

**GULF KEYSTONE  
PETROLEUM LTD.**



# Investor Presentation

22 September 2016



# Senior Management



**Jón Ferrier**

Chief Executive Officer  
Joined in June 2015



**Sami Zouari**

Chief Financial Officer  
Joined in January 2015



**John Stafford**

Vice President Operations  
Joined in 2009



**Nadhim Zahawi**

Chief Strategy Officer  
Joined in August 2015



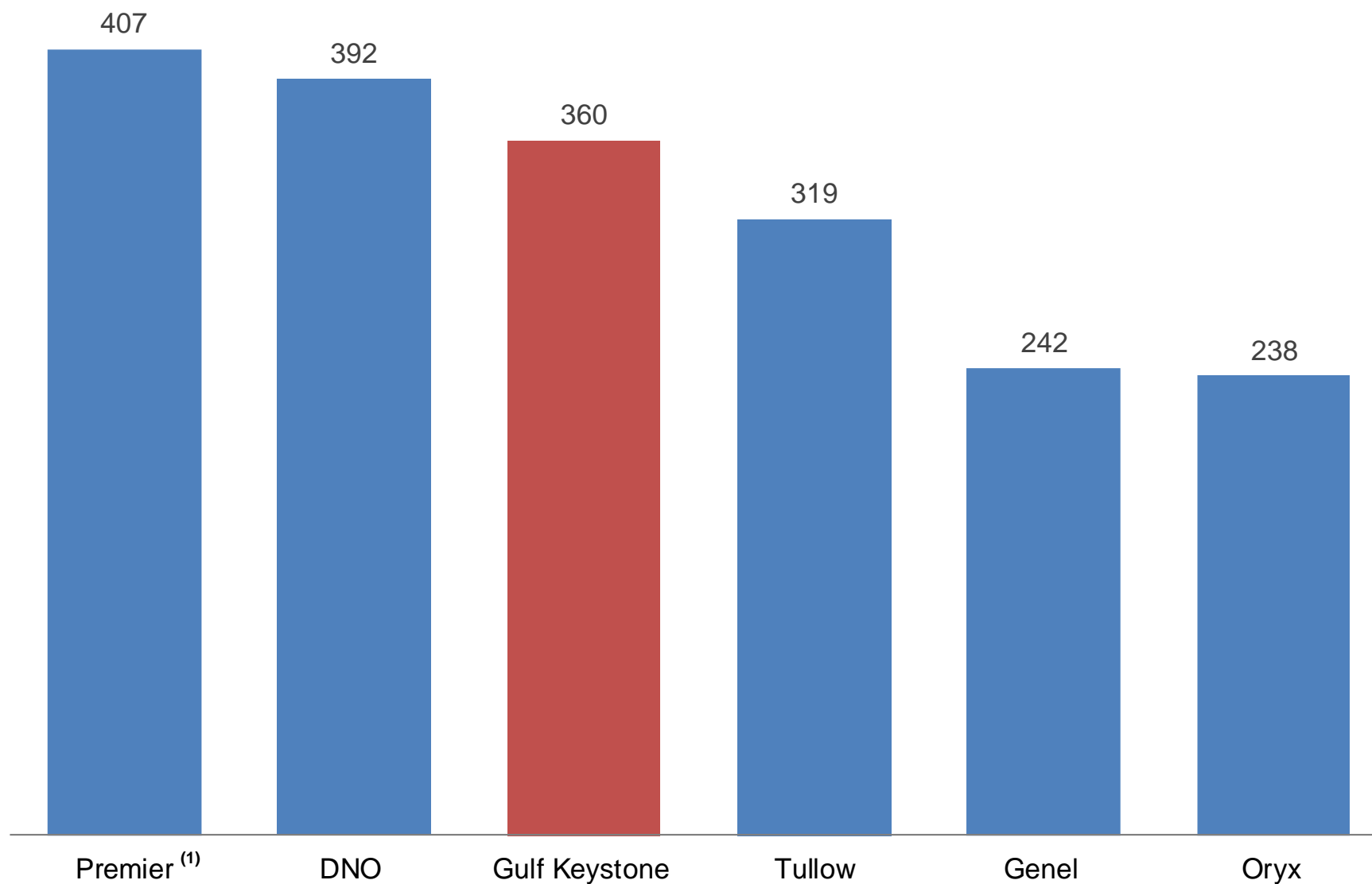
**Umur Eminkahyagil**

Country Manager – Kurdistan  
Joined in March 2012

# CEO Introduction

- Maintaining a safe working environment firmly remains the Group's number one priority
- Cumulative production reached 25 million barrels and on track to meet its full year production guidance
- Shaikan continues to demonstrate stable and predictable performance
- Restructuring of the Company's balance sheet on schedule – transaction in the best interests of all stakeholders
- Regular payments from the MNR for export sales affords GKP confidence for future Shaikan development
- Completion of Restructuring provides the right platform to relaunch GKP

