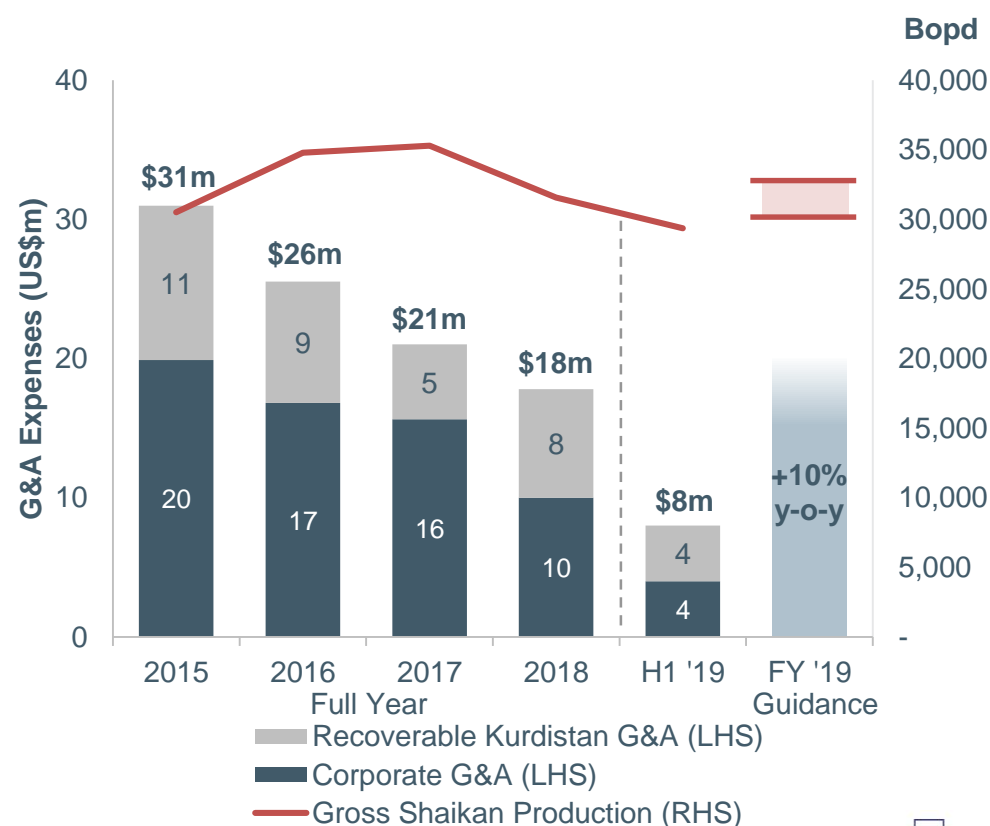
Sustained cost optimisation

- Opex and G&A increases reflect Shaikan investment activity
- H1 2019 Opex and G&A at the lower end of guidance
- Corporate G&A unchanged, in spite of the higher activity in H1 2019

