



GULF KEYSTONE PETROLEUM

Fearnley Securities E&P Credit Webinar

8 September 2020

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Well positioned to deliver long-term growth potential

Actively managing impact of COVID-19 and working to protect our staff

- GKP operator (80% WI) of Shaikan in Kurdistan
- Shaikan operations continue safely and reliably
 - 35,000 – 36,000 bopd 2020 gross production guidance
- ESG underpins how we do business
- Low cost E&P operator – US\$2.6/bbl Opex in H1
 - On track to achieve cost reduction targets
- Conservative financial profile a strategic imperative
 - Strong balance sheet
- Cash flows protected via hedging
 - 70% of H2 '20 net production at US\$35/bbl floor price

>250

Days
LTI-Free

578

MMstb
Gross 2P
Reserves⁽¹⁾

220

US\$m
Market Cap⁽²⁾

140

US\$m
Cash Balance⁽³⁾

100

US\$m
Bond
Outstanding

GKP – Operator of the Shaikan Field

A giant field with proven production track record

Field overview

- One of the largest fields in Kurdistan Region of Iraq by reserves and production
 - Cumul. production to date >75 MMstb
 - Steady gross prod. at c.36,000 bopd; pressure decline in line with predictions
- Located c.60km north-west of Erbil in the north-west Zagros Fold-belt
- Significant growth potential
 - Material oil volumes in the Cretaceous, Jurassic and Triassic formations
 - Current production from Jurassic only
 - Staged approach to de-risk field long-term potential

Key information (gross figures)

- Gulf Keystone interest: 80%
- Partner: MOL 20%
- Discovered: August 2009
- Production start: July 2013
- 1P reserves: 194 MMstb⁽¹⁾
- 2P reserves: 578 MMstb⁽¹⁾
- 2C resources: 239 MMstb⁽¹⁾
- Petroleum cost pool: c.US\$500m



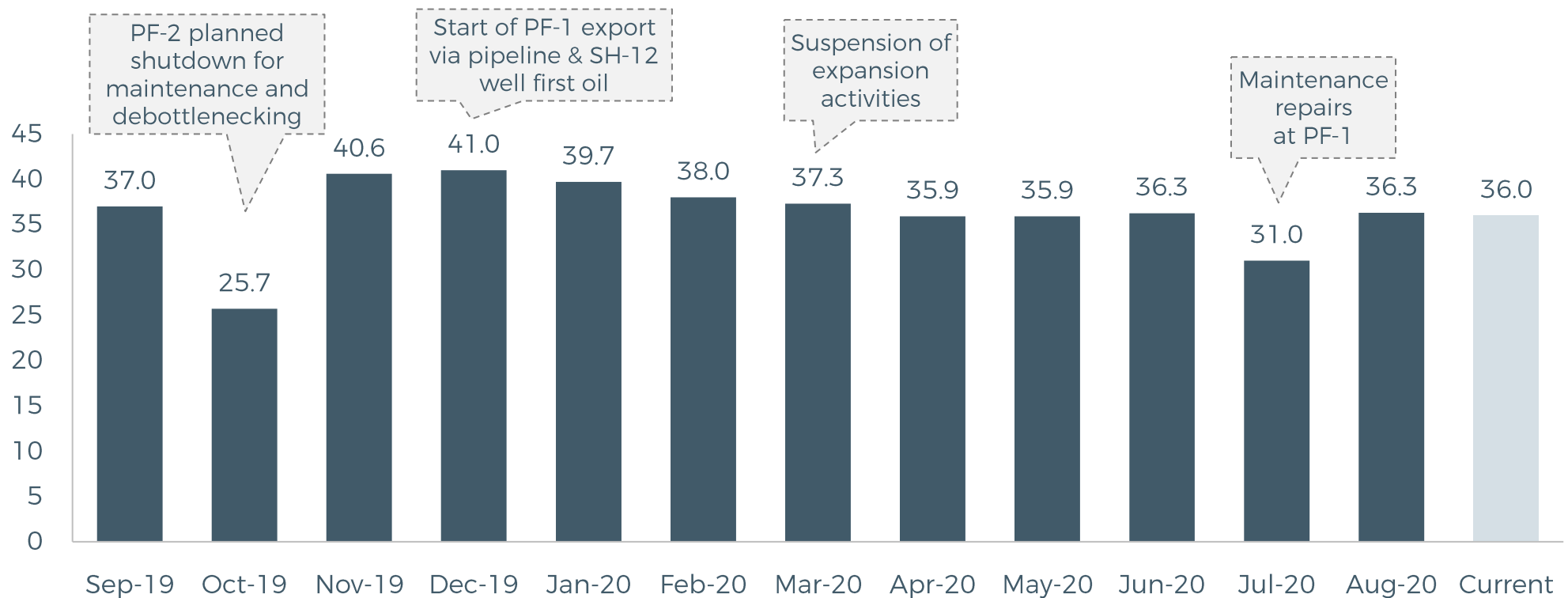
1) Source: ERC Equipoise. CPR volume estimates of 615 MMstb as at 31 December 2016, adjusted for 12.9, 11.5 and 12.0 MMstb production in 2017, 2018 and 2019 respectively

