



GULF KEYSTONE PETROLEUM

2022 Half Year Results

1 September 2022

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2022 Half Year Results highlights

- **Continued focus on safety & sustainability**
 - 0 LTIs for 315 days
 - Delivering sustainability strategy priorities
- **Strong cash flow generation, robust balance sheet**
 - Leverage to strengthening oil price and increased production
 - Debt-free
- **Resumed drilling, preparing for future growth**
 - SH-16 spudded August; targeting start-up towards year-end
 - Optimising production through well workover & interventions
 - Well sites preparation and facilities expansion
 - Progressing FDP approval and GMP award
- **Balancing sustainable growth with shareholder returns**
 - \$190 million dividends paid in year to date
 - Additional \$25 million interim dividend declared today
 - Sector leading dividend yield of 36%⁽³⁾

0

LTIs: 315 days⁽²⁾

45

'000 bopd
2022 YTD gross
production⁽¹⁾

2.9

\$/bbl
Gross Opex

177

\$m
Free cash flow

112

\$m
Cash balance⁽²⁾

215

\$m
dividends
declared in 2022

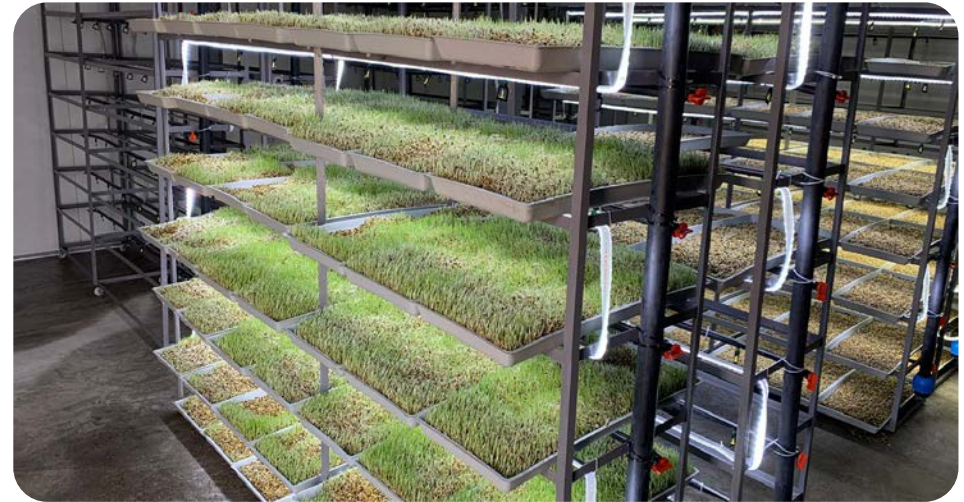
ESG

Safety & sustainability underpin our business

Performance highlights

- **Rigorous focus on safety**
 - 0 LTIs for 315 days
- **Progressing Gas Management Plan tender**
 - Underpins >50% reduction in emissions intensity by 2025
- **Working towards full compliance with TCFD⁽¹⁾**
- **Delivering sustainability strategy priorities:**
 - Generating value from the Shaikan Field for Kurdistan
 - Investing in local jobs, suppliers and community projects
 - Developing the skills and diversity of our workforce
 - Maintaining a robust governance and compliance framework