Operating Expenses⁽¹⁾



General & Administrative Expenses

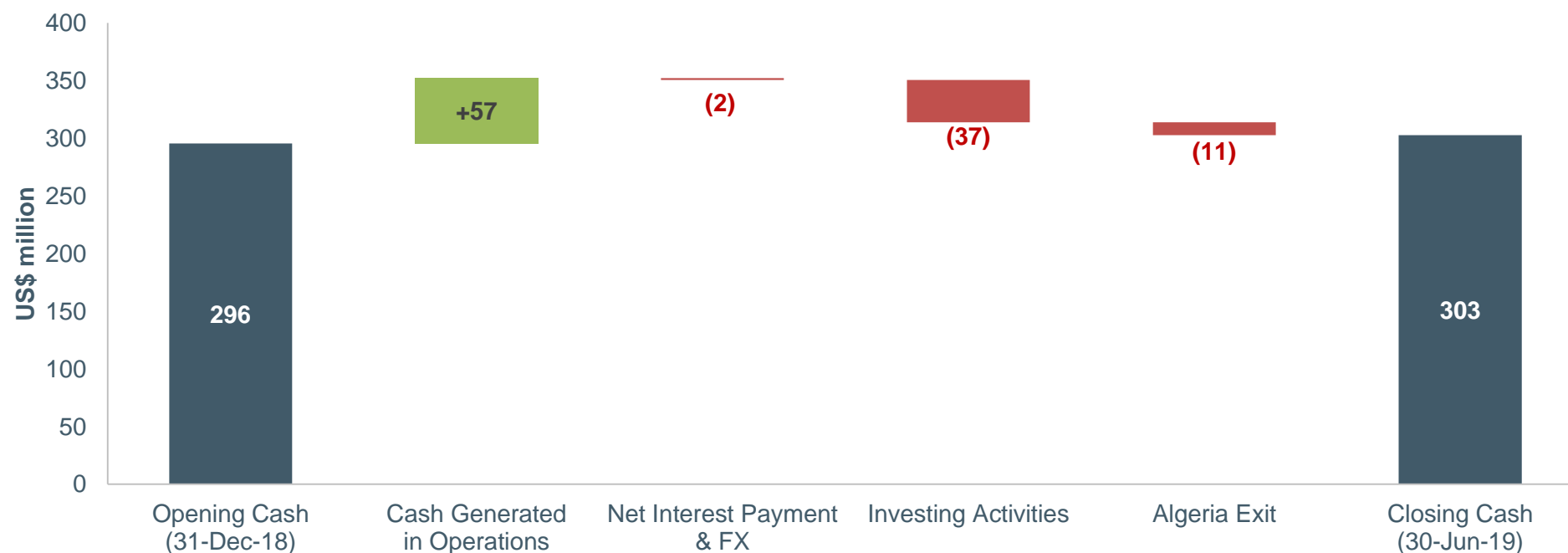


¹⁾ Excludes capacity building charges, production bonus, DD&A, oil inventory movement and transportation costs

Positive free cash flow

- \$7 million net increase in cash
- 2019 capital investment guidance to \$110-130 million gross (\$88-104 million net) reflecting increased activity in H2
- Healthy cash balance (\$264m at 9 September 2019) to support investment plans and capital return to shareholders
- Active cash management

H1 2019 Cash Flow





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Operational Review

2

Financial Review

3

Outlook

Outlook

Operational excellence

- Safe operations
- Meet gross production guidance of 30,000-33,000 bopd
- Continued cost control discipline
- Active engagement on ESG

Growth

- Focus on delivery of project milestones
- On track to deliver the 55,000 bopd expansion project in Q2 2020
- Investing to define next phases: 75,000 bopd and beyond

Shareholder return in H2 2019

- Dividend: 2nd tranche of the \$50 million dividend to be paid on 4 October
- Buyback: remaining \$10 million underway

An aerial photograph of an oil drilling rig situated in a hilly, arid landscape. The rig is a tall, dark structure with a red derrick, surrounded by various support buildings and equipment. The terrain is characterized by rolling hills covered in sparse, dry vegetation and scattered green trees. In the background, more hills are visible under a clear blue sky. A semi-transparent white text box is overlaid in the bottom left corner, containing the text "Thank you" and a website URL.

