Half Year 2020 Results

3 September 2020
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H1 2020 Highlights
Half year 2020 highlights
GKP remains well positioned to deliver long-term potential of Shaikan Field

▪ Shaikan operations continue safely and reliably – no LTIs
  ▪ Actively managing impact of COVID-19 and working to protect our staff

▪ Shaikan continues to perform well
  ▪ 37,159 bopd - up >25% vs H1 2019

▪ 2020 gross production guidance of 35,000 – 36,000 bopd

▪ Simple, low-cost, high-impact investments with the potential to increase gross production by c.5,000 bopd

▪ On track to achieve cost reduction targets

▪ Actively supporting local communities in response to COVID-19
Operational Review
Growth activities suspended in March
GKP was on track to deliver 55,000 bopd in Q3 2020

- Facilities debottlenecking to reach 55,000 bopd capacity within three weeks of completion
- SH-13 within one month of being brought onstream
- SH-L (next well after SH-13) to be spud from same drilling pad – two months to complete
- Final commissioning to bring on stream SH-9 as an oil producer
Continued strong production operations

Effectively managing the impacts of COVID-19

- Steady and reliable production – YTD\(^1\) gross production of 36,272 bopd
- 2020 gross production guidance of 35,000 – 36,000 bopd
- GKP preparing to deliver near-term production growth opportunities
  - Quick payback, c.5,000 bopd for total of c.US$3 million (gross)
  - Planning is ongoing; implementation subject to a satisfactory operating environment

**Last 12 months Shaikan gross production (‘000 bopd)**

<table>
<thead>
<tr>
<th>Month</th>
<th>Production (‘000 bopd)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sep-19</td>
<td>37.0</td>
</tr>
<tr>
<td>Oct-19</td>
<td>25.7</td>
</tr>
<tr>
<td>Nov-19</td>
<td>40.6</td>
</tr>
<tr>
<td>Dec-19</td>
<td>41.0</td>
</tr>
<tr>
<td>Jan-20</td>
<td>39.7</td>
</tr>
<tr>
<td>Feb-20</td>
<td>38.0</td>
</tr>
<tr>
<td>Mar-20</td>
<td>37.3</td>
</tr>
<tr>
<td>Apr-20</td>
<td>35.9</td>
</tr>
<tr>
<td>May-20</td>
<td>35.9</td>
</tr>
<tr>
<td>Jun-20</td>
<td>36.3</td>
</tr>
<tr>
<td>Jul-20</td>
<td>31.0</td>
</tr>
<tr>
<td>Aug-20</td>
<td>36.3</td>
</tr>
<tr>
<td>Current</td>
<td>36.0</td>
</tr>
</tbody>
</table>

\(^1\) As at 1 September 2020
**Following best practice ESG**

**Doing the right thing, acting responsibly**

### Environment
- Target to more than halve CO₂ emissions from operations with the implementation of the Shaikan Field Development Plan
- Effective waste management and remediation of inactive drilling sites are some of the projects GKP has conducted to help reduce the impact on the local environment

### Sustainability / Societal
- Engaging with communities and authorities to handle employment issues and work with local businesses.
- Donating essential equipment to nearby hospitals
- Continuing to develop local staff with a full suite of online training offerings
- Virtual seminars for 140 engineering students at nearby universities and colleges

### Governance
- Bermuda registered: voluntary compliance with 2018 UK Corporate Governance Code
- Robust governance framework and operation of Board and Committees – integrity and transparency remains a top priority
Financial Review
Half year financial highlights

Strong underlying performance overshadowed by oil price declines

- Oil price decline impact partially offset by increased production and cost reductions
- Higher DD&A, related to increased production, contributed to loss after tax

Revenue

<table>
<thead>
<tr>
<th></th>
<th>H1 2017</th>
<th>H1 2018</th>
<th>H1 2019</th>
<th>H1 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue (US$m)</td>
<td>$78m</td>
<td>$116m</td>
<td>$96m</td>
<td>$50m</td>
</tr>
</tbody>
</table>