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)

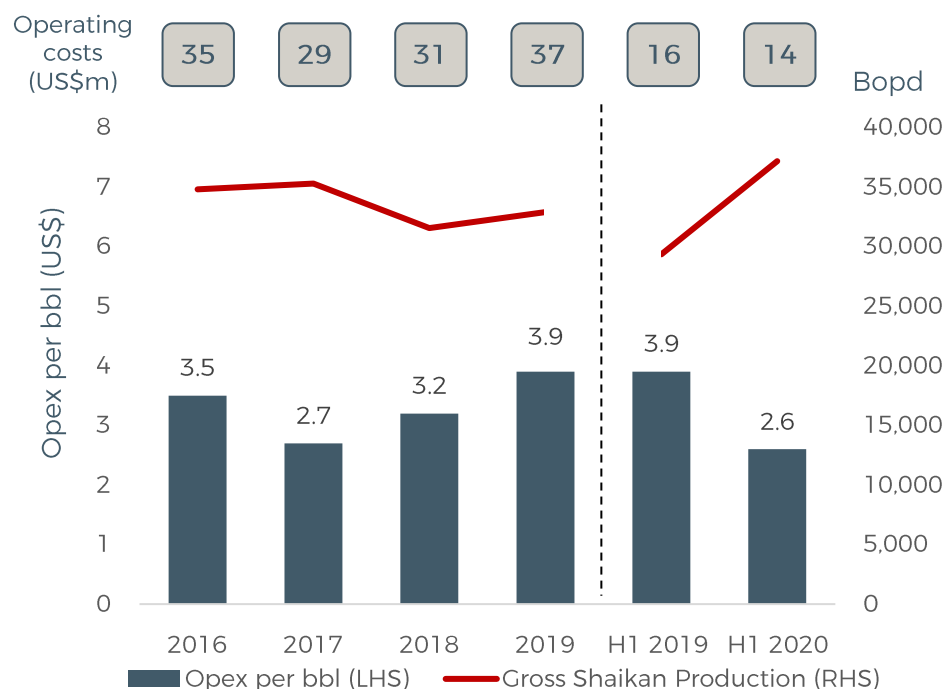


Continued tight focus on cost control

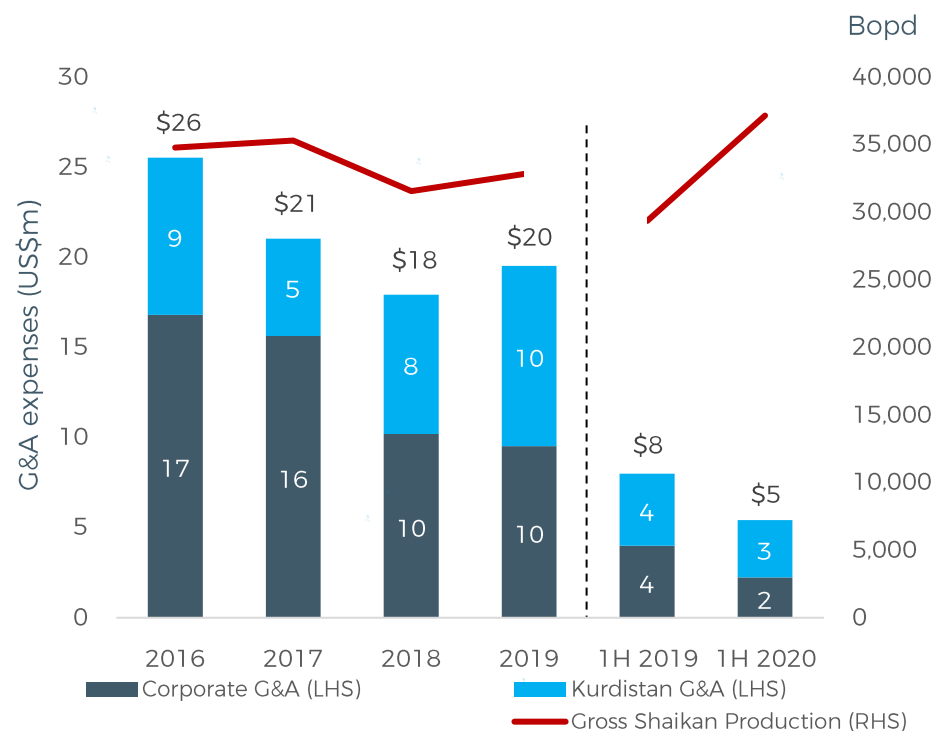
On track to deliver 2020 cost reduction guidance

