Investor Presentation
17 March 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

Tony Peart  
Legal and Commercial Director  
Joined in June 2008

Nadhim Zahawi  
Chief Strategy Officer  
Joined in August 2015

Umur Eminkahyagil  
Country Manager – Kurdistan  
Joined in March 2012
CEO Introduction

- Gulf Keystone’s operations remained safe and secure throughout 2015
- Shaikan is a superb field with a motivated workforce dedicated to realising its full potential
- Management’s view of Shaikan reserves and resources remains aligned with the 2015 CPR
- News on PSC term application on 1 February 2016 has been welcomed by market
- New agreement with the MNR to address legacy PSC issues
Looking Forward

• Capital discipline and portfolio review in a cash constrained environment
  • Focus on Shaikan to yield immediate returns with minimal project execution risks
  • Decision to relinquish Sheikh Adi which carries significant near term cash demands and execution risk
  • Akri Bijeel relinquished in 2015, and Ber Bahr relinquishment underway
• Strengthen the balance sheet and secure additional funding capacity
• A near term investment programme that bridges to, and is complementary with, the FDP
  • Maintains plateau of 40,000 bpd with the option to upgrade to 55,000 bpd
  • A near 40% growth in production
Bridge to FDP

- The updated Field Develop Plan (FDP) was submitted to the MNR in December 2015
- Subject to available financing, plans are in place for an interim project to maintain Shaikan production at 40,000 bopd or increase production to 55,000 bopd
- The project can be executed within a year of committing to the capex programme below
- As of today, Shaikan is producing dry oil (no water) and the observed pressure reduction is in line with predicted field performance and consistent with the CPR reserves and resources
- Lack of further investment may result in a production decline due to the loss of wells in the next two years either by gassing out or by ceasing to flow naturally
- Short term investments aim to strengthen GKP’s production capacity whilst acting as a buffer against the loss of a well

<table>
<thead>
<tr>
<th>Capex required ($m)</th>
<th>Maintain 40,000 bopd</th>
<th>Increase to 55,000 bopd</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electrical Submersible Pump (ESP) x 3</td>
<td>21</td>
<td>21</td>
</tr>
<tr>
<td>New wells x 1</td>
<td>21</td>
<td>21</td>
</tr>
<tr>
<td>Additional production facility</td>
<td>13</td>
<td></td>
</tr>
<tr>
<td>Trunk line tie-in</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Other</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>30% contingency</td>
<td>16</td>
<td>20</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>71</strong></td>
<td><strong>88</strong></td>
</tr>
</tbody>
</table>
Profitability and Resilience

- ‘Bridge to FDP’ offsets impact of production decline
- Improved resilience to oil prices by reducing the break-even price
- $36/bbl Brent required to fully recover invested capital, opex and G&A by 2020
- Increases optionality: positions Gulf Keystone to benefit from near term increase in oil price
- Maintains progress in growing production as a bridge to the FDP
- Delivers on MNR expectations
MNR currently control all marketing and crude exports from Kurdistan.

From July 2015, oil export deliveries are transported 120km by truck to Fyshkhabour and injected into the Kirkuk-Ceyhan export pipeline for sale at Ceyhan.
Shaikan Realised Price

- Realised price for sales to domestic offtaker was $18/bbl in 2015

- Realised price for export sales is estimated at $22/bbl for 2015

  - Pricing terms are subject to audit and for January’s production, KRG set the Shaikan quality discount for pipeline exports at $14.7/bbl plus transport deductions of approximately $5.7/bbl

  - MNR is committed to the establishment of a retroactive quality bank for Kurdistan crude exports

- Local markets offer unattractive alternative to export at current low Brent price
MNR Agreement 16 March

Subject to formal Shaikan PSC amendment, GKP and the MNR agreed to:

• Change GKP’s capacity building charge from 40% to 30%

• Recognise the MNR’s Shaikan Government Participation Option of 20% as a paying party

