



GULF KEYSTONE PETROLEUM

# 2021 Half Year Results

2 September 2021

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# 2021 Half Year Results highlights

## Strong operational and financial performance

- **Continued excellent safety performance**
  - Managing impact of COVID-19
- **Strong cash generation and profitability**
  - Production towards top end of 2021 guidance
  - Gross Opex/bbl just below 2021 guidance
- **Balancing 2021 shareholder returns...**
  - \$50 million interim dividend declared today
  - \$100 million total dividends declared
- **...with investment in growth**
  - 55k drilling activities progressing following early restart
  - SH-G opportunity to maintain growth and momentum
  - Expect to submit FDP to MNR in Q4 2021 for approval

0

LTIs >600 days

42.9

'000 bopd  
2021 YTD gross  
production<sup>(1)</sup>

>3x

increase in  
adjusted EBITDA

2.4

US\$/bbl  
Gross Opex

100

US\$m  
Total 2021  
dividends

177

US\$m  
Cash Balance<sup>(2)</sup>



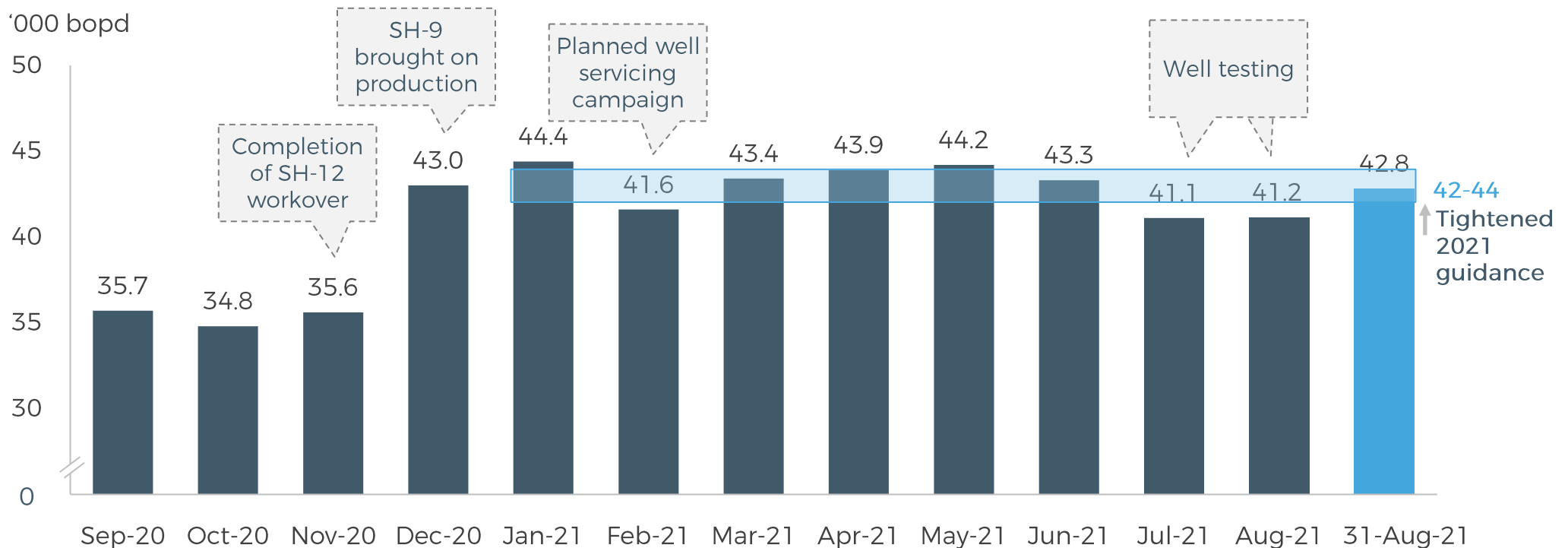


# Operational Review

# Safe and reliable production

- Gross average production year to 31 August 2021 of c.42,900 bopd
- Tightening 2021 guidance to 42,000 – 44,000 bopd
- c.92 MMstb produced to date, with c.500 MMstb of 2P reserves remaining