- ✓ 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⁾



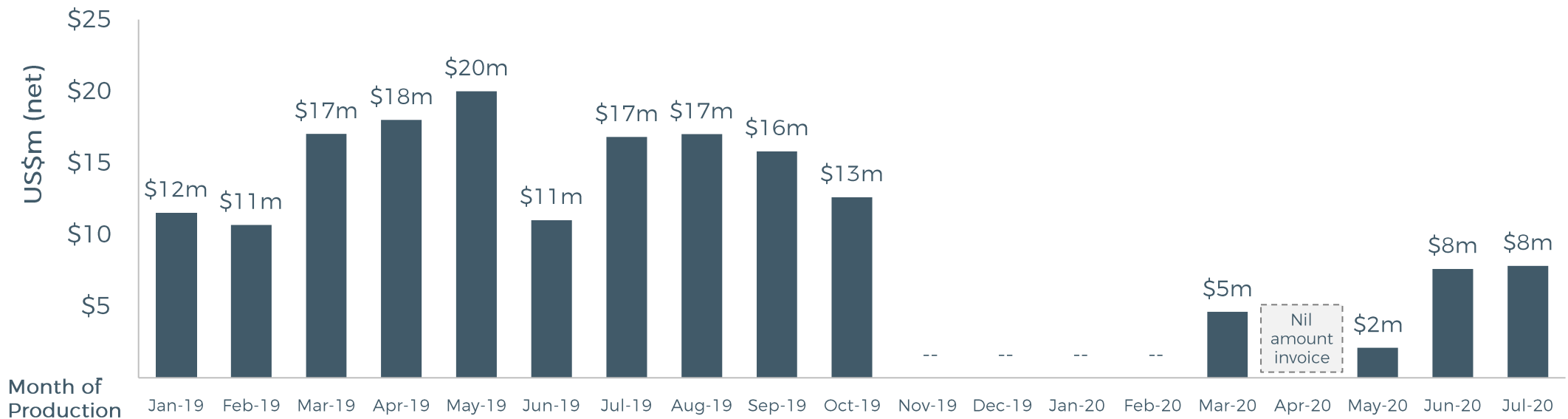
General & administrative expenses



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)



