



Gulf Keystone Petroleum

Pareto – E&P Independents Conference

16 January 2019

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GKP – A leading Kurdistan independent E&P

- **The only pure-play Kurdistan player with operatorship**
 - 80% WI in Shaikan, with 40,000 bopd of production capacity
- **Revised FDP submitted to increase capacity to 110,000 bopd**
 - Phased and risk-managed approach
- **Expansion underway to reach 55,000 bopd**
 - Over 70% increase in production targeted by Q1 2020
 - Facilities upgrade completion at the end of 2019
- **Healthy balance sheet to deliver growth**
 - \$100m bond, maturity 2023
 - Expansion to 55,000 bopd remains fully funded
- **Focus on safety, cost discipline & value optimisation**

31,563 bopd
2018 gross
production

591 MMstb
Gross 2P
reserves⁽¹⁾

\$3.0/bbl
Opex per barrel
(H1 2018)

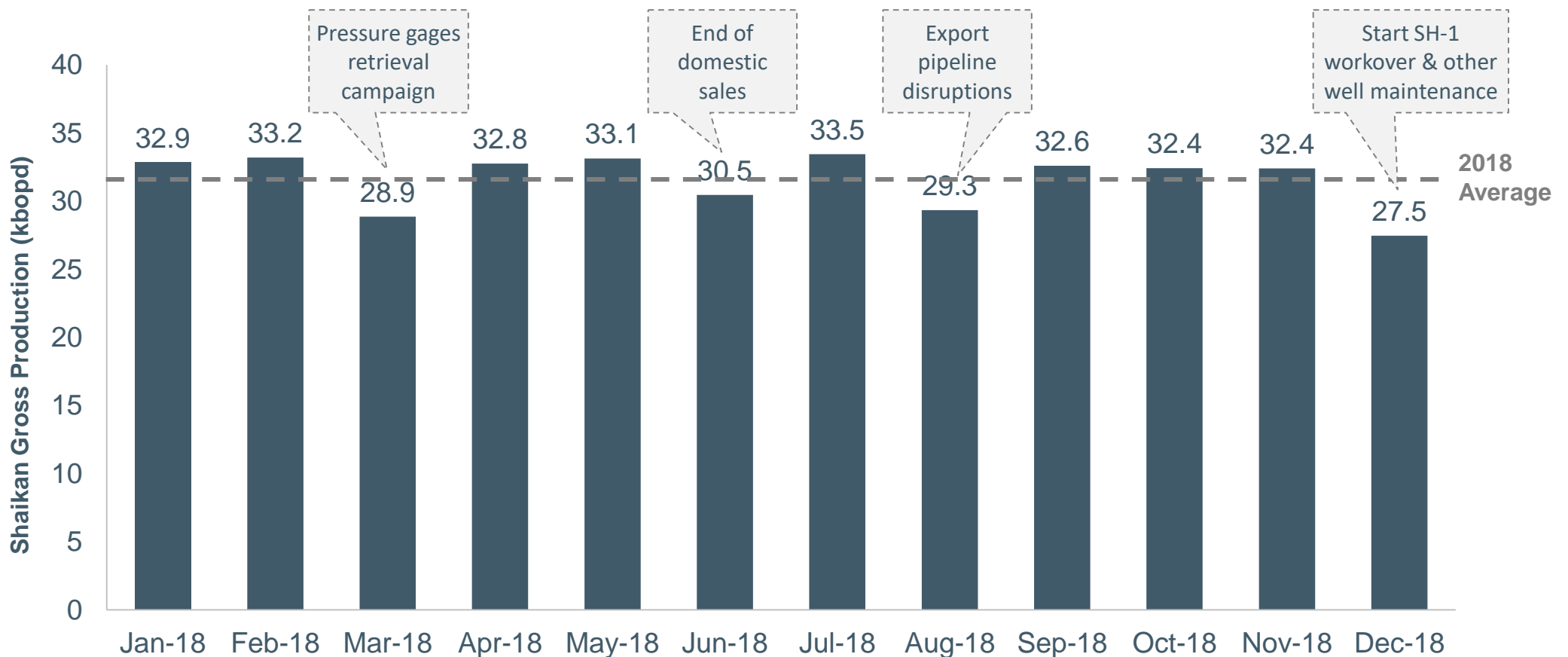
\$294m
Cash balance
(15-Jan)