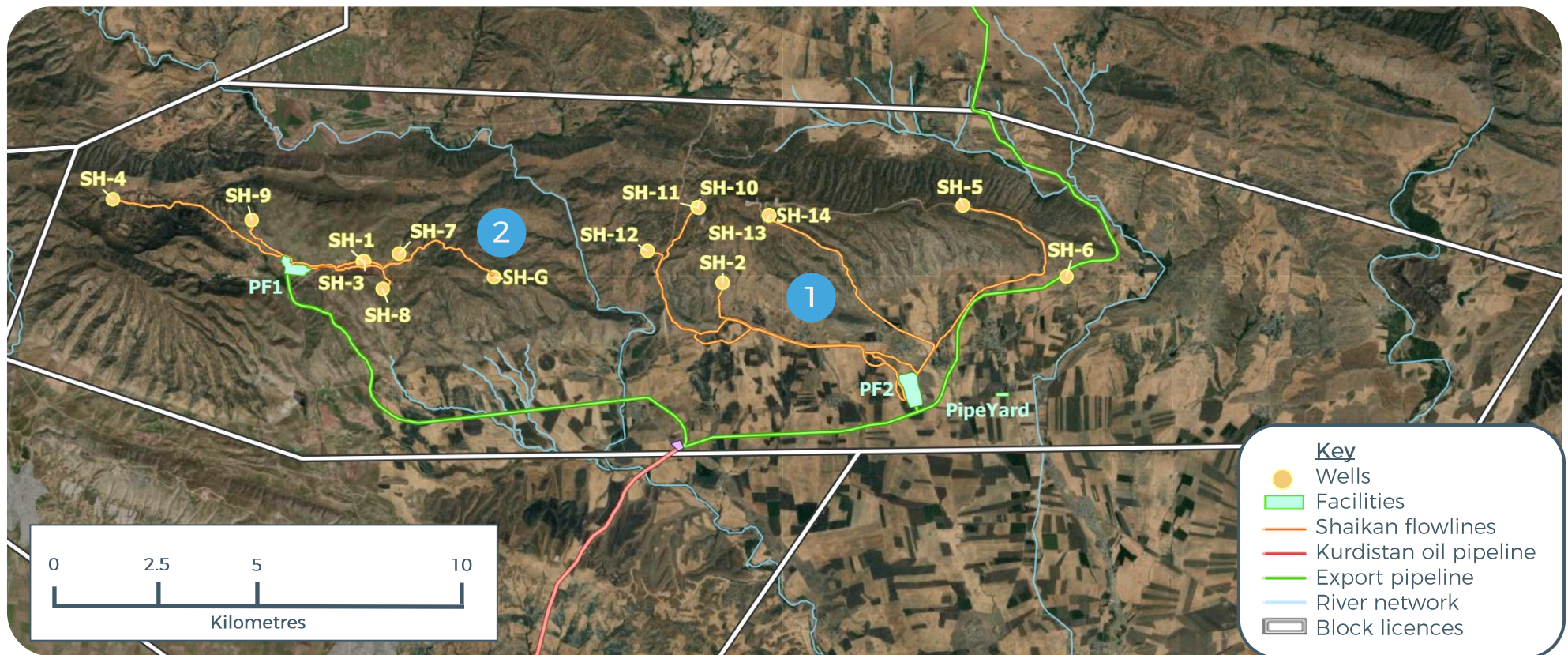
## Shaikan gross production





# Developing the Shaikan Field

Continuing production momentum



## 1 55,000 bopd programme

- SH-13: Online September
- SH-14: Expected online Q4
- Two ESP workovers
- PF-2 debottlenecking: Completed

## 2 SH-G

- Expect to spud Q4 2021
- Expect online Q1 2022
- Maintains production growth as we prepare the FDP

