Gulf Keystone Petroleum

11 April, 2018

Full Year 2017 Results

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Note: The photograph on the cover of this presentation shows an active natural oil seep at an Eocene aged outcrop located on the Shaikan block, north of Production Facility 1

2017 Highlights: Jón Ferrier, CEO

Highlights

- **Shaikan Crude Oil Sales Agreement**
  - **Key milestone – moving away from flat payments**
- **Strong operational performance**
- **Gross production at 35,298 bopd despite limited investment**
  - **34,794 bopd in 2016**
- **Robust financial position and material cash generation**
- **$104m EBITDA – moving into profit**

Ready to resume investment in 2018

Corporate Governance

- **Appointment of a new Non-Executive Chairman**
  - **Jaap Huijskes – joined Board in November 2017**
- **Further Board appointments expected in 2018**
- **Improved KPIs introduced in 2017**
  - **Further aligning organisation with shareholders**

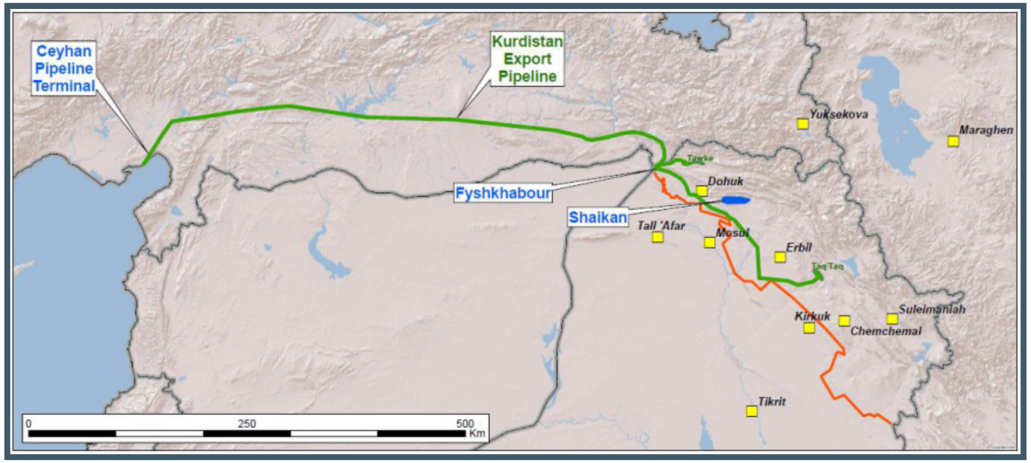
Operational Review: Stuart Catterall, COO

