

Report on Payments to Governments

30 June 2016

Genel Energy plc

Report on payments to governments for the year 2015

Introduction

This report sets out details of the payments made to governments by Genel Energy plc and its subsidiary undertakings ('Genel') for the year ended 31 December 2015 as required under the Disclosure and Transparency Rules of the UK Financial Conduct Authority (the 'DTRs') and in accordance with our interpretation of the draft Industry Guidance issued for the UK's Report on Payments to Governments Regulations 2014, as amended in December 2015 (the 'Regulations'). The DTRs require companies in the UK and operating in the extractive sector to publicly disclose payments made to governments in the countries where they undertake exploration, prospecting, development and extraction of oil and natural gas deposits or other materials.

This report is available to download on the Genel website: www.genelenergy.com/investor-relations/results-reports-presentations.

Basis for preparation

Total payments below £86,000 made to a government are excluded from this report as permitted under the Regulations.

All of the payments made in relation to licences in the Kurdistan Region of Iraq ('KRI') have been made to the Ministry of Natural Resources of the Kurdistan Regional Government ('KRG').

Production entitlements

Production entitlements are the host government's share of production during the reporting period from projects operated by Genel. Production entitlements from projects that are not operated by Genel are not covered by this report. 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 calculation of revenue from the field.

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 our Production Sharing Contracts and can vary from project to project. Royalties have been calculated on the same barrels of oil equivalent basis as production entitlements.

Licence fees

These are fees and other sums paid as consideration for acquiring a licence for gaining access to an area where activities are performed.

Infrastructure

These are payments that relate to the construction of infrastructure not substantially dedicated for the use of extractive activities. Payments that are social in nature are excluded.

payments to governments – 2015

Licence/Country	Taq Taq	Bina Bawi	Kurdistan Region of Iraq Operated Total(1)
Production entitlement in kind (bbls)	26,727,704		26,727,704
Value of production entitlement (\$million)	1,151.96		1,151.96
Royalties in kind (bbls)	4,243,322		4,243,322
Value of royalties (\$million)	181.68		181.68
Licence fees (\$million)		25.00	25.00
Infrastructure improvements (\$million)	0.28		0.28
Total (bbls)	30,971,026		30,971,026
Total (\$million)	1,333.92	25.00	1,358.92

(1) Under the lifting arrangements implemented by the KRG, the KRG takes title to crude at the wellhead and then transports it to Ceyhan in Turkey by pipeline. The crude is then sold by the KRG into the international market. All proceeds of sale are received by or on behalf of the KRG, out of which the KRG then makes payment for cost and profit oil in accordance with the PSC to Genel, in exchange for the crude delivered to the KRG. Under these arrangements, payments are in fact made by or on behalf of the KRG to Genel, rather than by Genel to the KRG. For the purposes of the reporting requirements under the Regulations however, we are required to characterise the value of the KRG's entitlement under the PSC (for which they receive payment directly from the market) as a payment made to the KRG.

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For further information, please contact:

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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). 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 gas fields, the Company is set to be a cornerstone provider of gas to Turkey under the KRI-Turkey Gas Sales Agreement. Genel also continues to pursue further growth opportunities within the Middle East and Africa. For further information, please refer to www.genelenergy.com.