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11 December 2024

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

**Operational & Corporate Update**

Gulf Keystone, a leading independent operator and producer in the Kurdistan Region of Iraq ("Kurdistan"), today provides an operational and corporate update.

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

*"2024 has been a positive year for Gulf Keystone, characterised by excellent safety performance and strong operational and financial delivery, despite the challenging operating environment. Our success in returning to consistently strong production levels while maintaining capital and cost discipline has enabled us to generate free cash flow from the local sales market in Kurdistan, facilitating the restart of shareholder distributions and the preservation of our debt-free balance sheet. Looking ahead, we remain focused on maximising shareholder value from local sales, with a sustained commitment to capital and cost control while safely maintaining the production capacity of the Shaikan Field. We also continue to engage with government stakeholders, as a company and industry, to unlock an exports restart solution."*

**Operational**

- Strong safety performance continues, with zero Lost Time Incidents for over 695 days
- Gross average production of c.40,200 bopd in 2024 year to date:
  - October gross average production of c.34,300 bopd, reflecting temporary impact of road closures and subsequent disruption to truck availability around the Kurdistan parliamentary elections on 20 October, which has since eased
  - November gross average production of c.29,500 bopd due to the planned PF-1 shutdown, which was completed successfully at the beginning of December
  - Following the gradual ramp up of PF-1, gross production is currently c.46,000 bopd, with December to date gross average production of c.34,500 bopd
  - Realised prices have remained stable at c. 27-28/bbl
- The Shaikan Field reservoir continues to perform well, with a low-cost work programme of well interventions, maintenance and PF-1 safety upgrades executed to maintain and enhance production capacity

**Financial**

- The Company's continued focus on capital and cost discipline has underpinned sustained free cash flow generation, despite the recent temporary disruptions to production and local sales
- Improving liquidity has enabled the Company to declare 55 million of aggregate dividends and share buybacks in the year to date while maintaining a strong, debt-free balance sheet
  - 35 million of dividends paid and 10 million of share purchases completed
  - Ongoing share buyback programme of up to 10 million
- The Company's cash balance was 95 million as at 10 December 2024

**Outlook**

- The near-term local sales outlook is strong although the market remains difficult to predict in the longer term
- The Shaikan Field's production capacity remains around current production levels in the current investment constrained environment
  - The Company continues to optimise well production rates to avoid traces of water and manage field declines estimated at 6-10% per year
- 2024 capital and cost guidance confirmed
  - Expected 2024 monthly average net capital expenditure, operating costs and other G&A run rate unchanged at c. 7 million, including annual net capex of c. 20 million
- The Company is finalising its work programme for 2025 and expects to provide capital and cost guidance as part of an Operational & Corporate Update announcement in January 2025
  - Expect disciplined and flexible programme focused on safety, reliability and maintaining the production capacity of existing wells, with activity levels similar to 2024
- Gulf Keystone remains committed to returning excess cash to shareholders via dividends or share buybacks, subject to the liquidity needs of the business and its operating environment
  - The Company is today extending its ongoing share buyback programme of up to 10 million, which will run to the earlier of its completion or the 2024 Full Year Results on 20 March 2025 (previous expiry: 31 December 2024)
  - The programme will continue to be executed in accordance with the Company's authority to make on-market purchases and in accordance with the terms announced on 8 October 2024
  - As announced previously, the Board plans to review the Company's capacity to declare an interim dividend on a semi-annual basis around its Full Year and Half Year Results, with the next review taking place in March 2025
- The Company continues to engage with government stakeholders regarding a solution to enable the restart of Kurdistan crude exports through the Iraq-Turkey Pipeline
  - In November 2024, the Iraqi Council of Ministers approved an amendment to the Iraqi 2023-2025 Budget Law regarding compensation for Kurdistan's oil production and transportation costs
  - As reported in the media, the amendment remains subject to approval by the Iraqi Parliament, which is expected to return from recess in early January 2025
  - While the Company believes the amendment is a positive step towards the resumption of exports, a number of key details remain outstanding

- regarding payment surety for future oil exports, the repayment of outstanding receivables and the preservation of current contract economics
- Gulf Keystone, along with other International Oil Companies in Kurdistan, remains ready to engage with the Government of Iraq and Kurdistan Regional Government to clarify key terms and finalise written agreements prior to resuming oil exports

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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)

**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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