

Genel Energy PLC (GENL)

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17 May 2018

Genel Energy plc

AGM Statement

Stephen Whyte, Chairman of Genel Energy plc ('Genel' or 'the Company'), will give the following update on the business at the Company's Annual General Meeting, which is being held at 11.00am today at Linklaters LLP, One Silk Street, London, EC2Y 8HQ.

"After a landmark 2017, Genel is continuing to build momentum and generate significant amounts of cash, successfully progressing our strategy as we strive to create value for shareholders. Payments from the Kurdistan Regional Government ('KRG') have remained regular in 2018, and Genel has received over \$100 million in the year so far. We are now approaching three years of consistent payments from the KRG.

Our firm focus on capital discipline and identifying the best route to shareholder value creation has converted a material portion of these revenues into free cash flow, and our cash continues to grow at pace. This has led to a material improvement in our financial strength: as at 1 May 2018, unrestricted cash balances stood at \$208 million (\$162 million at 31 December 2017), with IFRS net debt at \$89 million, a reduction of \$46 million in the first four months of the year.

Our disciplined capital allocation strategy targets those opportunities that can create maximum value for shareholders. Given the potential and performance of the Peshkabir field, this is the focus of our capital expenditure in the first half of 2018, as the field offers exciting near-term production upside.

The first three of the six wells planned at Peshkabir have progressed on time and on budget. The Peshkabir-4 well is set to begin testing imminently, Peshkabir-5 has reached target depth and will be testing shortly, and Peshkabir-6 is drilling ahead.

As the operator DNO has stated, production of 30,000 bopd is being targeted by the summer, doubling the 15,000 bopd from the field in the year to date - with the potential for more to follow. As Peshkabir cash flows benefit from the Receivable Settlement Agreement, and the oil price is continuing to show strength, this increase in production promises a further increase in cash flow from the Tawke PSC.

Away from Peshkabir, the Tawke-48 well was brought onstream in April at more than 5,000 bopd, and additional development wells will follow in 2018 following mobilisation of a fourth rig. At Taq Taq, current gross production is just under 13,000 bopd, ahead of the resumption of drilling in the second half of the year.

Our existing portfolio offers material growth potential, with Peshkabir the first of many opportunities, and we have the flexibility to move forward with those opportunities that can create the most value. Bina Bawi and Miran retain transformational potential, both in terms of gas and oil. The upstream part of the gas project has been materially de-risked and light oil at Bina Bawi offers an exciting opportunity, the progression of which is a key focus.

As work continues to generate value from our current assets, we also have the financial strength to add assets that build on the strengths of our portfolio. Governed by strict investment criteria prioritising areas with low to moderate political risk while retaining a focus on significant cash generation, Genel has the potential to develop a rich funnel of opportunities and in turn fulfil our strategic ambition of being a world-class independent E&P creator of shareholder value.

We have a clear strategy, material growth opportunities, and the right management team to deliver on that strategy."

Genel will announce results for the six months ending 30 June 2018 on Tuesday 7 August 2018.

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Notes to editors:

Genel Energy is an independent oil and gas exploration and production company listed on the main market of the London Stock Exchange (LSE: GENL, LEI: 549300IVCJDWC3LR8F94). The Company, with headquarters in London and offices in Ankara and Erbil, is one of the largest London-listed independent oil producers, and is the largest holder of reserves and resources in the Kurdistan Region of Iraq. Through its Miran and Bina Bawi fields, the Company is positioned to be a cornerstone provider of KRI gas to Turkey under the KRI-Turkey Gas Sales Agreement. Genel also continues to pursue further growth opportunities. For further information, please refer to www.genelenergy.com.

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