Hydroponic fodder project



Vehicle maintenance training

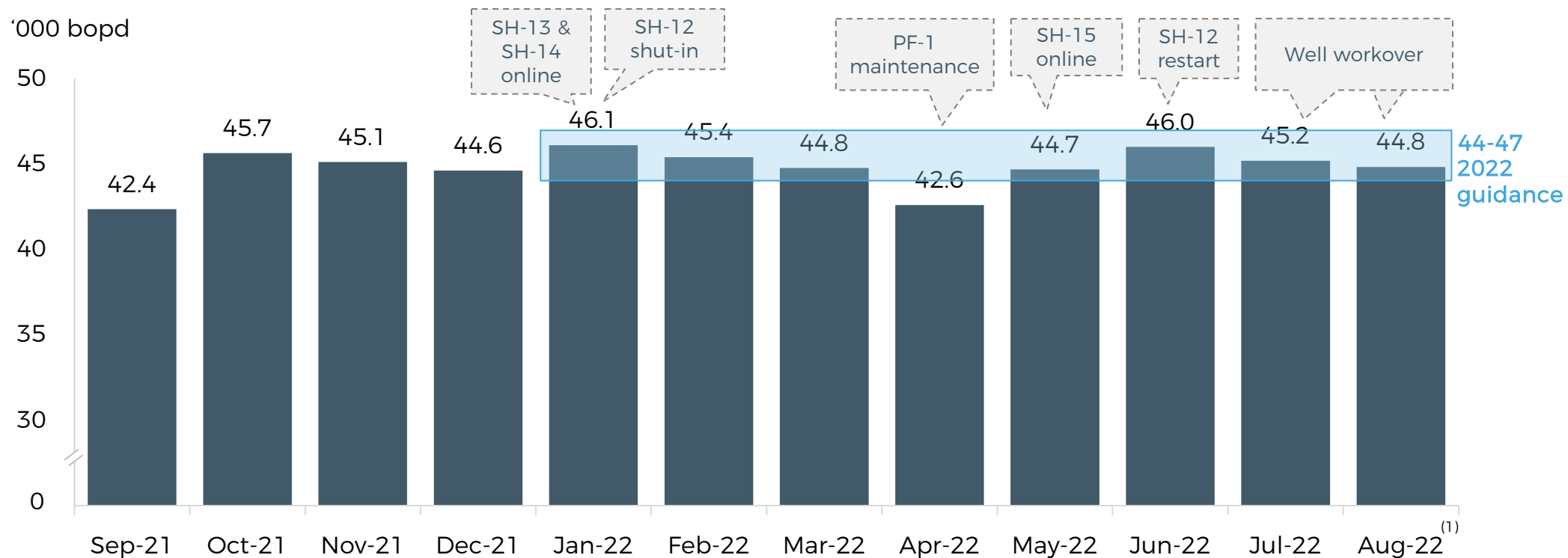




Operational Review

2022 production performance & guidance

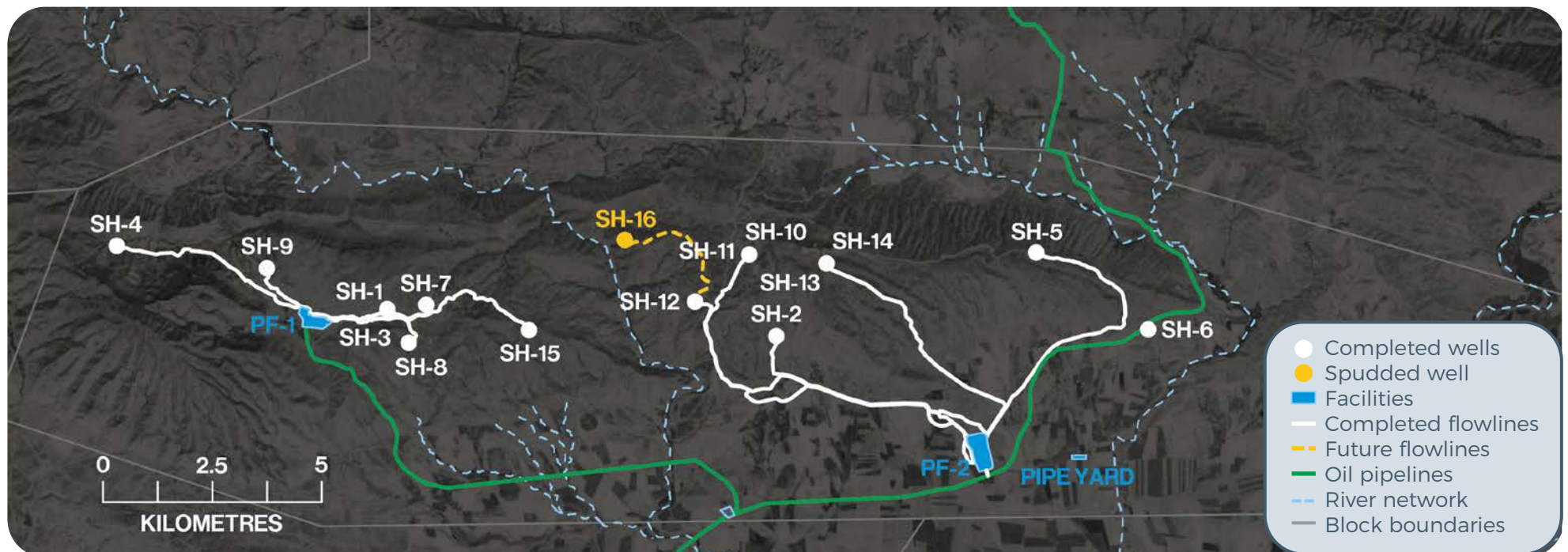
- 2022 YTD gross average production of c.45,000 bopd
 - Production from new wells offsetting natural field decline
 - Prudent reservoir management constraining output ahead of water handling installation
 - Optimising production from existing wells
- 2022 production guidance of 44,000 – 47,000 bopd reiterated



Preparing for future sustainable growth

Delivering 2022 work programme

- Completed SH-15
- Constructed SH-16 & SH-N well pad
- Spud SH-16 targeting start-up towards year-end
- Progressing water handling and facilities expansion
- Increasing 2022 net capex guidance to \$110-\$120 million
 - Addition of SH-16 and initial procurement activities related to water handling



Preparing for future sustainable growth

Field Development Plan update

- Working towards FDP approval
- Preparing infrastructure for growth
 - Well pads, flowlines, facilities and long lead items
- Progressing Gas Management Plan tender process