Thank you

More resources are available at:
www.gulfkeystone.com

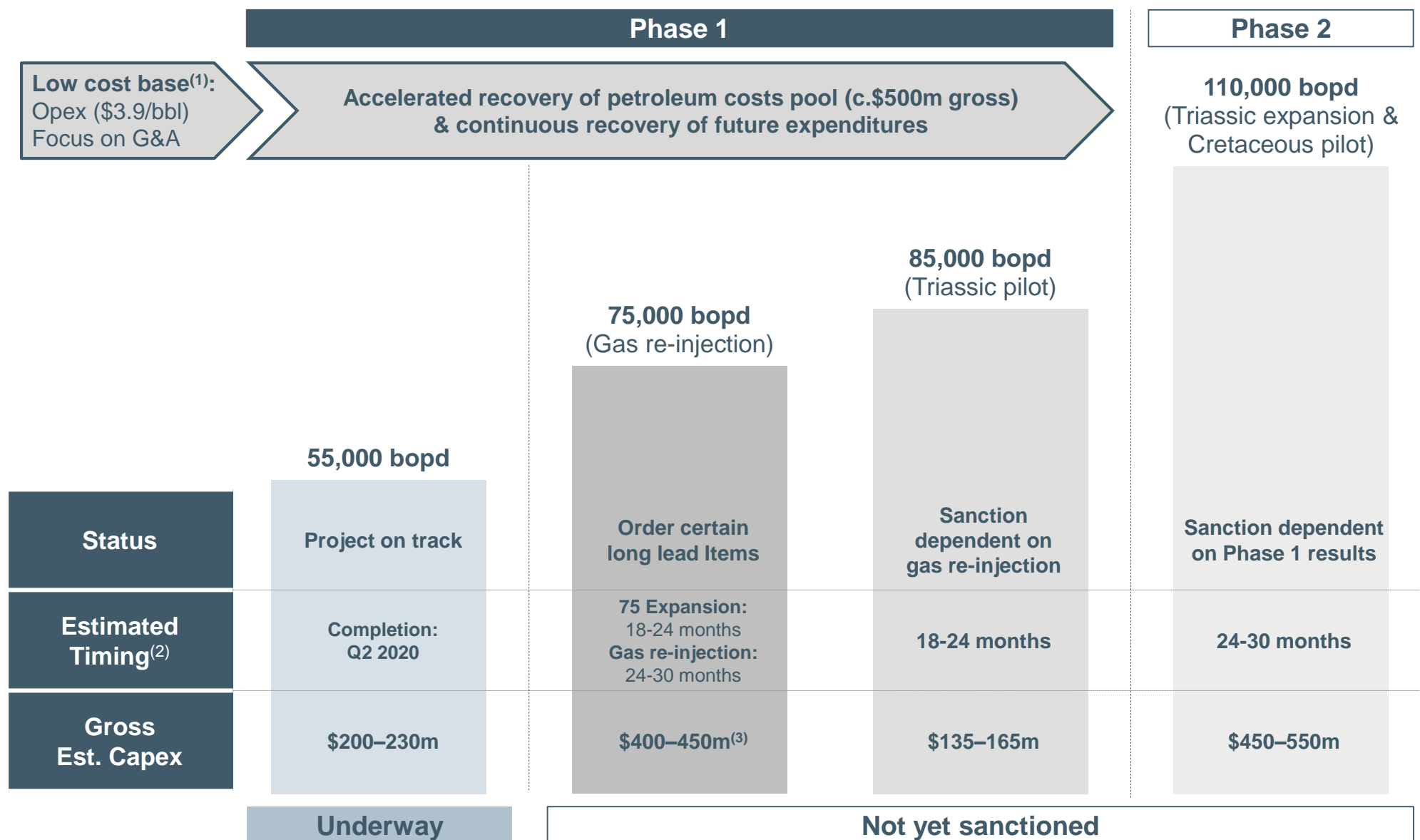
Appendix – Half Year 2019 Highlights

	H1 2019	H1 2018	FY 2018
Gross production (bopd)	29,362	31,861	31,563
Brent ⁽¹⁾ (\$/bbl)	66.1	70.7	71.1
Discount (\$/bbl)	21.7	22.8	22.3
Realised price (\$/bbl)	44.8	47.9	49.0
Revenue (\$m)	95.6	116.2	250.6
EBITDA (\$m)	59.0	61.6	149.3
Profit after tax (\$m)	24.2	26.7	79.9
Capital investment (\$m)	32.4	6.9	35.7
Net Cash (\$m)	198.3	117.0	191.2
Equity Ratio (%)	68	70	73
Opex ⁽²⁾ (\$/bbl)	3.9	3.0	3.2

1) Source: EIA monthly prices

2) Excludes capacity building charges, production bonus, DD&A, oil inventory movement and transportation costs

Fully funded for entire development



Note: All Capex estimates above assume 25% contingency.

1) Opex expected to stabilise at c.\$3/bbl level in the mid- to long-term and G&A expected to remain around 2019 level thereafter

2) Timing for not yet sanctioned denotes estimated project duration once sanctioned

3) Low and high estimates do not match the sum of low and high estimates of the individual 75,000 bopd expansion (\$150-175m) and gas re-injection (\$225-300m) elements of the project due to compounding probability