Adjusted EBITDA

<table>
<thead>
<tr>
<th></th>
<th>H1 2017</th>
<th>H1 2018</th>
<th>H1 2019</th>
<th>H1 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted EBITDA (US$m)</td>
<td>$48m</td>
<td>$62m</td>
<td>$59m</td>
<td>$28m</td>
</tr>
</tbody>
</table>

Profit / (Loss) after tax

<table>
<thead>
<tr>
<th></th>
<th>H1 2017</th>
<th>H1 2018</th>
<th>H1 2019</th>
<th>H1 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit / (Loss) after tax (US$m)</td>
<td>$27m</td>
<td>$24m</td>
<td>($33m)</td>
<td></td>
</tr>
</tbody>
</table>
Continued tight focus on cost control

On track to deliver 2020 cost reduction guidance

✓ Guidance: Opex US$2.7 – 3.1/bbl
  ▪ H1 2020 Opex US$2.6/bbl
✓ Guidance: Opex and G&A savings of >20% compared to H1 2019; 30% run-rate
  ▪ Completed workforce reduction by c.40%, including >60% of expatriates
  ▪ H1 2020 Opex and G&A savings of 12%
✓ Guidance: Capex US$40 – 48 million (net), H1 2020 = US$39 million

**Operating costs**(1)

<table>
<thead>
<tr>
<th>Year</th>
<th>Opex per bbl (US$m)</th>
<th>Cross Shaikan Production (RHS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>3.5</td>
<td>17</td>
</tr>
<tr>
<td>2017</td>
<td>2.7</td>
<td>16</td>
</tr>
<tr>
<td>2018</td>
<td>3.2</td>
<td>10</td>
</tr>
<tr>
<td>2019</td>
<td>3.9</td>
<td>18</td>
</tr>
<tr>
<td>H1 2019</td>
<td>3.9</td>
<td>10</td>
</tr>
<tr>
<td>H1 2020</td>
<td>2.6</td>
<td>20</td>
</tr>
</tbody>
</table>

**General & administrative expenses**

<table>
<thead>
<tr>
<th>Year</th>
<th>Corporate G&amp;A (LHS)</th>
<th>Kurdistan G&amp;A (LHS)</th>
<th>Cross Shaikan Production (RHS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>9</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>2017</td>
<td>5</td>
<td>8</td>
<td>10</td>
</tr>
<tr>
<td>2018</td>
<td>4</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>2019</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>1H 2019</td>
<td>4</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>1H 2020</td>
<td>2</td>
<td>5</td>
<td>2</td>
</tr>
</tbody>
</table>

1) Derived from cost of sales excluding DD&A, capacity building charges, production bonus, working capital movements and transportation costs
Crude oil payments

Consistent oil sales receipts over last five months

- Since March, KRG honoured commitment to pay for oil sales in following month
- GKP in constructive dialogue with KRG to seek timely settlement of historical arrears (US$73 million net for Nov-19 to Feb-20 oil sales)

### Gross Prod. (kbpd)
- 26.4
- 24.6
- 33.3
- 32.7
- 35.5
- 23.2
- 34.6
- 39.3
- 37.0
- 25.7
- 40.6
- 41.0
- 39.7
- 38.0
- 37.3
- 35.9
- 35.9
- 36.3
- 31.0

### Brent Price (US$/bbl)
- 59.4
- 64.0
- 66.1
- 71.2
- 71.3
- 64.2
- 63.9
- 59.0
- 62.8
- 59.7
- 63.2
- 67.3
- 63.7
- 55.7
- 32.0
- 18.4
- 29.4
- 40.3
- 43.2

### Payments Received in
- Apr-19
- Jun-19
- Jun-19
- Aug-19
- Aug-19
- Sep-19
- Oct-19
- Jan-20
- Jan-20
- Apr-20
- --
- --
- --
- --
- Apr-20
- May-20
- Jun-20
- Jul-20
- Aug-20

1) Source: EIA monthly prices
Strong balance sheet

Considerable financial flexibility to navigate uncertain times

- Limited capital commitments, low-cost structure
- 70% of H2 2020 net production hedged at a floor price of US$35/bbl
  - Full upside to price increases
- Cash balance of US$140 million\(^1\)
- $100 million debt not due for repayment until mid-2023