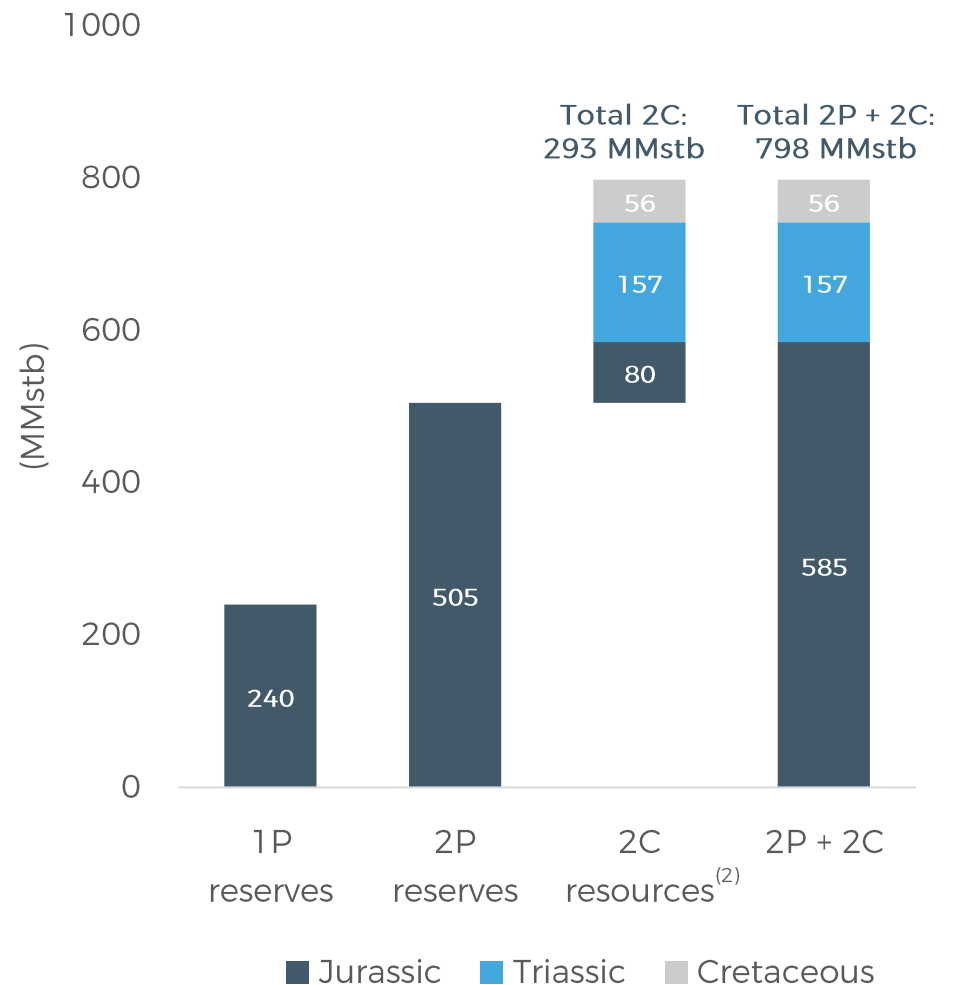
# Developing the Shaikan Field

## Preparing the Field Development Plan

### FDP update & components

- Constructive engagement with MNR and MOL
- Target submission in Q4 2021 for MNR approval
- Continue to optimise scope, schedule and cost
- FDP includes:
  - Ramp-up of Jurassic production
  - Appraisal of Triassic reservoir
  - Gas Management Plan

### Gross Shaikan reserves & resources<sup>(1)</sup>



1) Source: ERC Equipose CPR volume estimates as at 31 December 2020

2) Contingent resources volumes are classified as such because there is technical and commercial risk involved with their extraction. In particular, there may be a chance that accumulations containing contingent resources will not achieve commercial maturity. The 2C (best estimate) contingent resources presented are not risked for chance of development

# ESG

Sustainability underpins our licence to operate & ability to deliver long term value

## Strategy development

- Aligned to recognised frameworks, such as UN SDG and TCFD
- Underpinned by targets and transparent disclosure
- Environmental focus on >50% reduction in CO<sub>2</sub>/bbl by eliminating flaring

## GKP's material ESG focus areas

E

- Climate change / gas flaring
- Other emissions
- Environmental management
- Biodiversity