• Implement the provisions of the First Amendment to Shaikan PSC dated 1 August 2010
  • The 15% TPI interest will be split equally between the Government and Contractor (GKP and MOL on a pro rata basis) with the Government’s 7.5% interest being fully carried by the Contractor

• 5% Texas Keystone interest will be formally assigned to GKP

• A schedule for near term repayment of the 20% interest back-costs due to GKP
  • Via continued monthly payments of up to $15 million comprised of PSC entitlements plus top-ups until the back-costs are repaid in full
  • The recovery of back costs started with the top-up received in March 2016
Shaikan PSC Interests

As a result of the 16 March Agreement:

- GKP’s fully diluted Shaikan working interest and share of reserves will increase from 54.4% to 58%

- Capacity building charge will change from 40% to 30%

- MNR will pay their 20% of monthly cash costs; 7.5% carried by GKP and MOL

<table>
<thead>
<tr>
<th>Previous</th>
<th>Diluted working interest</th>
<th>Capacity building charge</th>
<th>Undiluted working interest</th>
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</thead>
<tbody>
<tr>
<td>GKP</td>
<td>54.4%</td>
<td>(40%)</td>
<td>80.0%</td>
</tr>
<tr>
<td>MOL</td>
<td>13.6%</td>
<td></td>
<td>20.0%</td>
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<tr>
<td>MNR</td>
<td>20.0%</td>
<td></td>
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</tr>
<tr>
<td>TPI</td>
<td>12.0%</td>
<td></td>
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<tr>
<td>Total</td>
<td>100%</td>
<td></td>
<td>100%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Post Agreement</th>
<th>Diluted working interest</th>
<th>Capacity building charge</th>
<th>Cost exposure</th>
</tr>
</thead>
<tbody>
<tr>
<td>GKP</td>
<td>58.0%</td>
<td>(30%)</td>
<td>64.0%</td>
</tr>
<tr>
<td>MOL</td>
<td>14.5%</td>
<td></td>
<td>16.0%</td>
</tr>
<tr>
<td>MNR</td>
<td>27.5%</td>
<td></td>
<td>20.0%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
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<td>100%</td>
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# Shaikan Arrears

<table>
<thead>
<tr>
<th>Position net to GKP as at:</th>
<th>31 December 2015</th>
<th>30 June 2015</th>
<th>Comments</th>
</tr>
</thead>
</table>
| Revenue arrears           | $93m             | $117m        | • Export sales entitlements for the 6 months are in line with cash payments received  
                             |                  |              | • Decrease is due to MNR back-in impacting share of profit oil and clarity on Shaikan realised prices |
| Payables to MNR           | ($49m)           | ($41m)       | • Payables are offset against the revenue arrears, as permitted by the Shaikan PSC |
| Net arrears               | $44m             | $76m         |          |
| MNR 20% back-in           | $75m             | $76m         | • $85m, adjusted for $10m Sheikh Adi liability |
| TPI                       | For cost recovery | $90m         | • To be recovered from future cost oil |

$283m
2015 Financial Highlights

- Revenues of US$86.2 million (FY14: $38.6 million)

- Revenue recognised when the cash receipt assured, revenue arrears remain unbooked

- Capital expenditure of $82 million (2014: $237 million) as GKP reduced its investment programme in view of lower oil prices and irregular payments in Kurdistan

- Cash balance at 16 March 2016 of $50.6 million (31 Dec 2015: $43.6 million)

- Operating costs per barrel on a gross field basis reduced to $5/bbl from $7/bbl in 2014

- Loss after tax of $135.0 million (FY14: $248.2 million)
Financial Strategy and Outlook

- Significant coupon payments in April and October 2016 of $26.4 million each
- Debt repayments of $575 million in 2017
- GKP faces material uncertainty regarding meeting its debt obligations
- Options to strengthen the balance sheet are reviewed, including:
  - Balance sheet restructuring
  - Additional funding
  - MNR payments
- Asset transaction is considered unlikely in the near term due to the current oil price environment and the geopolitical challenges in Iraq
Thank you

More resources are available at:
www.gulfkeystone.com