**Cash balance**

<table>
<thead>
<tr>
<th>Year</th>
<th>Cash Balance (US$m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$93</td>
</tr>
<tr>
<td>2017</td>
<td>$160</td>
</tr>
<tr>
<td>2018</td>
<td>$296</td>
</tr>
<tr>
<td>2019</td>
<td>$191</td>
</tr>
<tr>
<td>H1 2020</td>
<td>$144</td>
</tr>
</tbody>
</table>

**Equity ratio**

<table>
<thead>
<tr>
<th>Year</th>
<th>Equity Ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>71</td>
</tr>
<tr>
<td>2017</td>
<td>72</td>
</tr>
<tr>
<td>2018</td>
<td>73</td>
</tr>
<tr>
<td>2019</td>
<td>71</td>
</tr>
<tr>
<td>H1 2020</td>
<td>70</td>
</tr>
</tbody>
</table>

\(^1\) As at 2 September 2020
Outlook

Realise long-term Shaikan potential with shareholder distributions

▪ Deliver 2020 guidance
  ▪ 35,000 – 36,000 bopd
  ▪ Cost savings

▪ Positioning to return to growth
  ▪ Simple, low-cost, high-impact projects to increase gross production by c.5,000 bopd for total of c.US$3 million (gross)
  ▪ Restart drilling programme to achieve 55,000 bopd

▪ Maintain strong financial position
  ▪ Strike balance between production growth and shareholder distributions

▪ Sustainable approach
  ▪ Safety, environmental and social principles are embedded in GKP’s ethos
  ▪ Target to halve CO\(_2\) emissions
Thank you
More resources are available at:
www.gulfkeystone.com
## Appendix – Key historical financials

<table>
<thead>
<tr>
<th></th>
<th>H1 2020</th>
<th>H1 2019</th>
<th>FY 2019</th>
<th>FY 2018</th>
<th>FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross production (bopd)</td>
<td>37,159</td>
<td>29,362</td>
<td>32,883</td>
<td>31,563</td>
<td>35,298</td>
</tr>
<tr>
<td>Brent(^{(1)}) (US$/bbl)</td>
<td>40.2</td>
<td>66.1</td>
<td>64.3</td>
<td>71.3</td>
<td>54.1</td>
</tr>
<tr>
<td>Discount (US$/bbl)</td>
<td>21.1</td>
<td>21.7</td>
<td>21.7</td>
<td>22.3</td>
<td>20.3</td>
</tr>
<tr>
<td>Realised price (US$/bbl)</td>
<td>19.1</td>
<td>44.8</td>
<td>42.9</td>
<td>49.0</td>
<td>34.6</td>
</tr>
<tr>
<td>Revenue (US$m)</td>
<td>49.9</td>
<td>95.6</td>
<td>206.7</td>
<td>250.6</td>
<td>172.4</td>
</tr>
<tr>
<td>Adjusted EBITDA (US$m)</td>
<td>27.5</td>
<td>59.0</td>
<td>122.5</td>
<td>150.1</td>
<td>104.3</td>
</tr>
<tr>
<td>(Loss)/profit after tax (US$m)</td>
<td>(33.1)</td>
<td>24.2</td>
<td>43.5</td>
<td>79.9</td>
<td>14.1</td>
</tr>
<tr>
<td>Capital investment (US$m)</td>
<td>38.5</td>
<td>32.4</td>
<td>90.0</td>
<td>35.4</td>
<td>8.1</td>
</tr>
<tr>
<td>Net cash/(debt) (US$m)</td>
<td>39.2</td>
<td>198.3</td>
<td>86.4</td>
<td>191.2</td>
<td>58.5</td>
</tr>
<tr>
<td>Equity ratio (%)</td>
<td>70</td>
<td>68</td>
<td>71</td>
<td>73</td>
<td>72</td>
</tr>
<tr>
<td>Opex(^{(2)}) (US$/bbl)</td>
<td>2.6</td>
<td>3.9</td>
<td>3.9</td>
<td>3.2</td>
<td>2.7</td>
</tr>
</tbody>
</table>

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1) Source: EIA daily prices  
2) Derived from cost of sales excluding DD&A, capacity building charges, production bonus, working capital movements and transportation costs