S

- Health & safety
- Human rights
- Employee development
- Diversity
- Community engagement & investment



G

- Effective governance & compliance framework
- Economic value generated
- Business ethics & anti-corruption



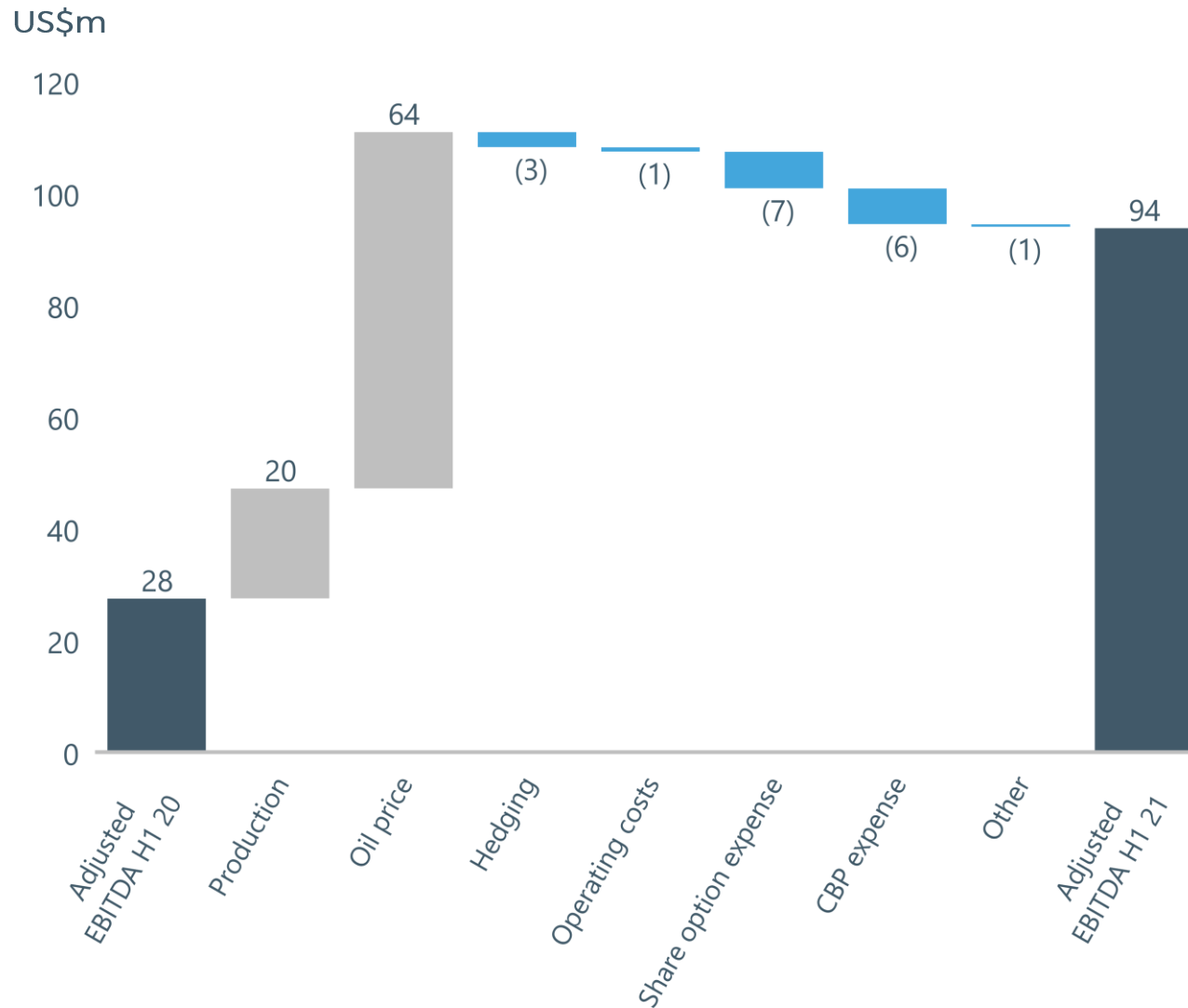




# Financial Review

# Adjusted EBITDA

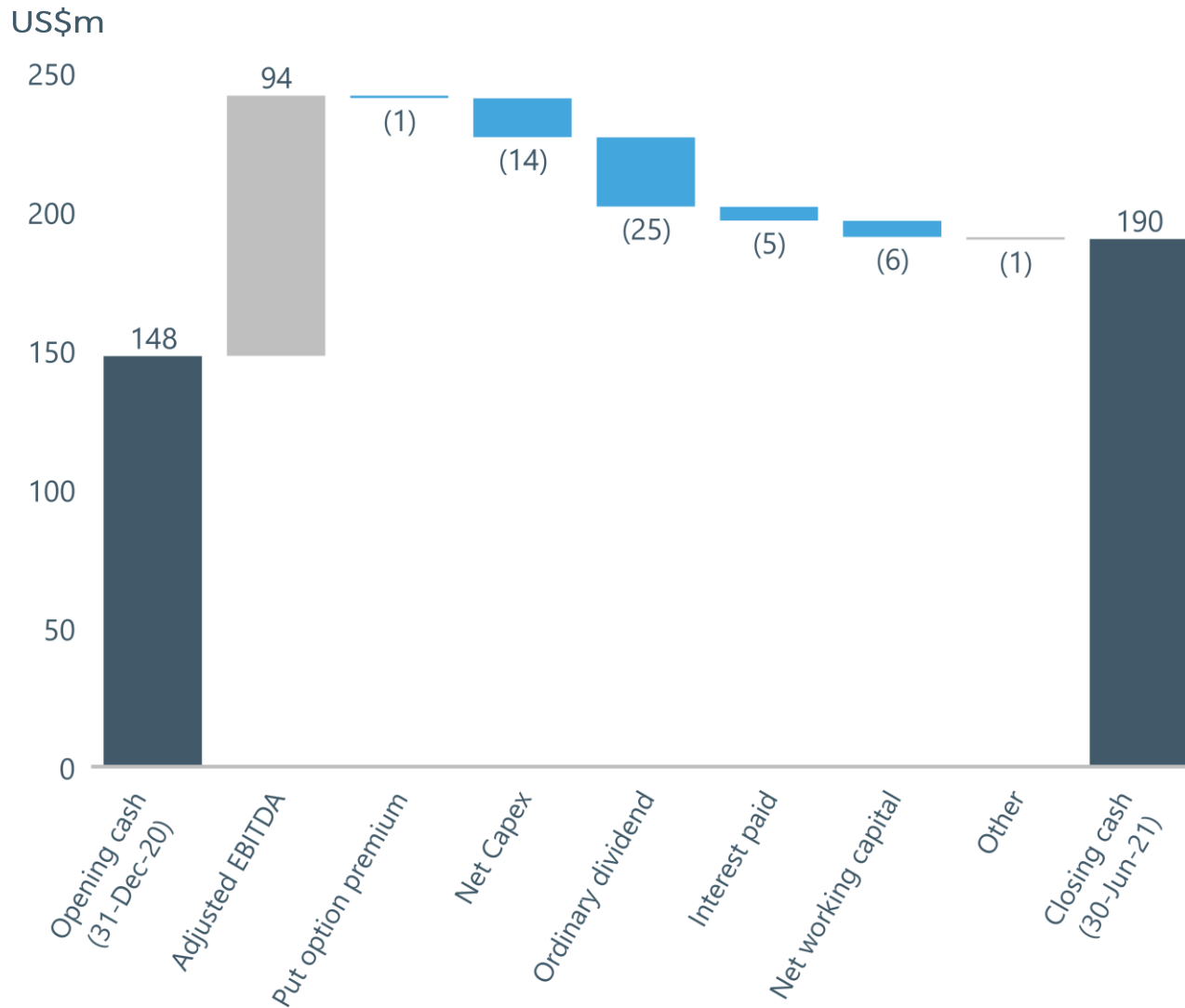
>3x increase due to leverage to oil price recovery, higher production & low costs