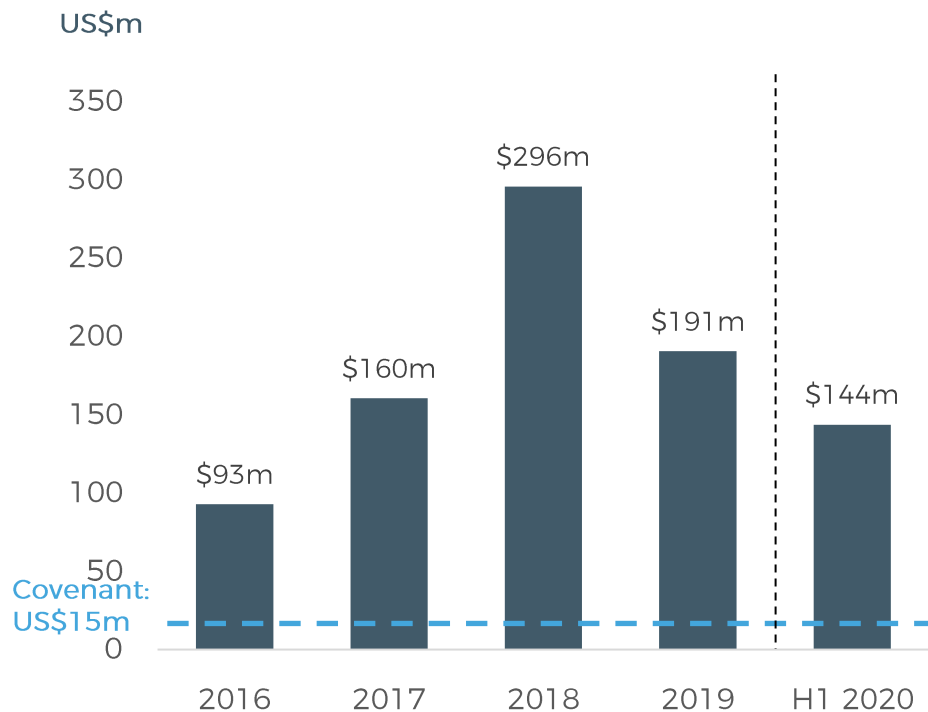
Gross Prod. (kbopd)	26.4	24.6	33.3	32.7	35.5	23.2	34.6	39.3	37.0	25.7	40.6	41.0	39.7	38.0	37.3	35.9	35.9	36.3	31.0
Brent Price ⁽¹⁾ (US\$/bbl)	\$59.4	\$64.0	\$66.1	\$71.2	\$71.3	\$64.2	\$63.9	\$59.0	\$62.8	\$59.7	\$63.2	\$67.3	\$63.7	\$55.7	\$32.0	\$18.4	\$29.4	\$40.3	\$43.2
Payments Received in	Apr-19	Jun-19	Jun-19	Aug-19	Aug-19	Sep-19	Oct-19	Jan-20	Jan-20	Apr-20	--	--	--	--	Apr-20	n.a.	Jun-20	Jul-20	Aug-20

Strong balance sheet

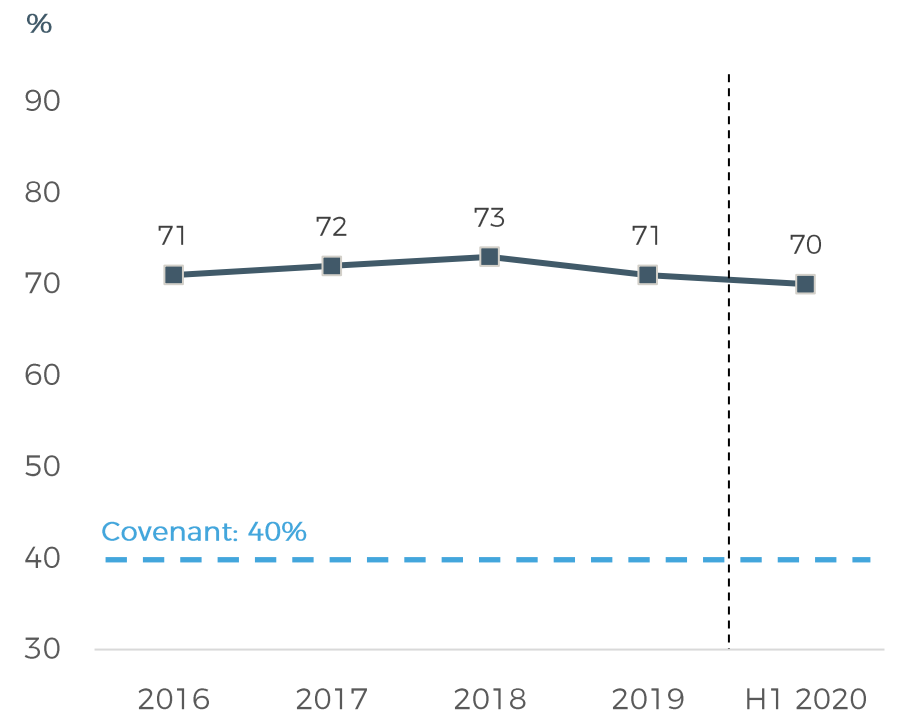
Considerable financial flexibility to navigate uncertain times

- 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⁾
- US\$100 million debt not due for repayment until mid-2023

Cash balance



Equity ratio



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 CO₂ emissions

Thank you
More resources are available at:
www.gulfkeystone.com