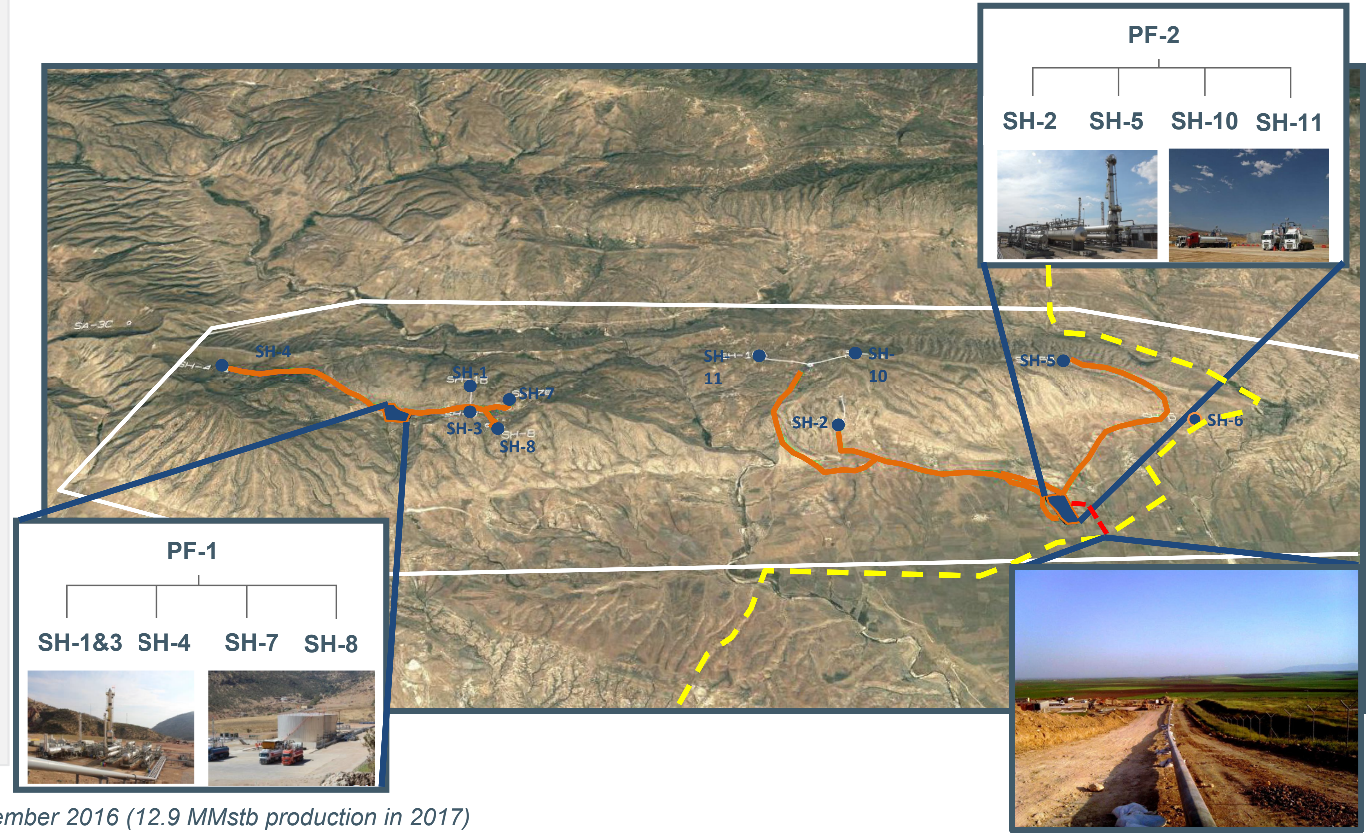
Operational Highlights

- No lost time incidents; now over 3 million man hours without LTI
- 99% plant uptime
- Average daily gross production of 35,298 bopd
  - Versus guidance of 32,000-38,000 bopd
- Cumulative production from Shaikan of c.48 MMstb
  - Reservoir understanding enhanced
- Opex per bbl reduced to $2.8/bbl in 2017 (2016: $3.5/bbl)
- Shaikan oil back in Kurdistan export pipeline since November
- Ongoing optimisation of the development programme

The Shaikan Asset

- November 2007: Shaikan licence awarded
- April 2009: Discovery well SH-1 drilled
- June 2013: FDP approved
- Two production facilities each with 20,000 bopd nameplate capacity
- December 2014: 40,000 bopd production first achieved
- Majority of crude trucked to Fyshkhabour where injected in Kurdistan export pipeline; remainder sold domestically
- Tie-in to Atrush export line underway
- One of the largest fields in the region with reserves/resources:
  - 2P 615 MMstb(1)
  - 2C 239 MMstb(1)

