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25 April 2024

**Gulf Keystone Petroleum Ltd. (LSE: GKP)**  
("Gulf Keystone", "GKP" or "the Company")

**Report on Payments to Governments for 2023**

**Introduction**

This report sets out details of the payments made to governments by Gulf Keystone Petroleum Ltd and its subsidiary undertakings ("Gulf Keystone") for the year ended 31 December 2023 as required under Disclosure and Transparency Rule 4.3A issued by the UK's Financial Conduct Authority ("DTR 4.3A") and in accordance with The Reports on Payments to Governments Regulations 2014 (as amended in 2015) ("the UK Regulations") and our interpretation of the Industry Guidance on the UK Regulations issued by the International Association of Oil & Gas Producers. DTR 4.3A requires companies listed on a stock exchange in the UK and operating in the extractive industry to publicly disclose payments to governments in the countries where they undertake exploration, prospection, discovery, development and extraction of minerals, oil, natural gas deposits or other materials.

**Basis for preparation**

Total payments below £86,000 made to a government are excluded from this report, as permitted under the UK Regulations.

All of the payments made in relation to the Shaikan Production Sharing Contract ("Shaikan PSC") in the Kurdistan Region of Iraq have been made to the Ministry of Natural Resources ("MNR") of the Kurdistan Regional Government ("KRG").

**Production entitlements**

Production entitlements are the host government's share of production during the reporting period from the Shaikan Field operated by Gulf Keystone. The figures reported have been produced on an entitlement basis, rather than on a liftings basis. Production entitlements are paid in kind and the monetary value disclosed is derived from management's estimates based on the monthly oil sales invoices.

**Royalties**

Royalties represent royalties paid in-kind to governments during the year for the extraction of oil. The terms of the royalties are described within the Shaikan PSC. Royalties have been calculated on the same basis as production entitlements.

**Licence fees and capacity building payments**

These include licence fees, rental fees, entry fees, capacity building payments, security fees and other considerations for licences or concessions.

**Summary of payments**

	<b>2023</b>
Production entitlements in-kind <sup>(1)</sup> (mboe <sup>(2)</sup> )	2,658
Production entitlements in-kind <sup>(1)</sup> (\$'000)	109,345
Royalties in-kind <sup>(1)</sup> (mboe <sup>(2)</sup> )	637
Royalties in-kind <sup>(1, 2)</sup> (\$'000)	26,221
Licence fees and capacity building payments in-kind <sup>(3)</sup> (\$'000)	7,522
<b>Total (mboe<sup>(2)</sup>)</b>	<b>3,295</b>
<b>Total (\$'000)</b>	<b>143,087</b>

- Crude oil produced by Gulf Keystone into the Iraq Turkey Pipeline ("ITP") was sold by the KRG up until the suspension of pipeline exports on 25 March 2023. During this period all proceeds of sale were received by or on behalf of the KRG, out of which the KRG subsequently made payment for cost oil and profit oil to Gulf Keystone in accordance with the Shaikan Production Sharing Contract ("PSC"), in exchange for the crude oil delivered to the KRG. Under these arrangements, payments were made by or on behalf of the KRG to Gulf Keystone, rather than by Gulf Keystone to the KRG. For the purposes of the reporting requirements under the UK Regulations, Gulf Keystone is required to characterise the value of the KRG's production entitlements under the PSC (for which the KRG receives payment directly from the market) as a payment to the KRG. From 19 July 2023, crude oil produced by Gulf Keystone was sold to local buyers. The KRG received its share of profit oil in accordance with the PSC and sold the volumes directly to local buyers with the estimated value of such sales being included as a payment to the KRG.
- Thousand barrels of oil.
- For crude oil sales into the ITP from 1 January 2023 to 25 March 2023, capacity building payments were deducted from the monthly crude oil sales invoice amount payable to Gulf Keystone and no direct payment was made to the KRG. For local sales from 19 July 2023 to 31 December 2023, the KRG received capacity building volumes in kind, which they then sold to local buyers. The value of licence, rental and security fees has been accrued and is not expected to be paid, but rather offset against historic revenue due from the KRG, which have not yet been recognised in the financial statements.

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**Notes to Editors:**

Gulf Keystone Petroleum Ltd. (LSE: GKP) is a leading independent operator and producer in the Kurdistan Region of Iraq. Further information on Gulf Keystone is available on its website [www.gulfkeystone.com](http://www.gulfkeystone.com)

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