- 129% increase in realised price to \$43.7/bbl
- 17% increase in H1 2021 gross average production to 43,516 bopd
- Gross Opex/bbl below guidance

# Cash flow

## Strong cash flow generation



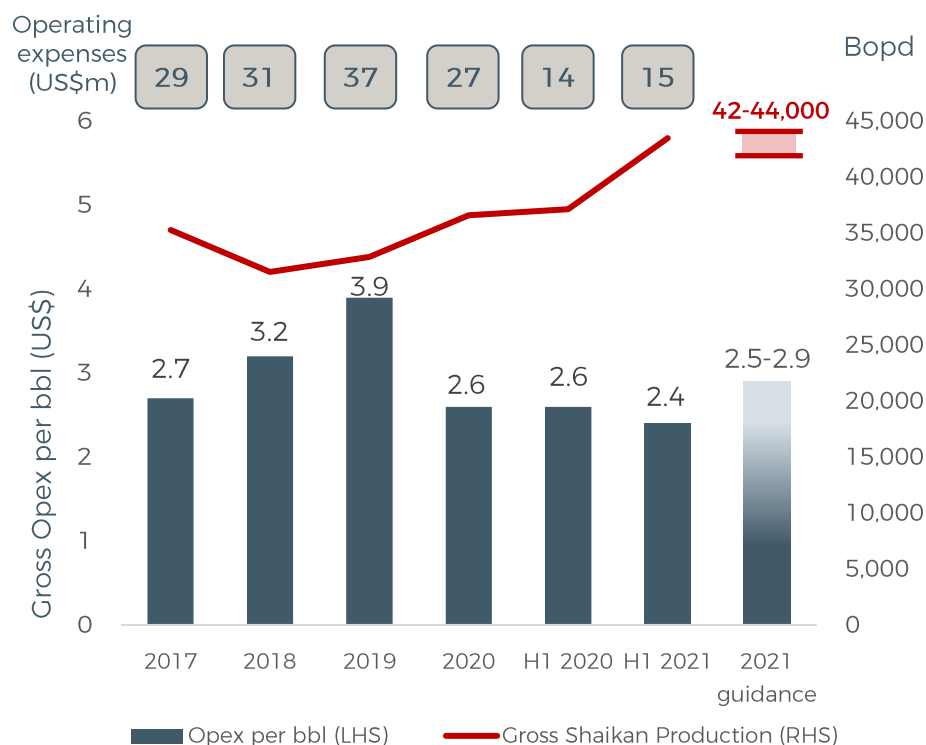
- Adjusted EBITDA up >3x
- Capex weighted to second half of 2021
- Net working capital outflow driven by extension of MNR payment terms