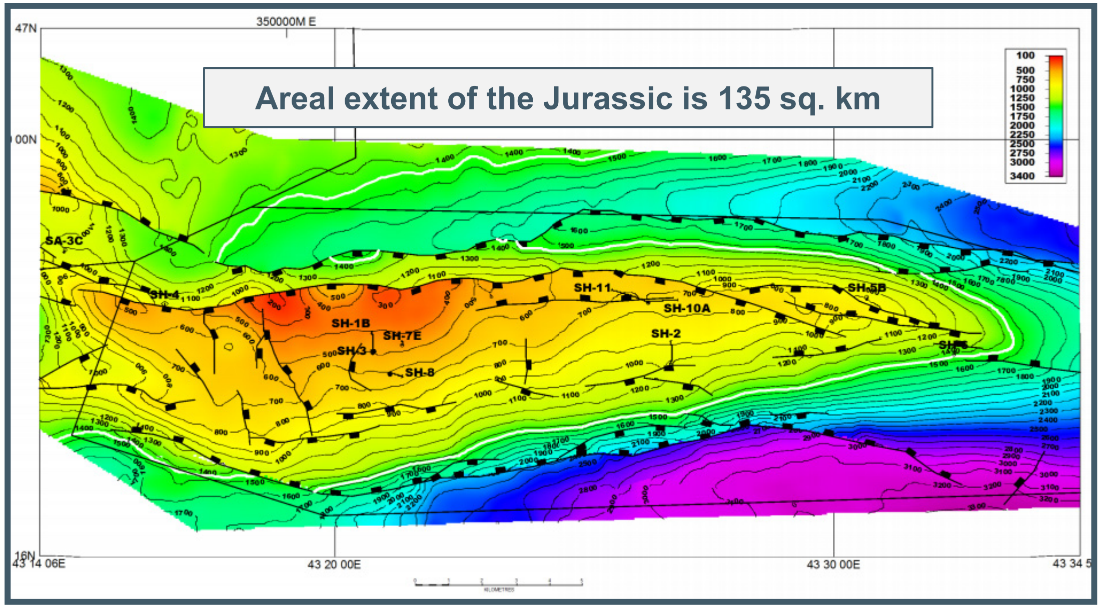


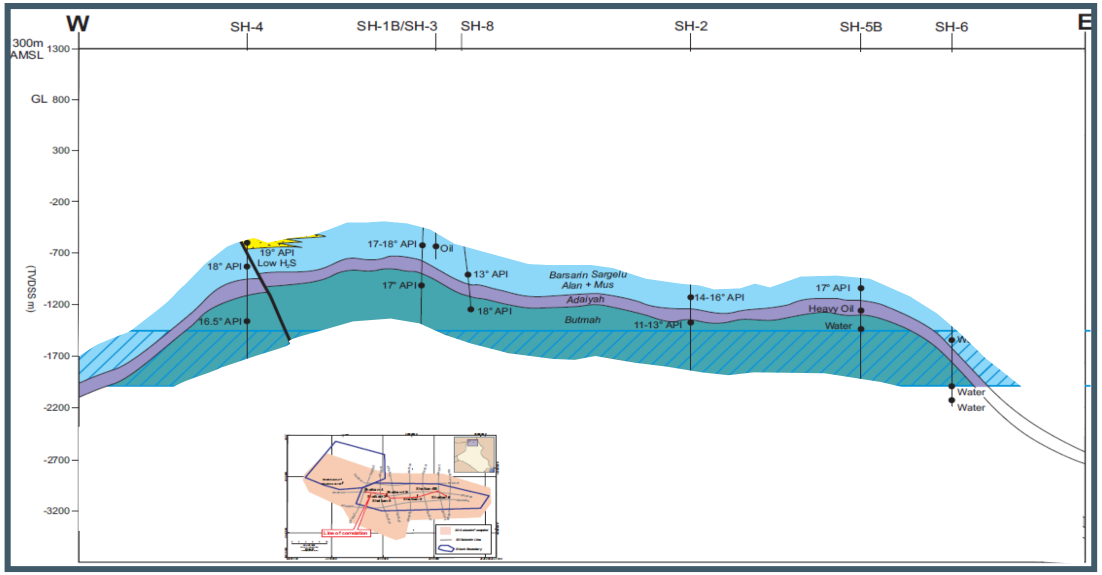


(1) Source: ERC Equipoise. Gross volume estimates as at 31 December 2016 (12.9 MMstb production in 2017)

Discovered and Producing Reservoirs: Jurassic

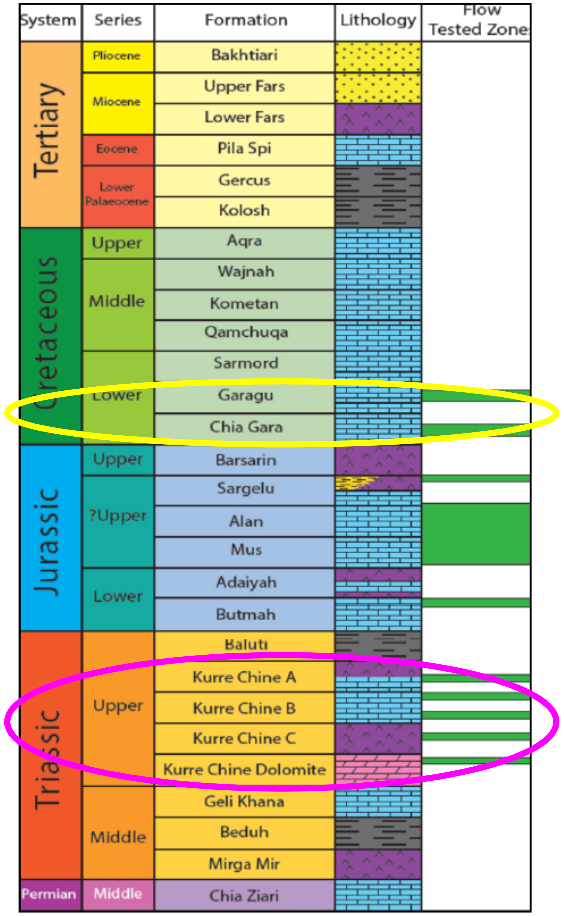
- **Production is currently from the Jurassic reservoirs**
- **Substantial oil column – c.1,000m – gravity ranging from 18° API at the top to 11° API at the bottom**
- **48 MMstb produced to date with no gas or water breakthrough**
- **Production and reservoir pressure data continue to support our geological model and understanding of the field**
- **Jurassic reserves/resources:**
  - **2P 568 MMstb(1)**
  - **2C 80 MMstb(1)**