# E&P Peers – 2P Reserves



Source: Company Filings (Jul-2016 Investor Presentation for Premier Oil, 2015 Annual Statement of Reserves for DNO, Aug-2016 CPR for GKP, Sep-2016 Investor Presentation for Tullow Oil, Jun-2016 Investor Presentation for Genel, Aug-2016 Investor Presentation for Oryx)

Notes: All values in MMboe

(1) Adjusted to include acquisition of UK North Sea assets from E.ON

# Highlights of the Latest CPR

- Gross Shaikan 2P Reserves are effectively unchanged at 622 million barrels of oil as at 30 June 2016
- GKP's net working interest Shaikan 2P Reserves has increased from 348 million barrels of oil to 360 million barrels, now reported on a 58% working interest basis<sup>(1)</sup>
- Inclusive of 2C Contingent Resources and Technically Recoverable Volumes, Shaikan has over 1 billion barrels of oil remaining
- Stable and predictable performance of the field – no unexpected changes in reservoir behaviour have been observed

CPR	2P	2C	2P + 2C	TRV <sup>(2)</sup>	2P + 2C + TRV	Net diluted WI to GKP - 2P
Sept 2015	639	239	878	142	1,020	348 <sup>(3)</sup>
Aug 2016	622	239	861	150	1,011	360 <sup>(4)</sup>

Source: Company Filings

Notes: All values in MMboe

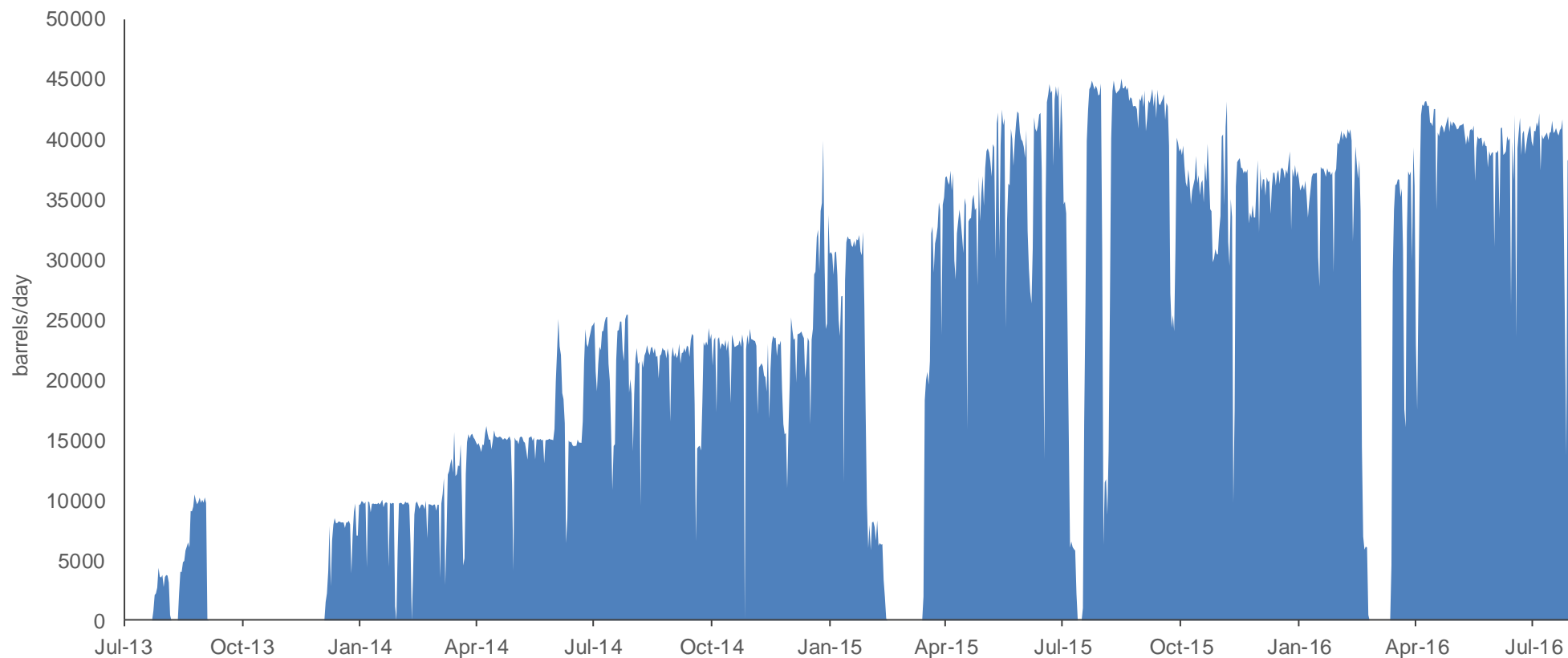
(1) Subject to execution and consummation of the Second Amendment to the Shaikan Production Sharing Contract ("Second Shaikan Amendment"), as envisaged by the Bilateral Agreement between the Company and the MNR announced on 17 March 2016

