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Gulf Keystone Petroleum Ltd.
("Gulf Keystone" or "the Company")

**Further Triassic Discoveries
Final TD (Total Depth) of Shaikan-1 Exploration Well**

Gulf Keystone Petroleum Ltd. (AIM: GKP, ADR:GFKSY) today announces an additional Triassic formation discovery in the Shaikan-1 well in Kurdistan.

Triassic Results

This most recent Triassic discovery flowed at 10,000 barrels of oil equivalent (boe) per day. This results in an aggregate actual test rate of 20,000 boe per day from the Jurassic and Triassic tests done thus far in Shaikan-1.

The Shaikan-1 well reached total depth (TD) at 2950 meters. Gulf Keystone then conducted its second test in the Triassic (the first Triassic test flowed 2000 bopd and 2 million scf of gas). This second Triassic test (2582m to 2849m) produced 6000 bopd of 53 to 55 degree API oil and 21 mmscf/day of gas or 10,000 boe per day.

The first Triassic test was severely limited by surface restrictions and down hole tool problems. Internal engineering analysis of the test data indicates that the first Triassic zone could have flowed at rates up to 14,000 boe per day.

This gives the Triassic section alone, potential aggregate rates of about 24,000 boe per day.

The final TD of 2950 meters was determined by the fact that Gulf Keystone encountered a zone of very active oil and gas inflow immediately below a sealing layer at 2940m. This zone also exhibited high bottom hole pressures, well in excess of what was anticipated, and thus exceeded the design specifications of the well and the well head equipment resulting in the need to seal off this portion of the well bore. Although there is no certainty, reliable data from the nearest existing well indicates that this zone is possibly 50 or more meters thick. This high pressure portion of the Triassic as well as the underlying Permian zone will be high priority exploration targets at the bottom of the Shaikan-2 appraisal well scheduled to be drilled starting in mid 2010.

Shaikan-1 Summary

Overall, the Shaikan-1 well has discovered over 1000 meters of oil column and over 200 meters of net pay. Thus far Gulf Keystone has tested less than 30% of this net pay. This 30% of net pay demonstrated the capability for 31,000 boe per day of aggregate production (7,000 bopd from the Jurassic and 24,000 boe per day from the Triassic). This aggregate potential should rise significantly as the company undertakes longer term well tests that will be conducted after the drilling rig leaves location. During these tests, the low energy, but excellent permeability reservoirs of the Jurassic will be tested using electric submersible pumps. These tests will be conducted in the first half of 2010.

A third party summary report will be issued by DGA (www.dynamicga.com) at a later date.

Todd Kozel, Executive Chairman, Gulf Keystone Petroleum, stated:

“Shaikan-1 has exceeded the most optimistic prognosis held at the start of drilling. Each phase of drilling has resulted in significant discoveries, and any one of the several target layers of the Jurassic or Triassic intervals contain, by any measure, outstanding volumes of oil-in-place. It is our belief that the aggregate volumes suggest an even larger future potential.”

“The high pressure oil and gas encountered at TD provide an excellent appraisal target and give strong grounds that the Permian layer, below the Triassic, should be subject to early exploration.”

John Gerstenlauer, Chief Operating Officer, said:

“The upper Triassic oil and condensate finds announced today, with their associated gas volumes, will be invaluable in the development of the Shaikan discoveries. The excellent permeabilities encountered throughout the well, combined with the availability of significant quantities of gas from the upper Triassic, encourage us to believe that industry average recovery factors (30-35%) might be achievable in the various reservoirs of the Shaikan-1 exploration well. This theory will be evaluated further during the upcoming extended well test.”

Footnote

Gulf Keystone Petroleum summary of drill stem tests (DSTs) for the Shaikan-1 well

- Test #1 in the Jurassic at 1450 to 1510 meters tested 22 degree API oil with relatively low gas-to-oil ratios at a rate of 7,000 bopd despite surface equipment restrictions. This zone will be put on long term production test in Q2 of 2010.
- Test #2 in the Jurassic at 1627 to 1667 meters tested 19 degree API oil with low gas content at a rate of 120 bopd. High formation permeability indicates that use of standard production technology, such as electric submersible pumps (ESPs) or gaslift should result in very significant production rates. This will be evaluated as part of an extended well test in early 2010.
- Test #3 in the Jurassic at 1783 to 1814 meters tested 17 degree API oil with very low gas content and thus low reservoir energy. High formation permeability indicates that use of secondary lift methods such as ESPs or gaslift should result in very significant production rates. This will be evaluated as part of an extended well test in early 2010.
- Test #4 in the upper Triassic at 2404 to 2485 meters flowed 2000 bopd of 43 degree API oil and 2 mmscfd gas. Free flow was restricted due to significant interference from the downhole test tools and surface test equipment, however test data indicates a potential free flow capability of 12,000 bopd and 12 mmscfd of gas or about 14,000 boe per day.
- Test #5 in the upper Triassic at 2582 to 2849 meters resulted in flow rates of 6,000 bopd of light 53 degree API oil and 21 mmscfd of gas.

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John Gerstenlauer, the Company's Chief Operating Officer, who has 31 years of relevant experience within the sector meets the criteria of a qualified person under the AIM guidance note for mining, oil and gas companies and has reviewed and approved the technical information contained in this announcement. Mr. Gerstenlauer is a member of the Society of Petroleum Engineers.

Notes to Editors:

- Gulf Keystone Petroleum Ltd. (AIM: GKP) ("Gulf Keystone" or the "Company") is an independent oil and gas exploration company focused on exploration in the Kurdistan region of northern Iraq.
- The Company's shares have traded on the AIM market, since listing on 8 Sept 2004.
- The Company established a sponsored Level 1 American Depositary Receipt ("ADR") programme on 5th December 2008. The ADRs are traded under the ticker symbol GFKSY in the US over-the-counter ("OTC") securities market of Pink OTC Markets Inc. (www.pinksheets.com)
- Gulf Keystone Petroleum International ("GKPI") is a joint venture between the Company and ETAMIC, its strategic partner in Kurdistan. The JV holds Production Sharing Contracts ("PSC's") in four exploration blocks with a total area under licence of 1,702 square kilometres.
- Gulf Keystone Petroleum Limited is registered in Hamilton, Bermuda with offices in Erbil, Kurdistan, Algiers, Algeria and London, UK.