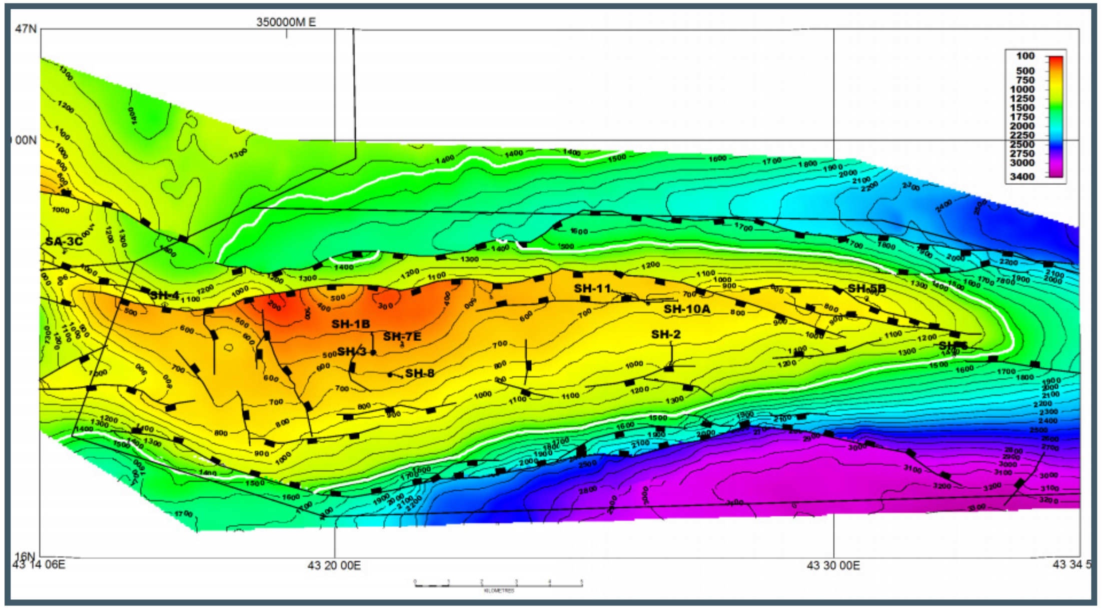


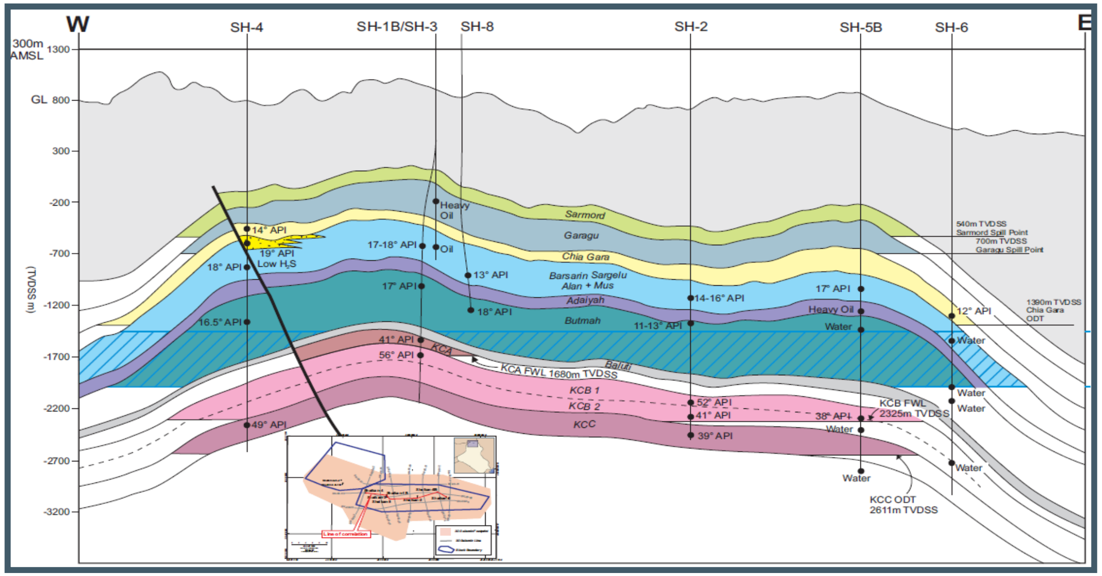


(1) Source: ERC Equipoise. Gross volume estimates as at 31 December 2016 (12.9 MMstb Jurassic production in 2017)

Upside from Other Reservoirs: Triassic & Cretaceous







- Oil has been discovered in the Cretaceous:
  - Heavy oil, 2P 3 MMstb / 2C 53 MMstb[(1)]
- And the Triassic:
  - Light oil with 38 - 43 ° API and gas condensate
  - 2P 44 MMstb / 2C 106 MMstb[(1)]

