

Gulf Keystone Petroleum Corporate Overview



8th January 2008



- Founded by UAE, Kuwaiti and US private equity
- Incorporated in Bermuda in 2001
- Listed on the AIM Market of the London Stock Exchange in 2004 (GKP.I)
- Current Market Capitalisation: US\$170 million
- Offices in Bermuda, London, Algiers, Hassi Massaoud and Erbil

Shareholder structure

- Founders and Management (ca. 35.0%)

Top 10 institutional shareholders (ca. 47%)

- Fidelity International (UK)
- Oppenheimer Funds (US)
- Credit Suisse (MM)
- UBS Warburg (MM)
- Artemis Investment Mgt
- RAB Capital Ltd
- Evolution Securities (MM)
- Gartmore Investment Mgt
- Henderson Global Investors
- Credit Suisse Prime Brokerage

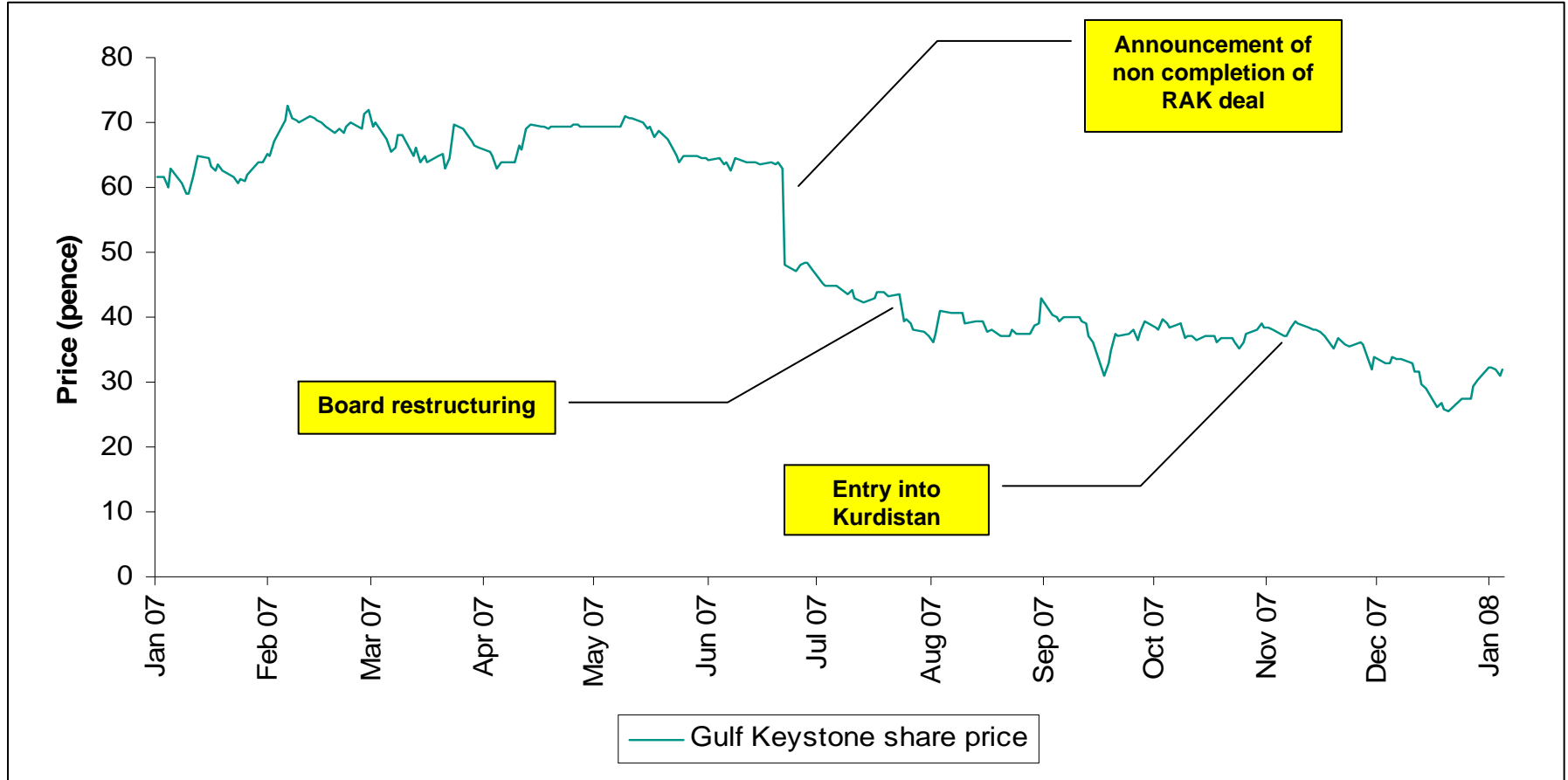


- Gulf Keystone started as a company solely focused on Block 126 in north eastern part of Algeria
- Five operated wells were drilled in this region by Gulf Keystone with little success
- In 2005 the company acquired the HBH License area in central Algeria
- HBH was farmed out to BG Group. GKP has the majority stake with 38.25% - BG Group are the operator
- Active six well exploration program on HBH underway
- In 2007 BG acquired 2,047 line km of 2D seismic and 533 sq km of 3D seismic over the HBH field discovery
- The first appraisal well on HBH spudded on 16th December 2007

- In early 2007 an offer was made for the company by RAK Petroleum – this deal failed to complete and led to a dramatic fall in the share price of the company
- In late 2007 GKP entered into two PSC's in the Kurdish Region of Iraq ("Kurdistan")
 - 75% interest in Shaikan block (GKP operated)
 - 20% interest in Akri-Bijeel block (MOL operated)
- The block has significant potential to find large oil resources
- This is part of a concerted effort to diversify into other countries in the MENA region

- In 2008 GKP will focus on
 - The HBH asset in Algeria – 3 appraisal and 3 exploration wells will be drilled by the operator BG
 - 2D seismic and intends to drill one exploration well in Kurdistan
 - Further additions to the Board