1
LTI in last
three years

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

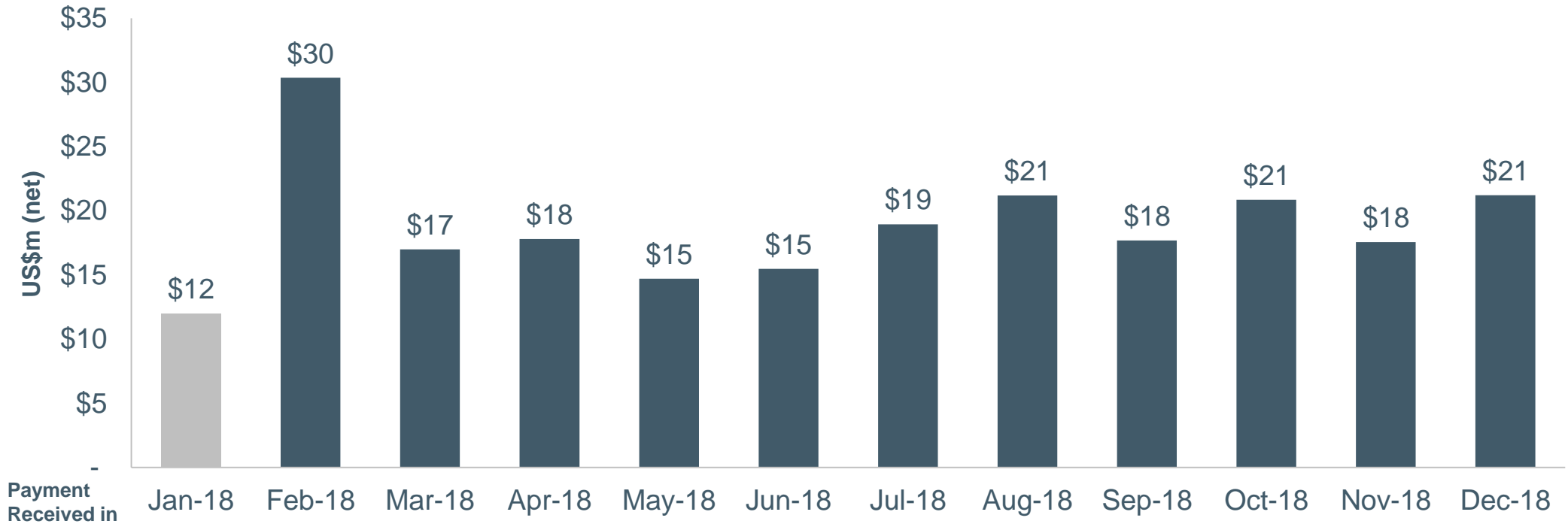
Resilient production ahead of expansion to 55,000 bopd

- 2018 gross production at 31,563 bopd – at top end of 27,000-32,000 bopd guidance
- Over 56 MMstb produced to date leading to strong reservoir knowledge