(2) TRV – Technically Recoverable Volume

(3) Based on 54.4% Working Interest

(4) Based on a 58.0% Working Interest subject to the execution and consummation of the Second Shaikan Amendment, as envisaged by the Bilateral Agreement between the Company and the MNR announced on 17 March 2016

# Production Evolution



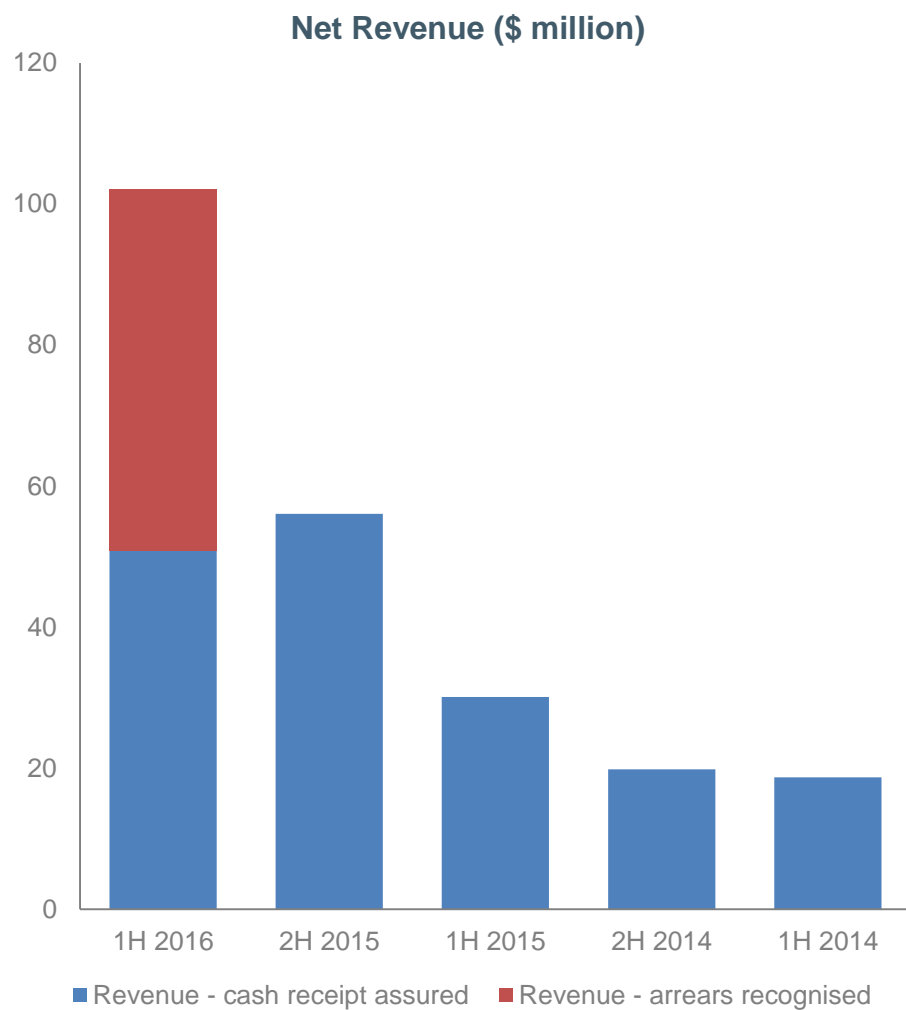
- Average daily gross production rates for H1 2016 were 33,000 bopd
- Production was restricted in February and March 2016 due to export pipeline availability
- Production rates were otherwise strong, averaging between 36,000-40,000 bopd
- On track to meet its annual gross production guidance of between 31,000-35,000 bopd