(1) Source: ERC Equipoise. Gross volume estimates as at 31 December 2016

Development Outlook

- **Phased approach de-risks and progressively unlocks value**
- **Significant work in the last 12 months to optimise the field development plan – ongoing**
- **Debottlenecking to 75,000 bopd will allow accelerated ramp-up of production from existing production sites**

Objective: Initiate both phases simultaneously

Return to 40,000 bopd ($55 to $65m gross)

- ESPs on 3 existing wells
- 1 new Jurassic well with ESP
- Facilities maintenance and improvement

9-12 months plan

+38%

Ramp-up to 55,000 bopd ($120 to $150m gross)(1)

- 3 Jurassic wells + ESPs(1)
- Production facilities debottlenecking
- Trunk line tie-in

12-18 months plan

+36%

75,000 bopd

- 4 Jurassic wells + ESPs
- Further debottlenecking of production facilities
- Installation of gas re-injection facility

+33%

100,000 bopd

- Full development of Jurassic via infill drilling
- First development of Triassic and Cretaceous reservoirs
- Processing facility, including gas re-injection

Investment plans subject to MOL and the Kurdistan Regional Government's ("KRG") Ministry of Natural Resources ("MNR") approval
(1) Previous cost estimates for the 55kbopd project did not include these wells. These have been brought forward from the full field development to gain more reservoir understanding, assure a sustained increased plateau production and benefit from drilling efficiencies and costs savings from a single campaign

Financial Review: Sami Zouari, CFO

Crude Oil Sales Agreement

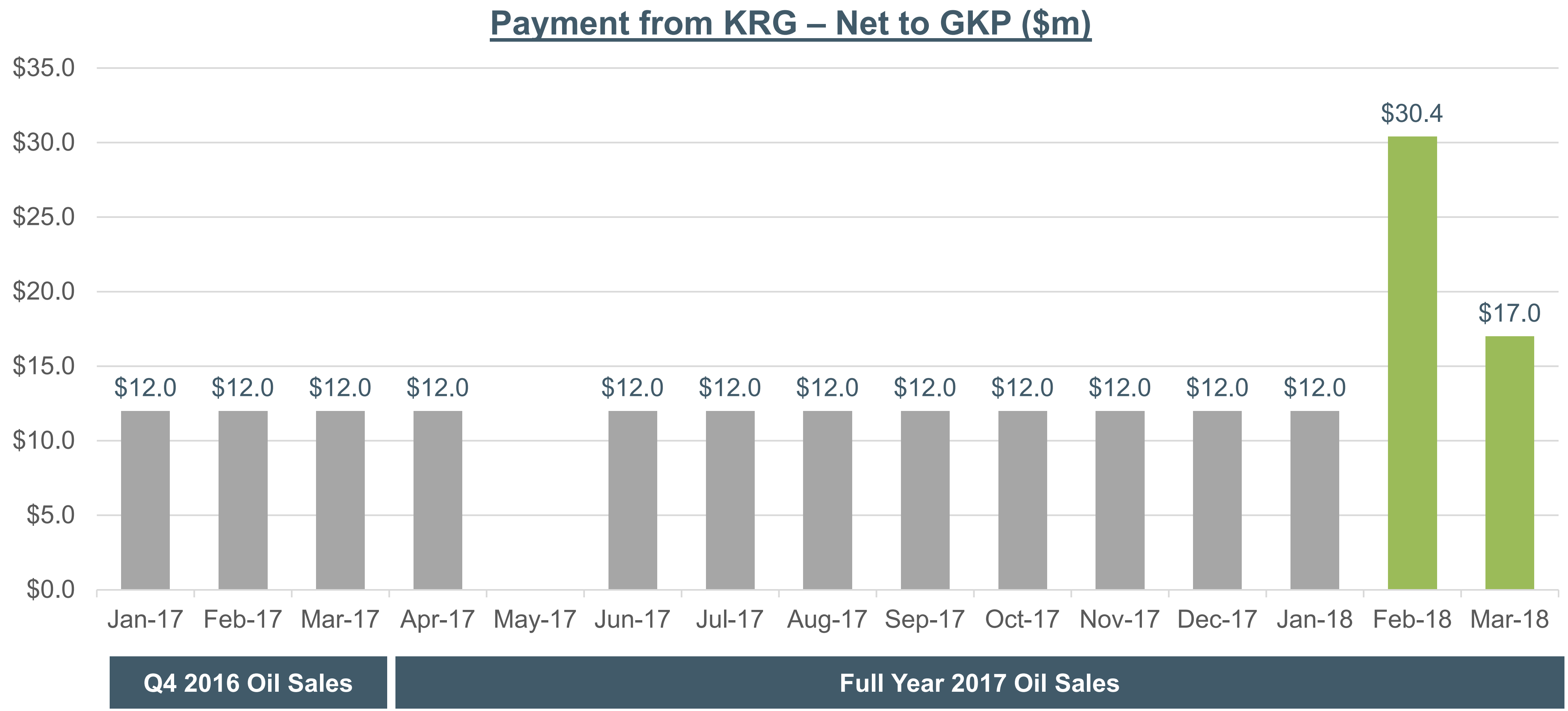
- **Shaikan Crude Oil Sales Agreement signed in January 2018**
  - **A key milestone aligning GKP with peer producers**
- **Transparent invoicing linked to Brent price and actual production**
  - **Moving away from a fixed $15m gross monthly payment**
- **Oil sold at Brent minus c.$22/bbl discount for quality and all transportation costs**
- **Agreement valid 15 months**
  - **1 October 2017 to 31 December 2018**