Continuous payments strengthening balance sheet

- \$225m net to GKP received in 2018



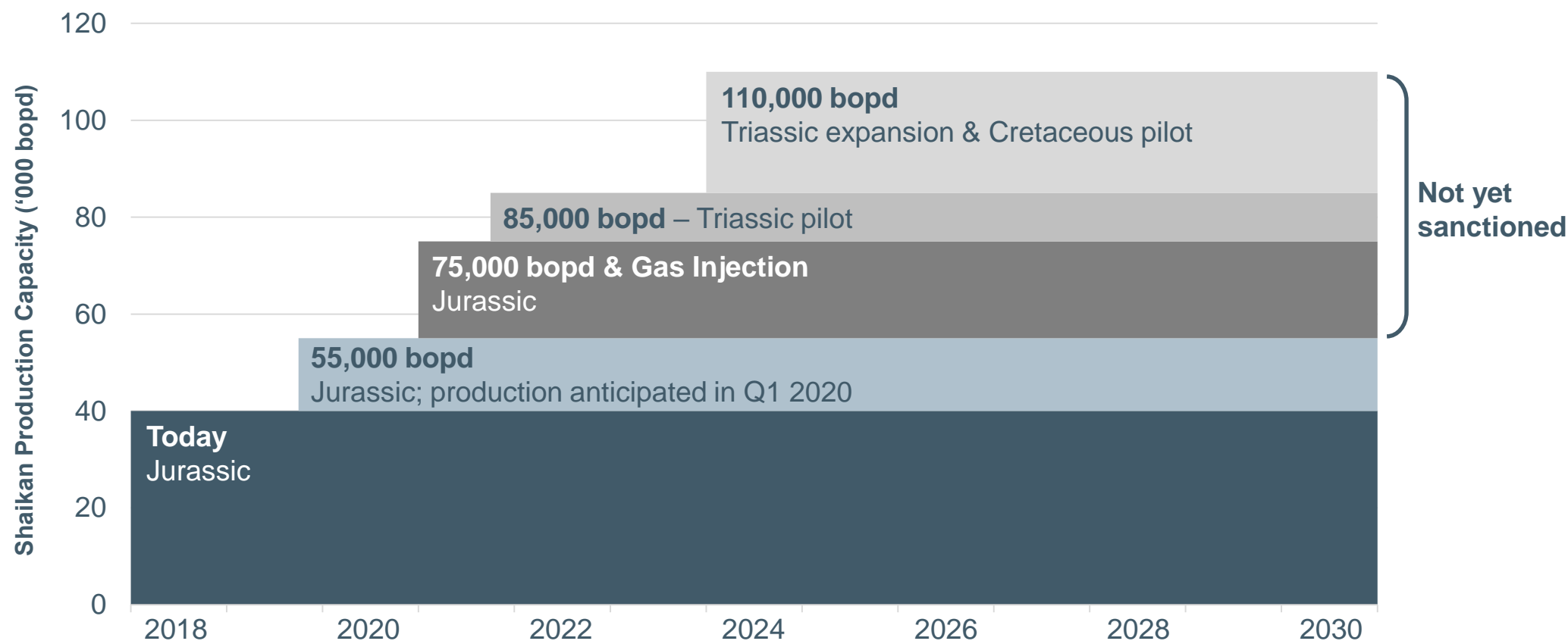
Month of Production	Sep-17	Oct / Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18
Gross Prod. (kbopd)	33.3	34.5 / 31.1	33.4	32.9	33.2	28.9	32.8	33.1	30.5	33.5	29.3	32.6
Brent Price ¹⁾ (\$/bbl)	\$56.2	\$57.5 / \$62.7	\$64.4	\$69.1	\$65.3	\$66.0	\$72.1	\$77.0	\$74.4	\$74.3	\$72.5	\$78.9

