

13 January 2021

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

Operational and Corporate Update

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

Jón Ferrier, Gulf Keystone's Chief Executive Officer, said:

"I am pleased to report that throughout 2020, Gulf Keystone successfully managed the challenging operating environment delivering record annual average production of over 36,600 bopd and in December, record monthly average production of over 43,000 bopd. Planned debottlenecking works have increased PF-1 production capacity to more than 30,000 bopd and the Company expects to deliver average gross production in 2021 of 40,000 to 44,000 bopd. We look forward to updating guidance once conditions allow resumption of the 55,000 bopd expansion.

I would like to thank the team at GKP for their dedication and professionalism in what has been a challenging year for the E&P sector. I look forward to working closely with my successor, Jon Harris, to effect a smooth handover of responsibilities and I am confident of the continuing success of the Company."

Operational

- GKP's continued strong focus on safety resulted in no Lost Time Incidents during 2020.
- The Company has effectively managed to minimise the impact of COVID-19 on our staff and contractors and ongoing production operations.
- In 2020, average gross production at Shaikan was 36,625 bopd, exceeding the top end of the guidance range and the highest annual average production rate to date from the field.
- The previously announced PF-1 plant debottlenecking work has delivered production capacity in excess of 30,000 bopd.
- As a result, Shaikan Field production has increased and is currently c.44,000 bopd.

Financial

- Total cash received from the Kurdistan Regional Government ("KRG") during 2020 for payments of crude oil sales was \$129 million (\$101 million net).
- As a result of increased production and the recent improvement in the oil price, the December 2020 crude oil sales invoice submitted to the KRG was \$18.0 million (\$14.1 million net), up 65% from the previous month.
- As at 12 January 2021, the Company had a cash balance of \$147 million.

Corporate

- Jon Harris to join as Chief Executive Officer and Board member on 18 January 2021.

Outlook

- Guidance for 2021 is: 40,000 to 44,000 bopd average gross production, \$15 to \$20 million net Capex and \$2.5 to \$2.9/bbl Opex.

- Guidance will be updated once conditions allow well workovers and/or the restart of the drilling programme to achieve 55,000 bopd.
- Following receipt of the previously announced proposal to repay the arrears from the outstanding November 2019 to February 2020 invoices, totalling \$73.3 million (net), the Company continues to engage with the KRG and will provide an update in due course.
- The Company remains committed to maintaining its strong financial position and, as conditions continue to improve, will look to return to a balance of growth focussed field development investments and shareholder distributions.

This announcement contains inside information for the purposes of the UK Market Abuse Regime.

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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

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.