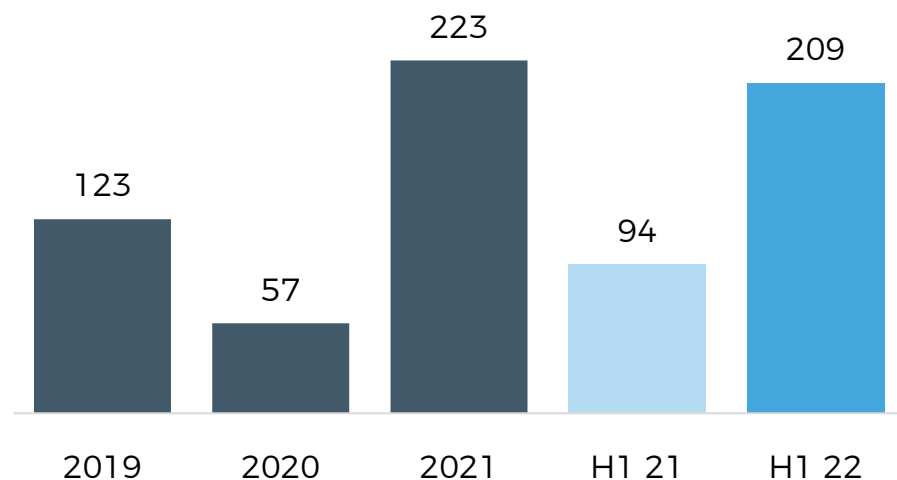


Financial Review

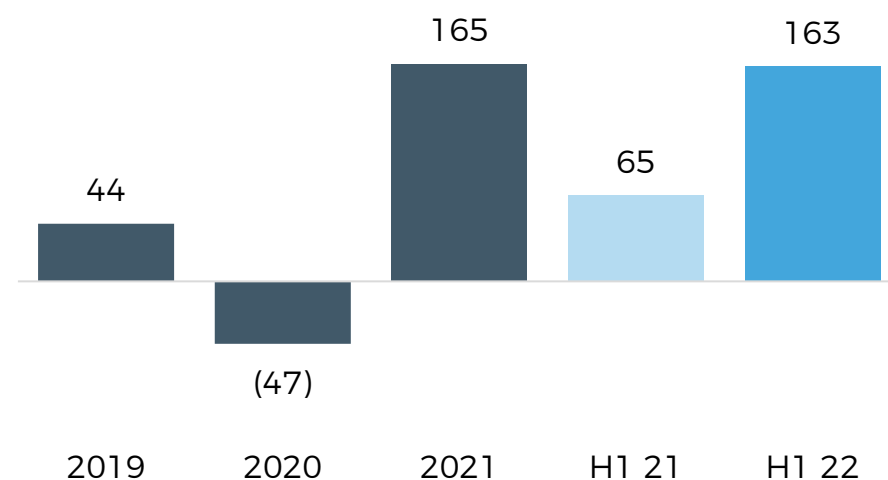
Financial performance highlights

Strong financial results

Adjusted EBITDA (\$m)

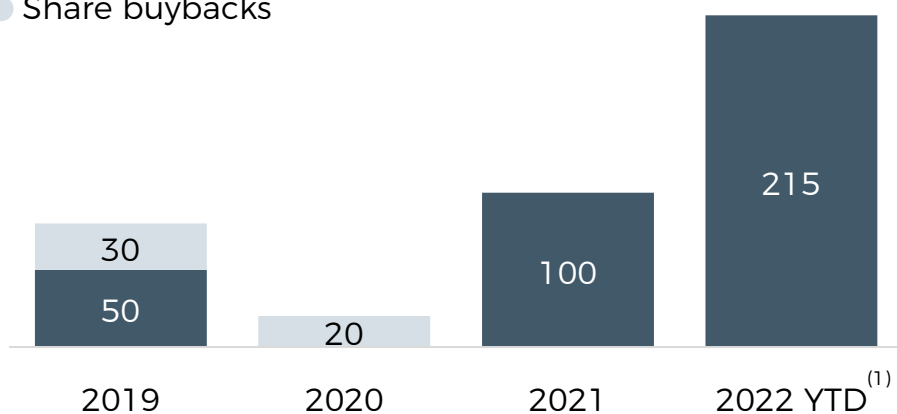


Profit/(loss) after tax (\$m)

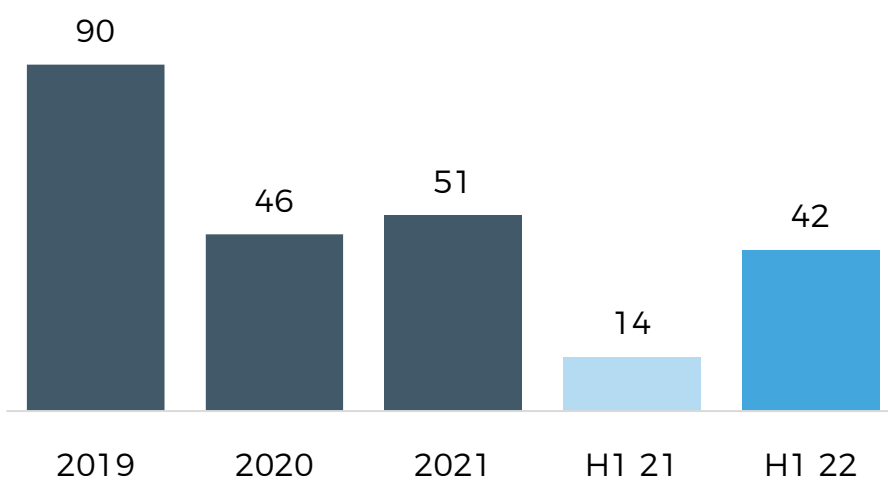


Shareholder distributions (\$m)