Negotiations continue with the MNR on other commercial matters (such as revenue arrears) and amendment to PSC

Increased Monthly Payments

- **Significantly higher payments since February 2018**

  Note: February payment comprised October & November 2017 oil sales



Financial Highlights

- **Robust operating performance in 2017 delivered further improvements of key metrics and trends**

Strong Upward Trends
(2017 vs 2016)

- **Cash Balance: +73%**
  $160m (vs $93m at 31 Dec 2016)
- **Cash Received for Oil Sales: +28%**
- **Netback per barrel: +45%**
- **Profit After Tax: $14.1m**
  (vs $17.4m loss)

Steady Downward Trends
(2017 vs 2016)

- **Oil Production Costs: –25%**
- **Shaikan Field Opex per barrel: –19%**
- **G&A Expenses: –17%**

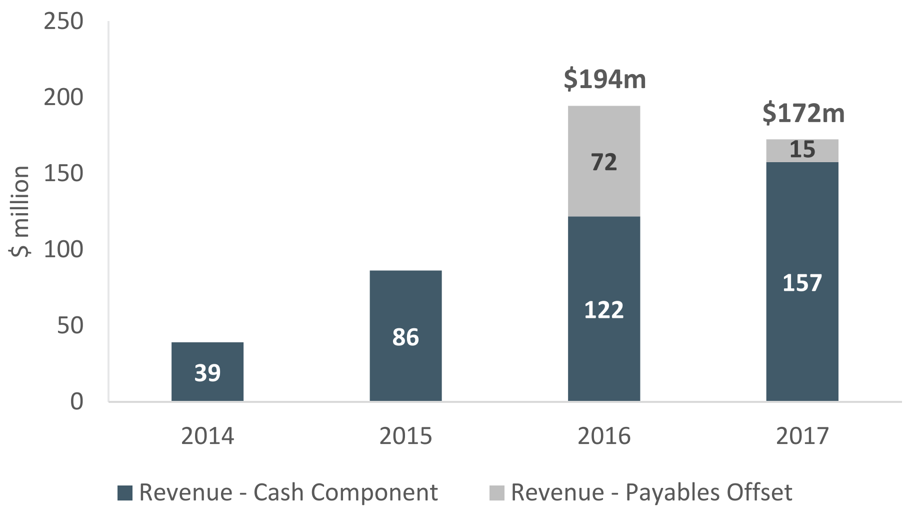
Upward Trends: Revenue and Cash Receipts

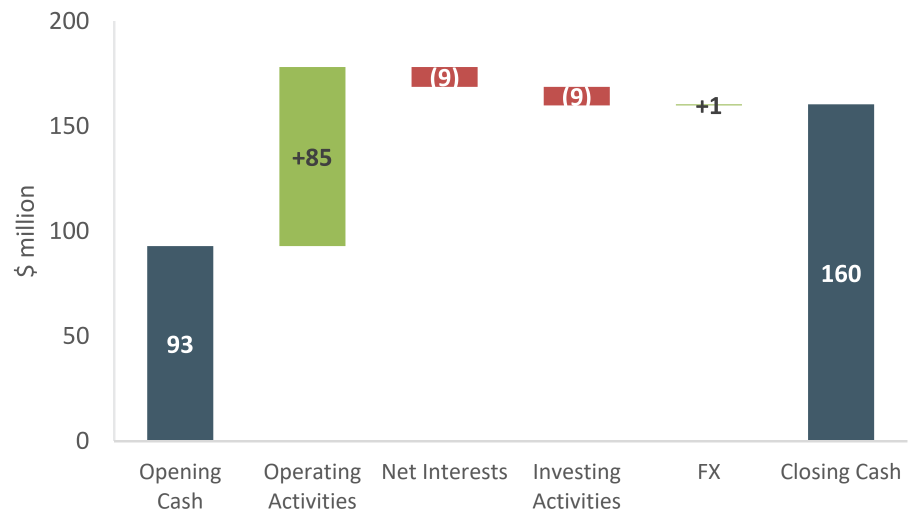
Revenue

- $157m of revenue based on cash received (by 31 March 2018)
- $15m of payables to the MNR offset against revenue arrears
- Netback: $34.6/bbl (2016: $23.8/bbl)
  - Brent $54.9/bbl less $20.3/bbl for Shaikan quality discount and transportation costs

