

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

Restart of Kurdistan crude exports via the Iraq-Türkiye Pipeline

Gulf Keystone is pleased to announce that the Company, along with several other International Oil Companies ("IOCs") operating in the Kurdistan Region of Iraq ("Kurdistan"), has signed agreements with the Kurdistan Regional Government ("KRG") and the Federal Government of Iraq ("FGI") to enable the restart of international crude exports from Kurdistan.

Pipeline exports from the Shaikan Field are expected to restart in the coming days.

The agreements to restart Kurdistan crude exports are in full compliance with Iraq's 2023-2025 Budget Law while maintaining the sanctity of Kurdistan's Production Sharing Contracts ("PSCs"). The Budget Law provides for an interim period, currently anticipated to be around three months, during which IOCs will be compensated for exported production to cover the costs of production and transportation. As a result, the Company expects an improvement in Shaikan Field realised prices to above \$30/bbl in this interim period compared to \$27-28/bbl in local sales. Subsequently, a reconciliation to full PSC entitlement at international prices (adjusted for crude quality and transportation costs) is expected following a review of IOC invoices and contractual costs conducted during the interim period by an international independent consultant.

The Iraqi State Organization for Marketing of Oil ("SOMO") will transport the crude from Fishkhabour in Kurdistan to Ceyhan in Türkiye while the KRG and the IOCs will market Kurdistan crude at the Kirkuk blend official selling price. The Company and other IOCs will be paid from the sale of their allocation at Ceyhan via a nominated trader who will deposit the sales proceeds into an escrow account at an international bank before the funds are disbursed to the IOCs. During the interim period, the Company will continue to engage with the KRG regarding a payment mechanism for the outstanding October 2022 to March 2023 receivable balance as part of broader ongoing negotiations to resolve other Shaikan commercial matters. A further announcement will be made if and when appropriate.

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

"The restart of Kurdistan crude exports via the Iraq-Türkiye Pipeline is a historic milestone for Gulf Keystone, Kurdistan and Iraq that is expected to unlock significant value for all stakeholders. A return to international sales prices will be transformative for the Company's cash flow while we believe the signed agreements with the KRG and FGI, along with the Production Sharing Contracts, will facilitate long term profitable investment in Kurdistan's oil and gas reserves, of which the Shaikan Field accounts for a significant portion. We are delighted to have reached this successful resolution and are looking forward to the future as we remain focused on driving value for Gulf Keystone shareholders."

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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

Disclosure regulation

This announcement contains inside information for the purposes of the UK Market Abuse Regulation ("UK MAR"). This information is considered to be inside information pursuant to the EU Market Abuse Regulation ("EU MAR") and is subject to the disclosure requirements pursuant to EU MAR article 17 and section 5-12 of the Norwegian Securities Trading Act. This stock exchange announcement was published by Aaron Clark, Head of Investor Relations and Corporate Communications of Gulf Keystone, at the date and time as set out above.

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.