# Shaikan Arrears

Position net to GKP as at:	30 June 2016	31 December 2015	Comments
<b>Net revenue arrears</b>	<b>\$28m</b> <sup>(1)(2)</sup>	<b>\$44m</b> <sup>(3)</sup>	\$10m gross (\$8m net) production bonus offset included as payables to MNR
<b>MNR Government Participation Option (back costs)</b> <sup>(4)</sup>	<b>\$61m</b>	<b>\$75m</b>	Receipt of \$22m top-ups offset by additional costs during the period

- Notes:
- All values are subject to audit and reconciliation.
  - (1) Pre-2013 sales of \$27.3m remain as contingent liability subject to final agreement with the MNR
  - (2) Excluding June 2016 and May 2016 revenue receivable
  - (3) Calculated as Gross Arrears of \$93m minus Payables to MNR of \$49m as per 2015 year-end investor presentation
  - (4) Subject to the execution of the Second Shaikan Amendment implementing the terms of the Bilateral MNR Agreement

# Historical Revenue

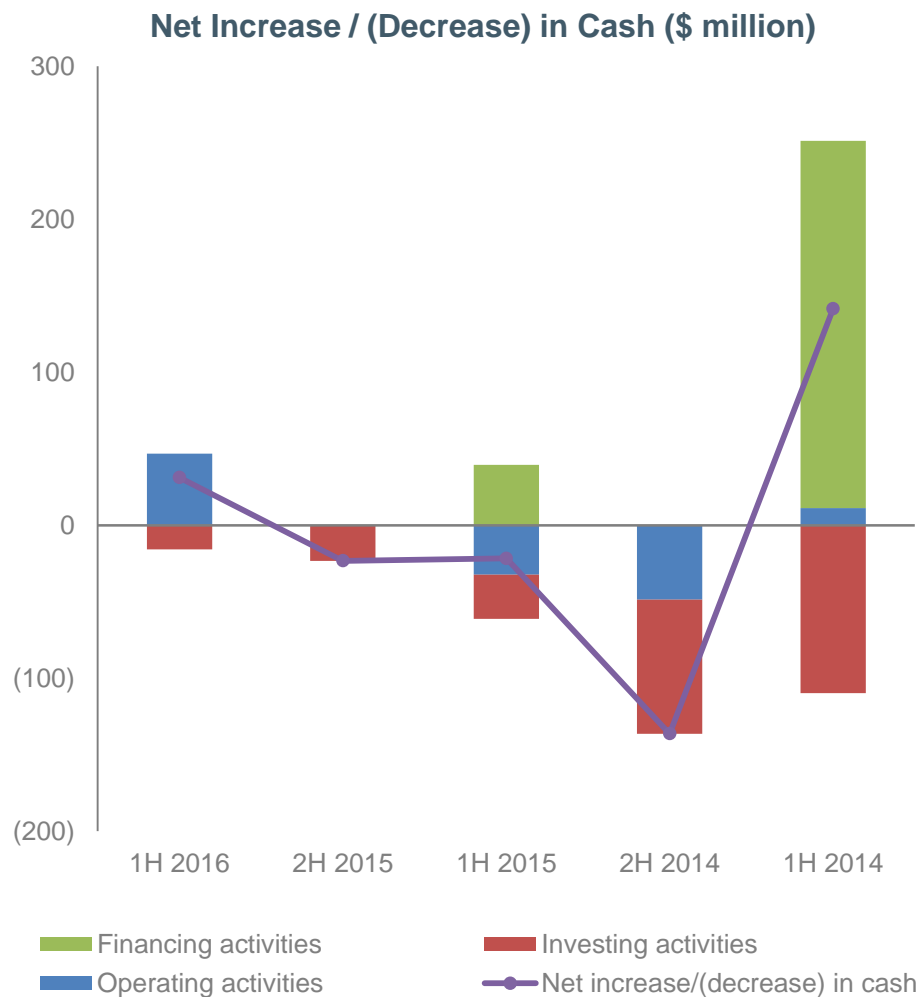


\$ million	1H 2016	2H 2015	1H 2015	2H 2014	1H 2014
Revenue - cash receipt assured	51	56	30	20	19
Revenue - arrears recognised	51	-	-	-	-
<b>Net increase/(decrease) in cash</b>	<b>102</b>	<b>56</b>	<b>30</b>	<b>20</b>	<b>19</b>