■ Pre signed Crude Oil Sales Agreement ■ Post signed Crude Oil Sales Agreement

1) Source: EIA monthly prices

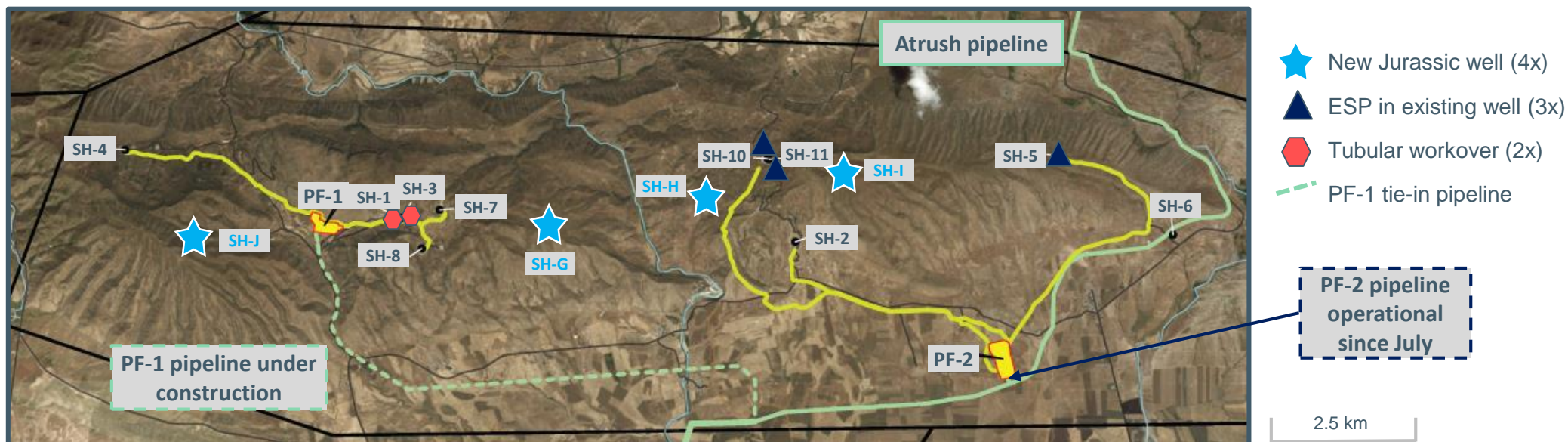
Shaikan Field Development Plan

- Revised FDP submitted for approval to the MNR in October 2018
 - Expansion to 55,000 bopd already underway
 - First four wells of drilling campaign to be completed in Q1 2020
- New intermediary phase after 75,000 bopd: Triassic pilot
 - Staged approach further de-risks long-term potential



Shaikan 55,000 bopd expansion underway

- On track with facilities upgrade completion in 2019; well capacity in Q1 2020
 - Workover rig at SH-1 to install larger bore tubing, then onto SH-3
 - New Jurassic well (SH-H) to spud in March
 - Only c.3,000 bopd trucking via Fishkhabour
 - PF-1 pipeline on track for completion mid-2019, eliminating residual trucking