- Dividends
- Share buybacks

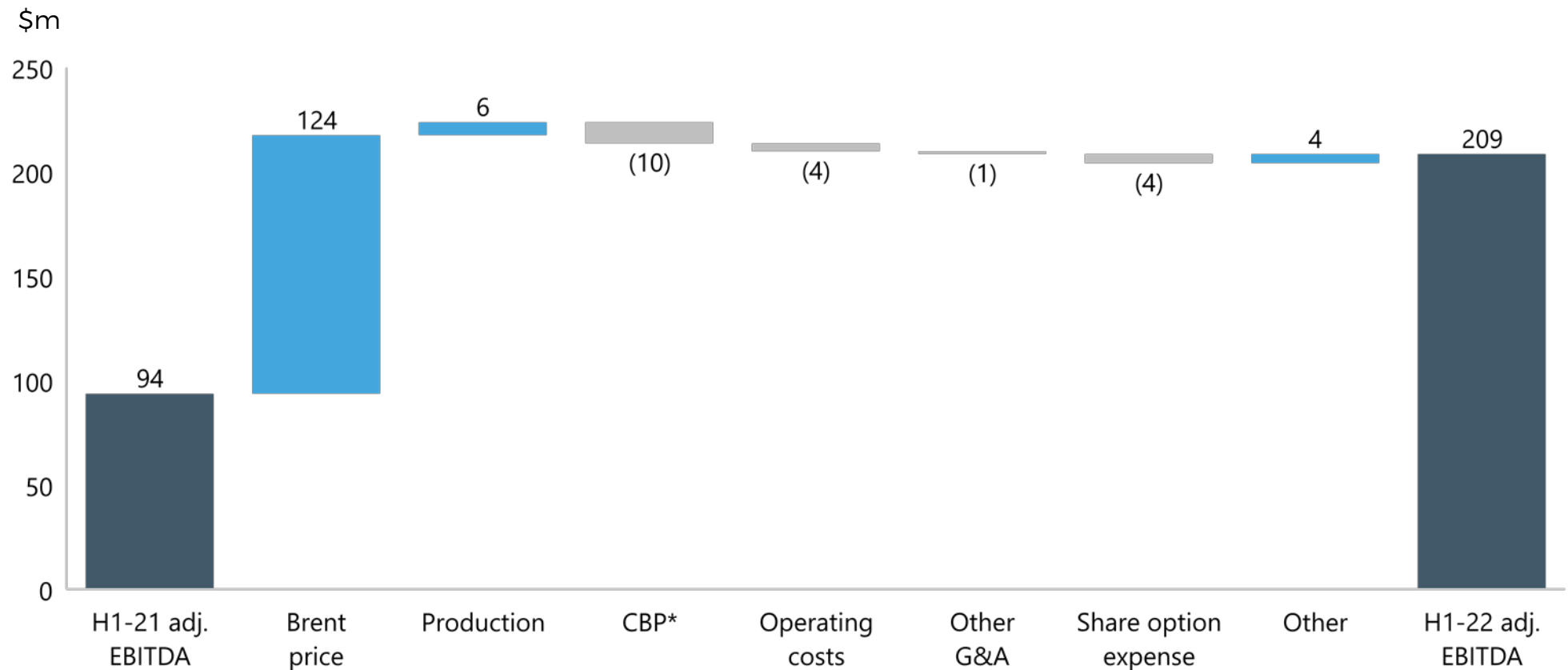


Net Capex (\$m)



Adjusted EBITDA

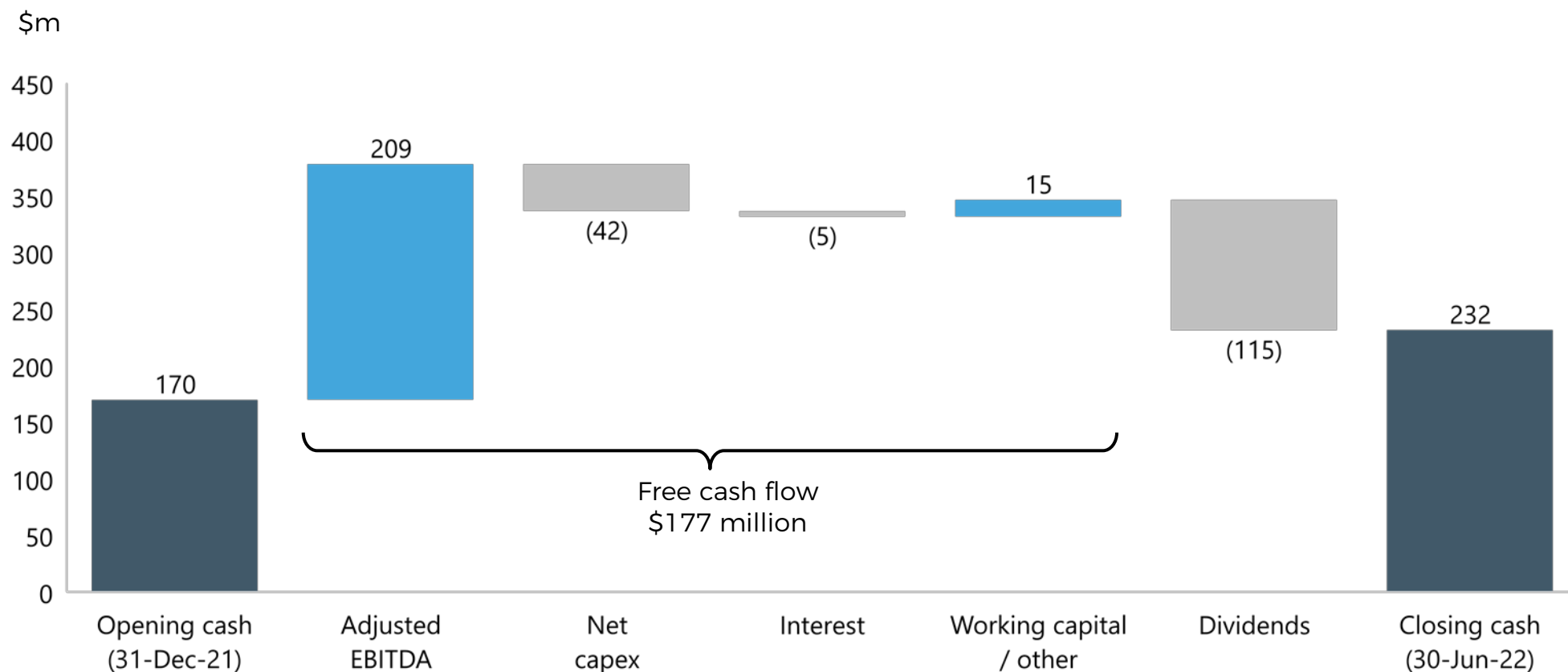
Strengthening oil price and higher production drove increase in EBITDA