Change in Cash

- 2017 positive cash flow driven by steady operating activities, payments from KRG and limited investment
  - $67m net cash increase in 2017
- $203m cash with $100m debt as at 10 April 2018

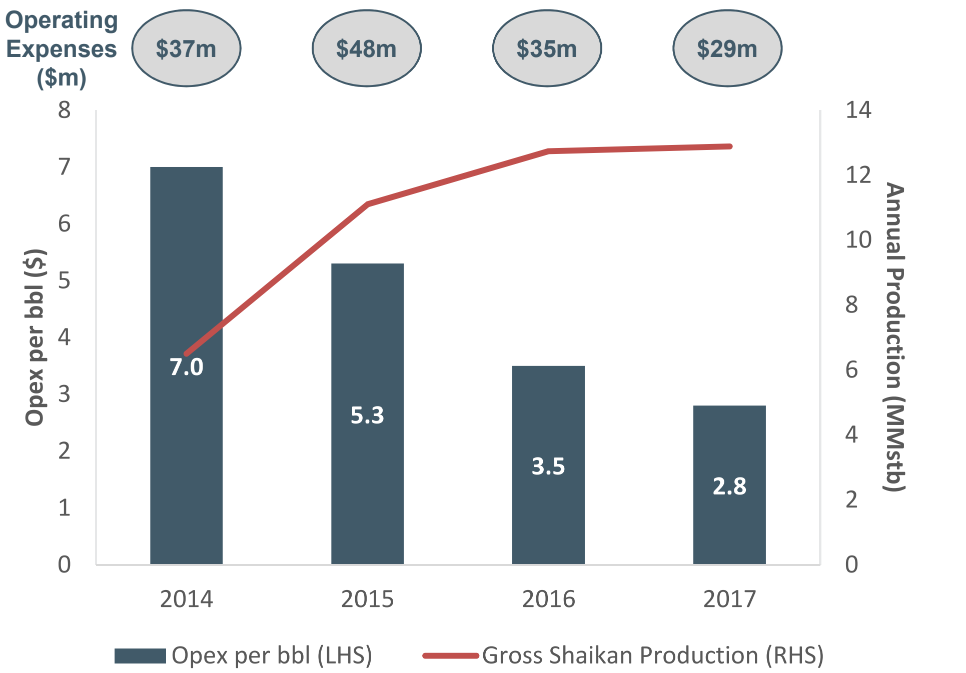




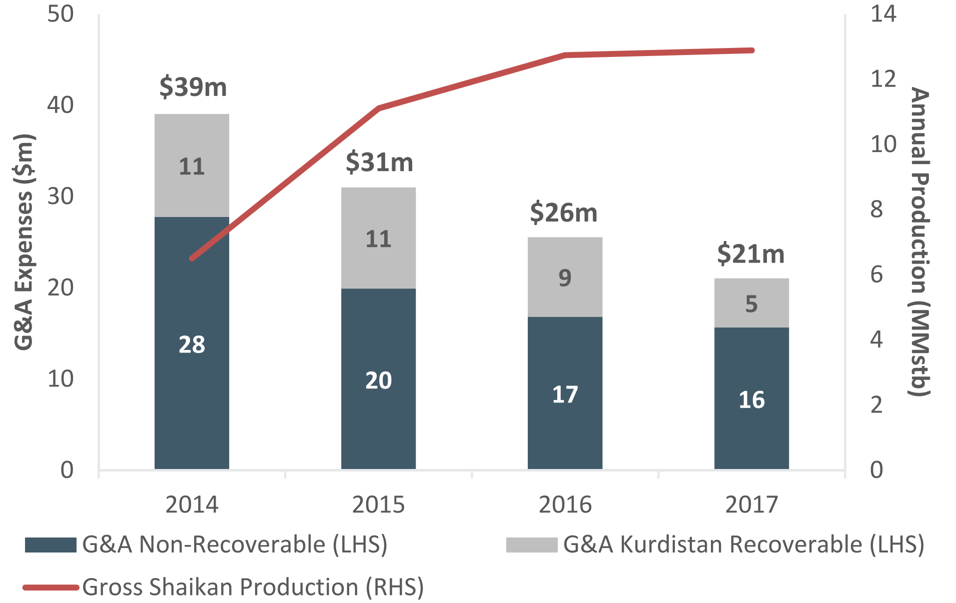
Downward Trends: Continued Cost Optimisation