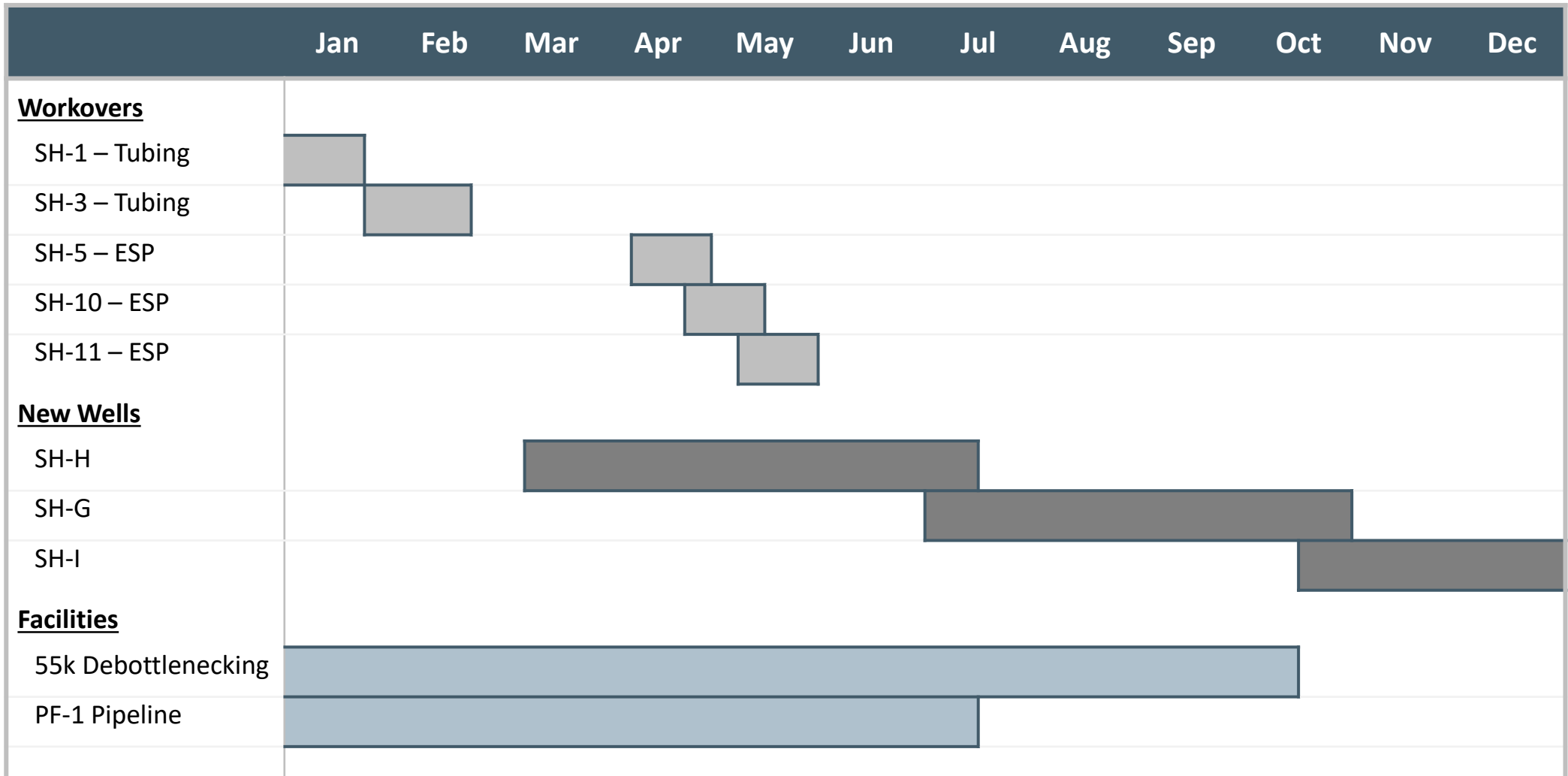


- Gross capex guidance of project remains unchanged at \$200–230m¹⁾
 - ca.\$40m of \$91m 2018 approved gross budget transferred to early 2019 due to delivery delays

Note: Well locations, pipeline routes and licence boundary are approximate
(1) Net to GKP \$160m-184m

2019 activity outlook for 55,000 bopd

- After major milestones achieved in 2018 and laying the foundation for the 55,000 bopd expansion, 2019 will be a very active year at Shaikan



Strong financial & commercial position

- Net cash position: \$294m cash vs. \$100m debt at 15 Jan. 2019
 - Cash balance up \$134m since 1 Jan. 2018
 - Flexibility following \$100m bond refinancing
- Expansion to 55,000 bopd remains fully funded
- Timing of next expansion phase to 75,000 bopd will drive final decisions on expenditure and capital strategy
- Existing PSC & Crude Oil Sale Agreement supporting regular payment cycle
 - If PSC is amended, at least value neutral to GKP

Outlook

- **Operational Excellence**

- Safe operations
- Delivery of project milestones
- Continued disciplined cost control

- **Production Growth**

- Deliver the 55,000 bopd expansion project
 - Jurassic drilling campaign, workovers, facilities debottlenecking, PF-1 tie-in
- Meet 2019 gross production guidance of 32,000-38,000 bopd
- Investing to define next phases of development to go to 75,000 bopd and beyond
- FDP approval

- **Capital Markets Day in Q1 2019**

- Timing and cost estimates of revised FDP
- Capital management strategy

A large industrial facility, likely a refinery or chemical plant, is situated in a hilly, arid landscape. The central feature is a tall, white distillation column with a red flag on top. The facility is composed of numerous large, cylindrical tanks, pipes, and structural steel frameworks. The background shows rolling hills with sparse vegetation and a clear sky. Two communication towers are visible on the horizon.

Questions?

Thank you

More resources are available at:
www.gulfkeystone.com