- \$84.3/bbl realised price, up \$40.6/bbl
- 3% increase in gross average production to 44,941 bopd
- Gross Opex \$2.9/bbl, in line with 2022 guidance of \$2.9–\$3.3/bbl

Cash flow

Record free cash flow generation



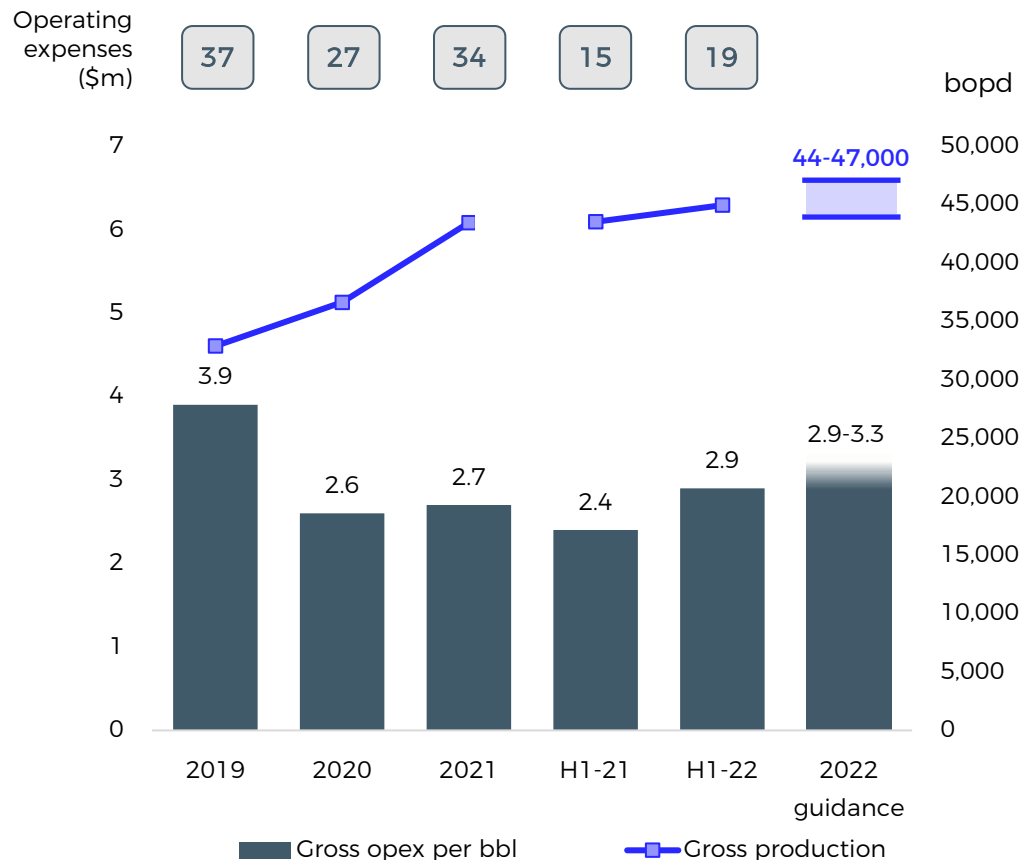
- 122% increase in Adjusted EBITDA versus H1 2021
- Capex related to SH-15 drilling, well workover & intervention activity, wellsite preparation and facility expansion