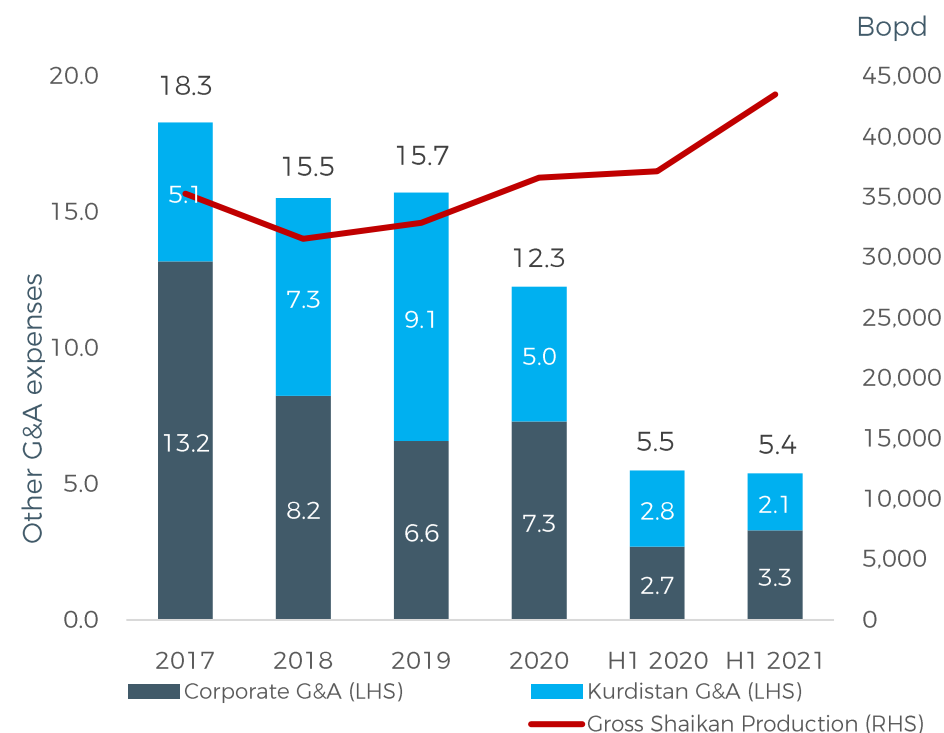
# Remain leading low cost operator

- Decrease in gross Opex to \$2.4/bbl due to slight increase in operating expenses spread over increased production
- 2021 gross Opex guidance of \$2.5-\$2.9/bbl
- Stable H1 2021 Other G&A expenses (excluding share option expense)

## Operating expenses<sup>(1)</sup>



## Other G&A expenses<sup>(2)</sup>

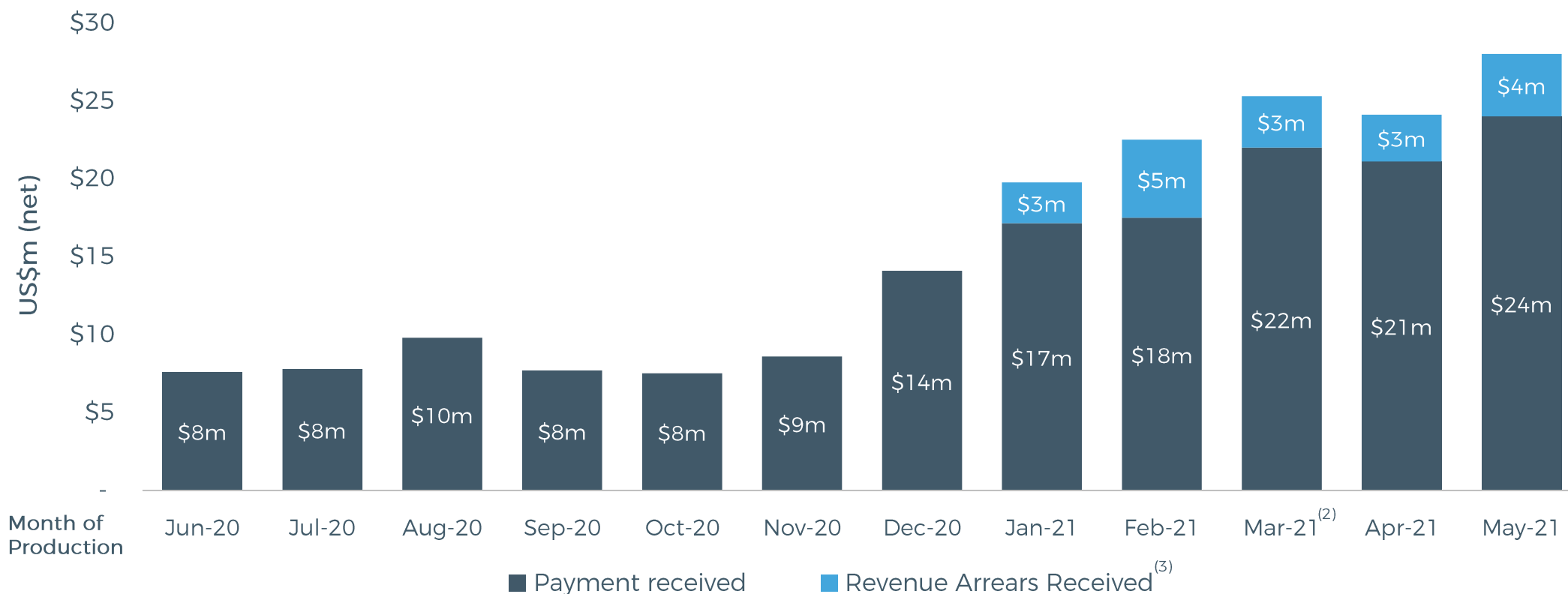


1) Excludes capacity building payments, production bonus, DD&A, working capital movements and transportation costs

