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13 May 2024

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

Operational update and launch of up to \$10 million share buyback programme

Gulf Keystone, a leading independent operator and producer in the Kurdistan Region of Iraq, today provides an operational update and is pleased to announce the launch of a share buyback programme of the Company's Common Shares for up to a maximum aggregate consideration of \$10 million.

Jon Harris, Gulf Keystone's Chief Executive Officer, said:

"Local sales have continued to be robust in recent weeks, with gross average sales in 2024 year to date of c.37,000 bopd and realised prices recently increasing to c.\$27/bbl. As a result, our liquidity position has continued to improve. While we remain focused on retaining sufficient liquidity in the current operating environment and ensuring we are able to unlock significant potential value from the restart of Kurdistan exports, we recognise the importance of distributing excess cash to shareholders. Given GKP's weak share price, which the Board believes trades at a significant discount to the intrinsic value of the Shaikan Field and does not adequately reflect the near-term cash flow generation potential from local sales, the Board has decided to initiate a share buyback programme of up to \$10 million."

Operational update

- Local sales of Shaikan Field crude continue to be robust with gross average sales in 2024 year to 11 May of c.37,000 bopd
 - Following strong sales in March of c.44,100 bopd, April sales were down slightly to c.38,900 bopd due to the temporary impact of Eid celebrations on truck availability. Volumes have since recovered, with sales in May to date averaging c.48,300 bopd
 - Realised prices have recently increased from c.\$25/bbl to c.\$27/bbl, reflecting continued strong local market demand
- GKP's liquidity position has continued to improve and the Company's cash balance was \$98 million as at 10 May 2024
- Looking ahead, while local market demand is expected to remain variable in 2024, the Company sees strong local sales demand in the near term, enabling continued free cash flow generation
 - Cash flow is supported by the Company's minimal 2024 work programme and expected monthly aggregate net capex, operating costs and other G&A of c.\$6 million
 - At current realised prices and 36% net entitlement, the Company's free cash flow breakeven is at gross sales of c.20,500 bopd
- Subject to local sales demand and considering the Company's limited capital programme, gross production potential is currently between 45,000 – 48,000 bopd following recent optimisations to well performance

Buyback Programme launch

- The Company remains focused on conserving sufficient liquidity to manage the current operating environment and ensure it is able to unlock significant potential value from the restart of Kurdistan exports, which it continues to push for in its engagement with government stakeholders
- The Board recognises that the distribution of excess cash is important to reward shareholders, in line with the Company's track record of shareholder distributions
- The Board believes that GKP's current share price trades at a significant discount to the intrinsic value of the Shaikan Field and does not adequately reflect the near-term free cash flow generation potential from local sales
- The Board has decided to initiate a share buyback programme (the "Buyback Programme") of the Company's Common Shares of \$1.00 each ("Shares") for up to a maximum aggregate consideration of \$10 million (the "Maximum Amount")
- The Board will keep under review the Company's capability to distribute excess cash by way of dividends or additional buybacks, considering the operating environment and the Company's liquidity position

Buyback Programme execution

The Buyback Programme will be executed in accordance with the Company's authority to make on-market purchases of Shares which was approved by shareholders at the Company's AGM on 16 June 2023. The Company expects to propose the renewal of the shareholder authority to carry out on-market purchases at the 2024 AGM so that this option remains available to the board as part of the future overall shareholder return strategy.

The Company has entered into an agreement with its brokers, Canaccord Genuity Limited ("Canaccord Genuity") and Peel Hunt LLP ("Peel Hunt") (together the "Brokers"), to carry out on-market purchases of Shares up to the Maximum Amount within agreed parameters on an irrevocable and non-discretionary basis. Purchases of Shares will be made on the Company's behalf in accordance with the agreement with the Brokers and may continue independently of and uninfluenced by the Company during any closed period to which the Company is subject and/or if the Company comes into possession of inside information. The Company has agreed the Buyback Programme will commence immediately and run to the earlier of its completion or the Company's 2024 AGM on 21 June 2024.

So long as the Company is not in a closed period to which it is subject nor in possession of inside information (an "Open Period") the Company may elect to terminate the non-discretionary nature of the mandate. The Company may subsequently choose to reinstate the non-discretionary mandate of the Buyback Programme provided that the Company is in an Open Period at that time.

The Buyback Programme will be carried out on the London Stock Exchange and will be implemented within certain agreed parameters, including the price parameters under the relevant shareholder authority and, except as disclosed in this announcement, the safe harbour provisions set out in the Market Abuse Regulation (EU) 596/2014 (as it forms part of UK law pursuant to the European Union (Withdrawal) Act 2018) (the "Regulations") and the applicable laws and regulations of the London Stock Exchange.

A buyback of Shares on any trading day may represent a significant portion of the daily trading volumes in the Shares and may exceed 25% of the average daily trading volume specified in the safe harbour provisions of the Regulations dealing with buyback programmes and accordingly the Company may not benefit from the exemption in Article 5(1) of that regulation.

The sole purpose of the Buyback Programme is to reduce the capital of the Company. As such, all Shares purchased under the Buyback Programme will be cancelled.

The Company will make announcements and publish on its website details of any Share repurchases.

The information contained within this announcement is deemed to constitute inside information as stipulated under the Regulations. Upon the publication of this announcement, this inside information is now considered to be in the public domain and the Company confirms that it currently has no inside information.

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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

Disclaimer

This announcement contains certain forward-looking statements that are subject to the risks and uncertainties associated with the oil & gas exploration and production business. These statements are made by the Company and its Directors in good faith based on the information available to them up to the time of their approval of this announcement but such statements should be treated with caution due to inherent risks and uncertainties, including both economic and business factors and/or factors beyond the Company's control or within the Company's control where, for example, the Company decides on a change of plan or strategy. This announcement has been prepared solely to provide additional information to shareholders to assess the Group's strategies and the potential for those strategies to succeed. This announcement should not be relied on by any other party or for any other purpose.

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