- Gross profit 1H 2016 \$26 million (1H 2015: loss \$33 million; FY 2015: loss \$51 million)
- Loss after tax 1H 2016 \$60 million (1H 2015: loss \$78 million; FY 2015: loss \$135 million)



# Historical Cash Flow

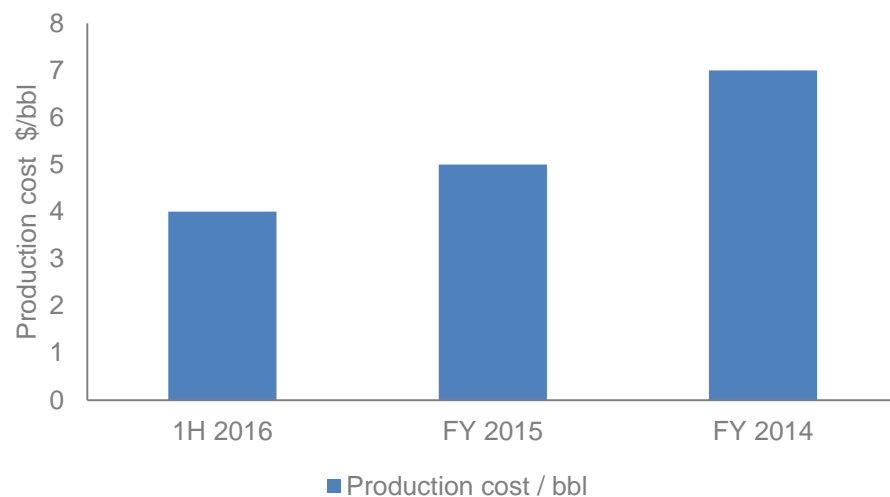


\$ million	1H 2016	2H 2015	1H 2015	2H 2014	1H 2014
Cash generated / (used) in operating activities	47	0	(32)	(49)	11
Cash generated / (used) in investing activities	(16)	(23)	(29)	(88)	(110)
Cash generated / (used) in financing activities	-	-	39	-	240
<b>Net increase / (decrease) in cash</b>	<b>31</b>	<b>(23)</b>	<b>(22)</b>	<b>(136)</b>	<b>142</b>

- Cash balance at 20 September 2016 \$68 million
- Positive evolution of cash generated from operating activities due to the improvements in the payments cycle from the MNR

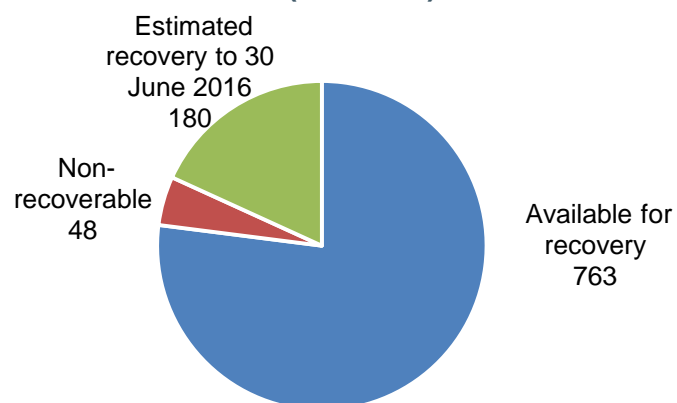
# Gross Production Costs and Cost Recovery

### Production Costs and Volumes



	1H 2016	FY 2015	FY 2014
Gross production costs \$/bbl	4	5	7
Gross production MMbbl	6	11	7

### Recovery of Shaikan Cost Petroleum at 30 June 2016 (\$ million)



	\$ million
Gross costs to 30 June 2016	990
Recoverable costs to 30 June 2016	943
<i>o/w Estimated recovery to 30 June 2016</i>	180

# Thank you

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

