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

Report on Payments to Governments for 2024

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 2024 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

	2024
Production entitlements in-kind ⁽¹⁾ ('000 bbl)	4,987
Production entitlements in-kind ⁽¹⁾ ('000)	134,261
Royalties in-kind ⁽¹⁾ ('000 bbl)	1,192
Royalties in-kind ⁽¹⁾ ('000)	32,098
Licence fees and capacity building payments in-kind ⁽²⁾ ('000)	8,566
Infrastructure improvement payments ⁽³⁾	218
Total ('000 bbl)	6,177
Total ('000)	175,080

1. 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 as a payment to the KRG. Throughout all of 2024, 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.
2. All sales in the period were sold locally with the KRG receiving 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 cash settled, but rather offset against historic revenue due from the KRG, which has not yet been recognised in the financial statements.
3. Support for local communities including drilling of water supply well and providing water filtration equipment, purchase of generators following severe floods, planting olive trees and upgrade of road-calming measures. In addition, provided training to local villagers including literacy programmes and sewing courses.

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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

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