Operating costs & Other G&A

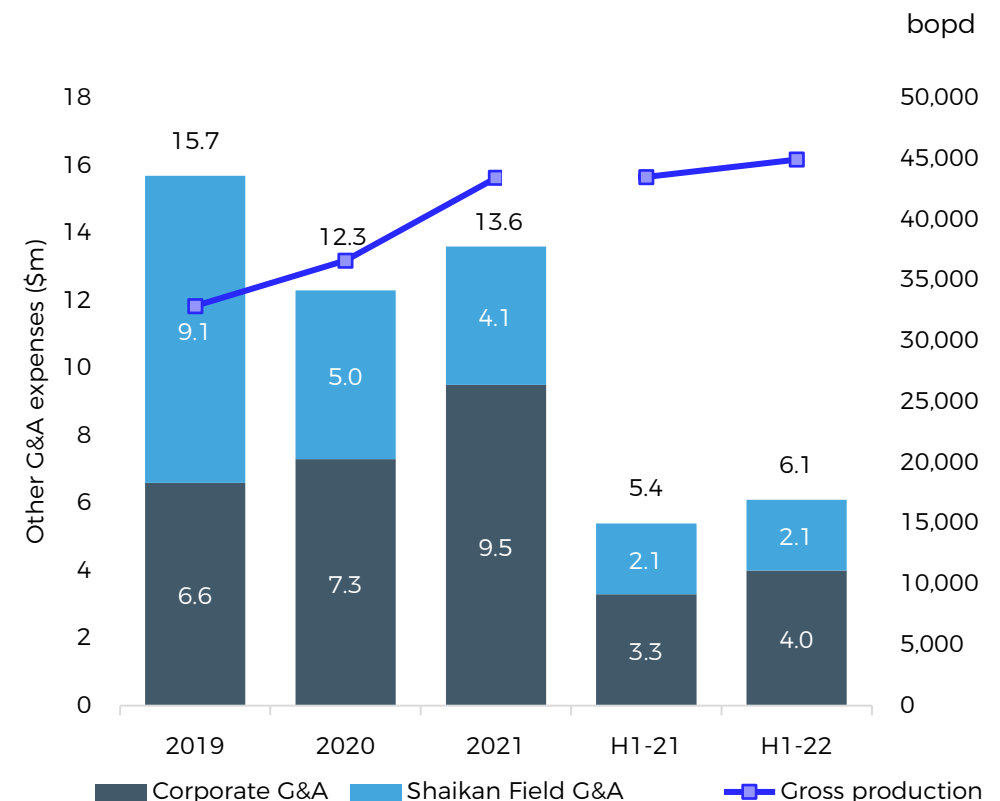
Rigorous focus on cost control

- On track to achieve gross Opex per barrel guidance of \$2.9–\$3.3/bbl
- Increase in Other G&A expenses to enable future growth

Operating expenses⁽¹⁾



Other G&A expenses⁽²⁾

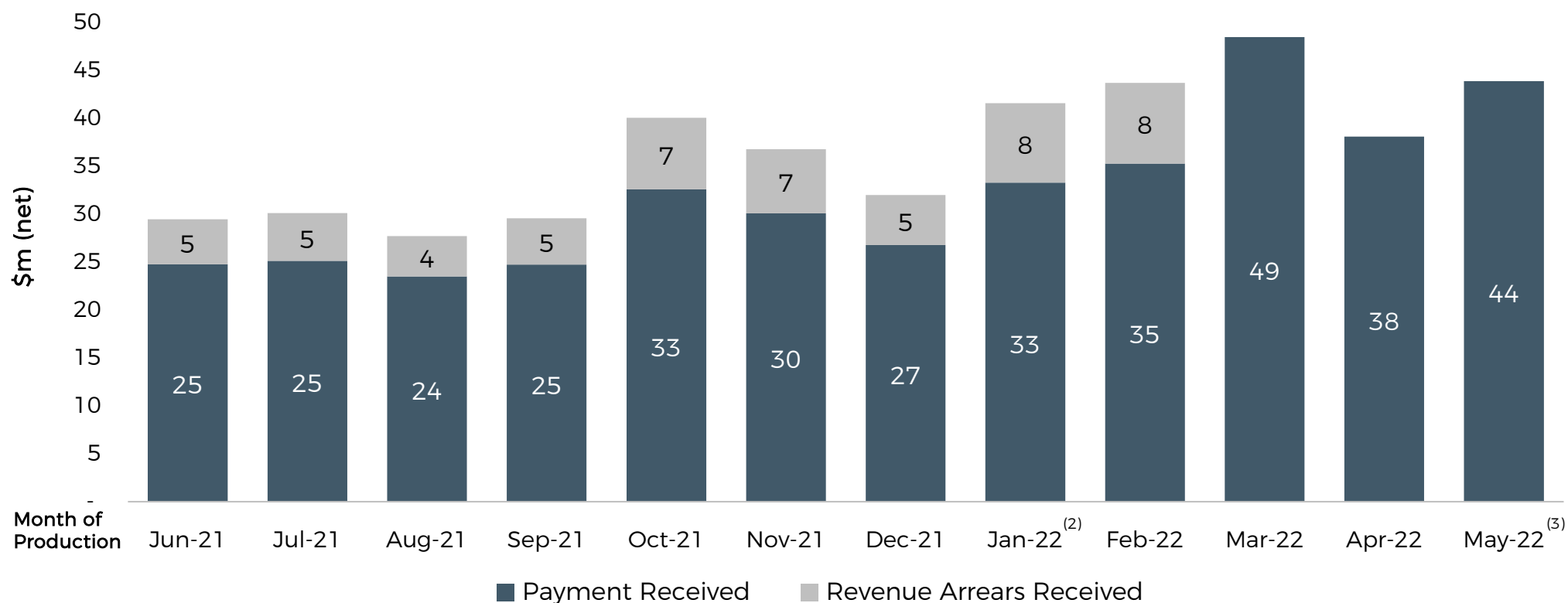


1) Excludes capacity building payments, production bonus, DD&A, working capital movements and transportation costs

2) Other general and administrative expenses excludes share option expense

Continuing strong cash receipts in 2022

- \$354 million net received in YTD 2022⁽¹⁾ for crude oil sales and arrears
- Outstanding arrears balance fully recovered with Feb-22 payment



Gross Prod. (kbopd)	43.3	41.1	41.4	42.4	45.7	45.1	44.6	46.1	45.4	44.8	42.6	44.7
Brent Price ⁽⁴⁾ (\$/bbl)	\$73.2	\$75.2	\$70.8	\$74.5	\$83.5	\$81.1	\$74.2	\$86.5	\$97.1	\$117.3	\$104.6	\$113.3