2) Other general and administrative expenses excludes share option expense

# Crude oil payments

- Received \$120 million net year to date from KRG for crude oil sales and arrears
- Current outstanding arrears balance of net \$55 million



|                                       |        |        |        |        |        |        |        |        |        |        |        |        |
|---------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Gross Prod. (kbopd)                   | 36.3   | 31.0   | 36.3   | 35.7   | 34.8   | 35.6   | 43.0   | 44.4   | 41.6   | 43.4   | 43.9   | 44.2   |
| Brent Price <sup>(1)</sup> (US\$/bbl) | \$40.3 | \$43.2 | \$44.7 | \$40.9 | \$40.2 | \$42.7 | \$50.0 | \$54.8 | \$62.3 | \$65.4 | \$64.8 | \$68.5 |

# Shareholder distributions

Committed to balancing investment in growth with shareholder returns

- \$50 million distributed YTD through ordinary and special dividends
- Today announcing interim dividend of \$50 million for 2021
- Declared total dividends of \$100 million for 2021
  - Equates to dividend yield of 22%<sup>(1)</sup>
- With continuing strong oil prices and cash flow generation, consider further shareholder distributions and capital structure optimisation







Outlook

# Outlook

Realise long-term Shaikan potential with shareholder returns



## Achieve 2021 guidance

- Gross production guidance: 42 – 44k bopd
- Net Capex: US\$75 – 85 million with SH-G
- Gross Opex: US\$2.5 – 2.9/bbl



## Deliver growth

- Production towards 55k bopd in Q4 2021
- Drill SH-G; expect on-stream Q1 2022
- Expect to submit FDP to MNR in Q4 2021



## Sustainable approach

- Targeting >50% reduction in Scope 1 & 2 CO<sub>2</sub> emissions/bbl by 2025
- Developing sustainability strategy



## Balance growth and shareholder returns

- 2021 interim dividend of \$50 million
- \$100m total dividends declared in 2021
- Consider future distributions & capital structure optimisation

Thank you  
More resources are available at:  
[www.gulfkeystone.com](http://www.gulfkeystone.com)



# Appendix: Key historical financials

|                                    | H1 2021 | H1 2020 | FY 2020 | FY 2019 | FY 2018 | FY 2017 |
|------------------------------------|---------|---------|---------|---------|---------|---------|
| Gross production (bopd)            | 43,516  | 37,159  | 36,625  | 32,883  | 31,563  | 35,298  |
| Brent (US\$/bbl)                   | 64.9    | 40.2    | 42.0    | 64.6    | 71.3    | 54.9    |
| Discount (US\$/bbl)                | 21.2    | 21.1    | 21.1    | 21.7    | 22.3    | 20.3    |
| Realised price (US\$/bbl)          | 43.7    | 19.1    | 20.9    | 42.9    | 49.0    | 34.6    |
| Revenue (US\$m)                    | 130.7   | 49.9    | 108.4   | 206.7   | 250.6   | 172.4   |
| Adjusted EBITDA (US\$m)            | 93.8    | 27.5    | 56.7    | 122.5   | 150.1   | 104.3   |
| Profit/(loss) after tax<br>(US\$m) | 64.8    | (33.1)  | (47.3)  | 43.5    | 79.9    | 14.1    |
| Capital investment<br>(US\$m)      | 14.1    | 38.5    | 45.9    | 90.0    | 35.4    | 8.1     |
| Net cash (US\$m)                   | 85.1    | 39.2    | 43.4    | 86.4    | 191.2   | 58.5    |
| Equity ratio (%)                   | 66      | 70      | 69      | 71      | 73      | 72      |
| Gross Opex (US\$/bbl)              | 2.4     | 2.6     | 2.6     | 3.9     | 3.2     | 2.7     |