- **Focus on prudent resource management and cost saving initiatives leading to additional costs reduction against stable production in 2017**
- **Costs reductions driven by:**
  - **Renegotiating key contracts**
  - **Rationalising organisational structure**

Operating Expenses(1)



General & Administrative Expenses

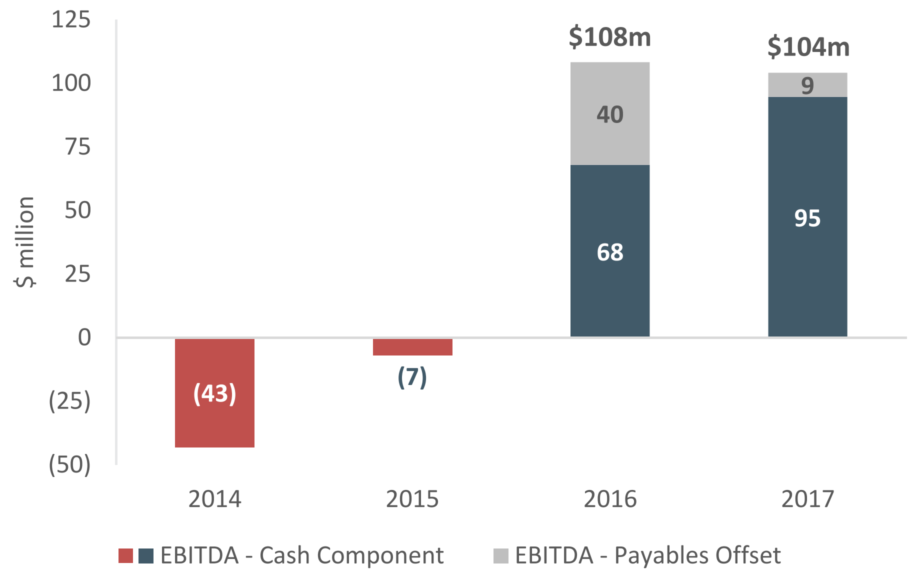


(1) Excludes capacity building charges and production bonus

EBITDA and Profit After Tax

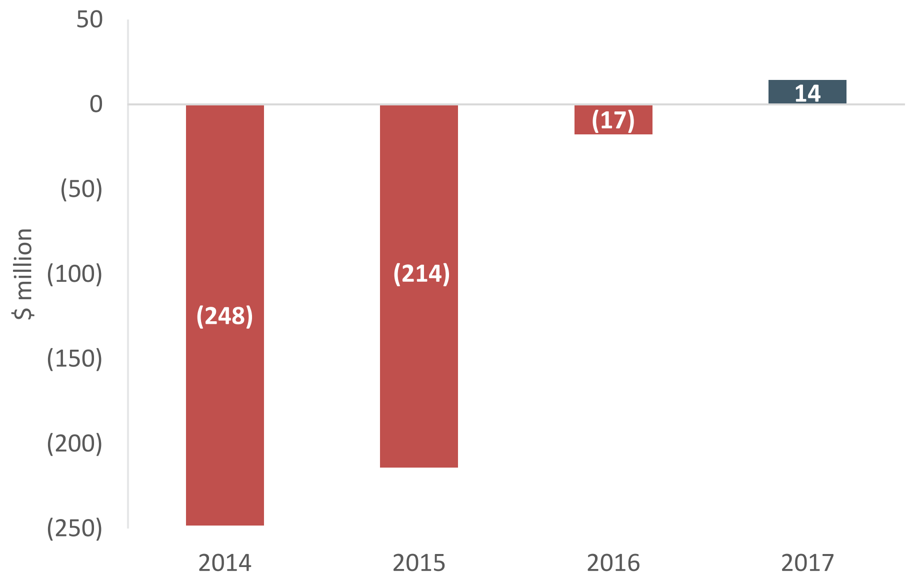
EBITDA

- EBITDA relatively stable despite $22m revenue reduction
  - $104m EBITDA
  - $24m Profit from Operations



Profit/(Loss) After Tax

- Posting profit after tax in 2017 for the first time since entry to Kurdistan
- Two coupon payments ($5m each) made in April and October 2017



Conclusion

2018 Focus – Shareholder Value

- **Operational Excellence**
  - **Safe operations and meet guidance (27,000-32,000 bopd gross)**
  - **Deliver on project milestones**
  - **Continuous cost optimisation**
- **Commercial Clarity**
  - **Build on the Crude Oil Sales Agreement**
  - **Clarify commercial arrangements**
  - **Capital structure optimisation in the context of investment plans**
- **Production Growth**
  - **Finalise investment plans and work programmes**
  - **Initiate Jurassic drilling campaign and debottlenecking**

Thank you

More resources are available at:
www.gulfkeystone.com