(1) Sep-21 – May-22 production month payments received in calendar year 2022

(2) Jan-22 invoice includes a net adjustment to GKP of \$0.8 million related to a backdated pipeline tariff increase in 2021

(3) May-22 invoice includes a net adjustment to GKP of \$1.6 million related to a backdated pipeline tariff increase in 2021

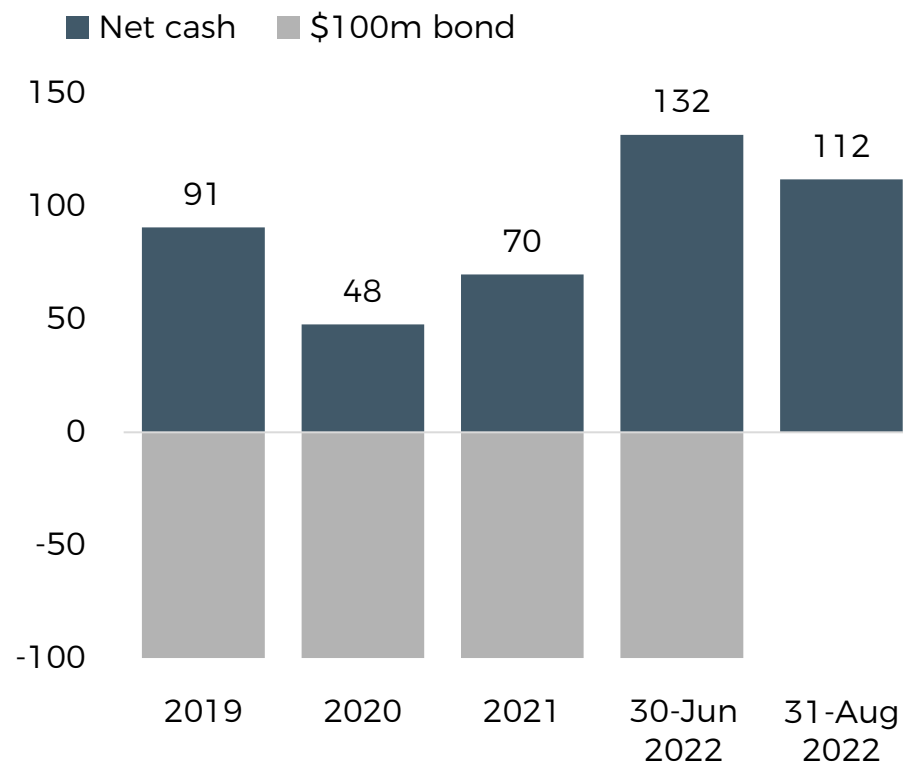
(4) Source: EIA Brent spot prices

Robust balance sheet

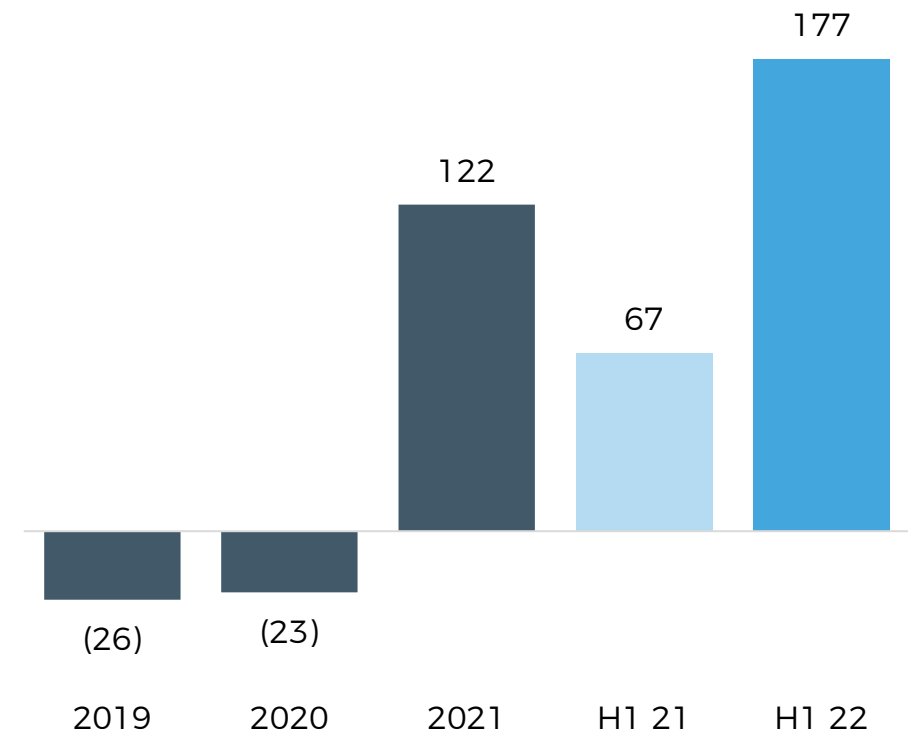
Resilience through commodity price cycle with downside protection

- Strong free cash flow has enabled record dividend payments and redemption of \$100m bond

Net cash balance⁽¹⁾ (\$m)



Free cash flow (\$m)

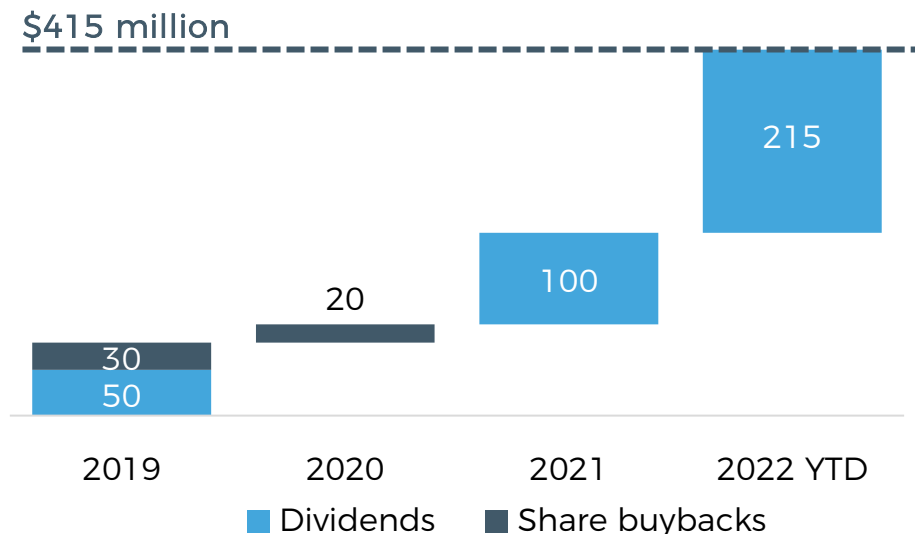


Sector leading shareholder returns

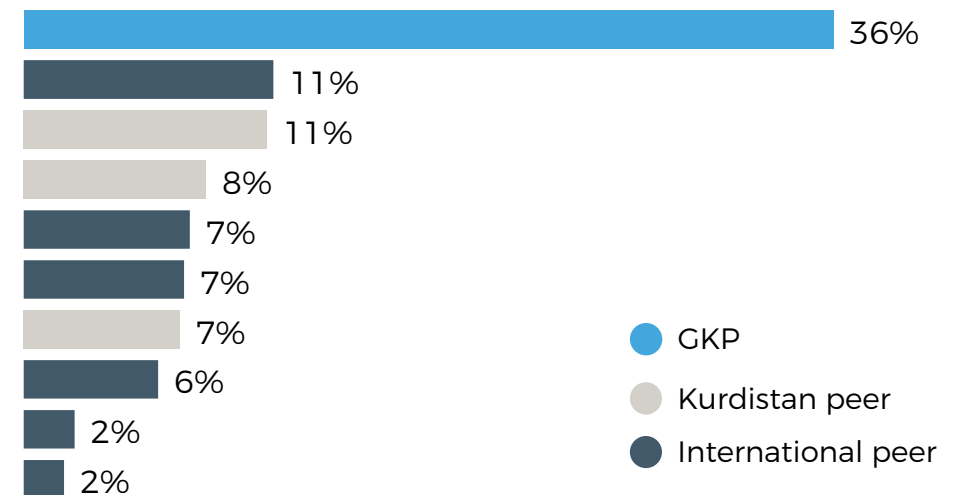
Track record of balancing profitable growth with returns to shareholders

- \$215 million dividends declared in 2022, more than double 2021
 - \$25 million interim dividend declared today payable on 7 October
- Continuing strong free cash flow provides flexibility to consider further distributions and increased capex while preserving liquidity
- With progress towards implementing FDP, firm up future investment and review dividend policy

Total declared dividends & buybacks



2022 pro-forma dividend yield⁽¹⁾





Outlook

Outlook

Driving sustainable growth & shareholder returns

Achieve 2022 guidance

- Gross production: 44-47,000 bopd
- Net Capex: \$110-\$120 million
- Gross Opex/bbl: \$2.9-\$3.3/bbl

Drive sustainable growth

- Targeting start-up of SH-16 towards year end
- Execute 2022 work programme in preparation for FDP
- Progress FDP approval and GMP award

Balance growth with shareholder returns

- \$25 million interim dividend brings total dividends to \$215 million
- Continuing strong free cash flow provides flexibility for incremental distributions and capex while preserving liquidity

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

Appendix: Key historical financials

	HY 2022	HY 2021	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017
Gross production (bopd)	44,941	43,516	43,440	36,625	32,883	31,563	35,298
Dated Brent (\$/bbl) ⁽¹⁾	107.6	64.9	70.8	42.0	64.6	71.3	54.9
Discount (\$/bbl)	23.3	21.2	21.2	21.1	21.7	22.3	20.3
Realised price (\$/bbl)	84.3	43.7	49.7	20.9	42.9	49.0	34.6
Revenue (\$m)	263.6	130.7	301.4	108.4	206.7	250.6	172.4
Gross Opex (\$/bbl)	2.9	2.4	2.7	2.6	3.9	3.2	2.7
Adjusted EBITDA (\$m)	208.6	93.8	222.7	56.7	122.5	150.1	104.3
Profit/(loss) after tax (\$m)	162.8	64.8	164.6	(47.3)	43.5	79.9	14.1
Net Capex (\$m)	41.8	14.1	50.8	45.9	90.0	35.4	8.1
Free cash flow (\$m)	177.3	66.7	122.2	(22.9)	(25.6)	137.6	67.0
Net cash (\$m)	131.8	89.5	69.9	47.8	90.8	195.6	60.5