GKP Share price graph – Jan 2007 to Jan 2008





Current Status

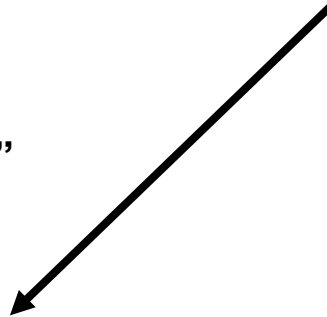
- Strategic “footprint” in Algeria
- Early entry into Kurdistan
- Major opportunity set in MENA



Strategy (Market Drivers)

- Increased Materiality / “Critical Mass”
- Increased Market Liquidity
- Selective diversification

“Organic Growth”



- Major Algerian E&A program / Early Cash Flow
- Monetise and build further the Kurdistan Portfolio
- Exploit niche strengths to access 1-2 other MENA countries

“Structural Growth”



A&D / M&A

- Exploit MENA asset “Food Chain”
- Exploit consolidation of E&P sector



- **2007 was a year of active progress**

- HBH - extensive 2D and 3D seismic data sets were acquired and are currently being interpreted
- HBH-4 drilling commenced on 16th December 2007
- GKP currently recruiting new board members
- GKP has a strong technical team that has a proven track record in the oil industry
- GKP diversified out of its 100% Algeria focussed position and secured interests in two blocks in Kurdistan.
- Kurdish Region of Iraq has the potential to be a world class hydrocarbon province
- GKP believes it is well positioned to operate and seek out further growth opportunities

- **2008 focussing on operations**

- Commenced a 6 well drilling program on the HBH asset
- HBH-4 well results expected in the next month
- plan to start 2D seismic acquisition in Kurdistan in Q1 2008
- Aim to drill our first operated well in Kurdistan in Q4 2008
- GKP will continue to strengthen the board / management team

Company Overview – Board and Management Team



Non Executive Directors

Chairman*
Vacant

Non Executive *
Vacant

Mehdi Varzi

Board

Todd Kozel (1,2,3)
Chief Executive Officer

Jon Cooper (2)*
Finance
Director

Ali Al Qabandi (1) (2)
E.V.P
Business
Development

Management Team

David
Mackertich
E.V.P.
Exploration/
Technical

Ibrahim
Alkhalidi (1)
Chief Operating
Officer

Chris Garrett
V.P
Operations
& MD UK

(1) Original Founder (2) Board of GKP Ltd (3) Acting Chairman

* Currently undertaking a search for a Chairman, a non-exec and new FD

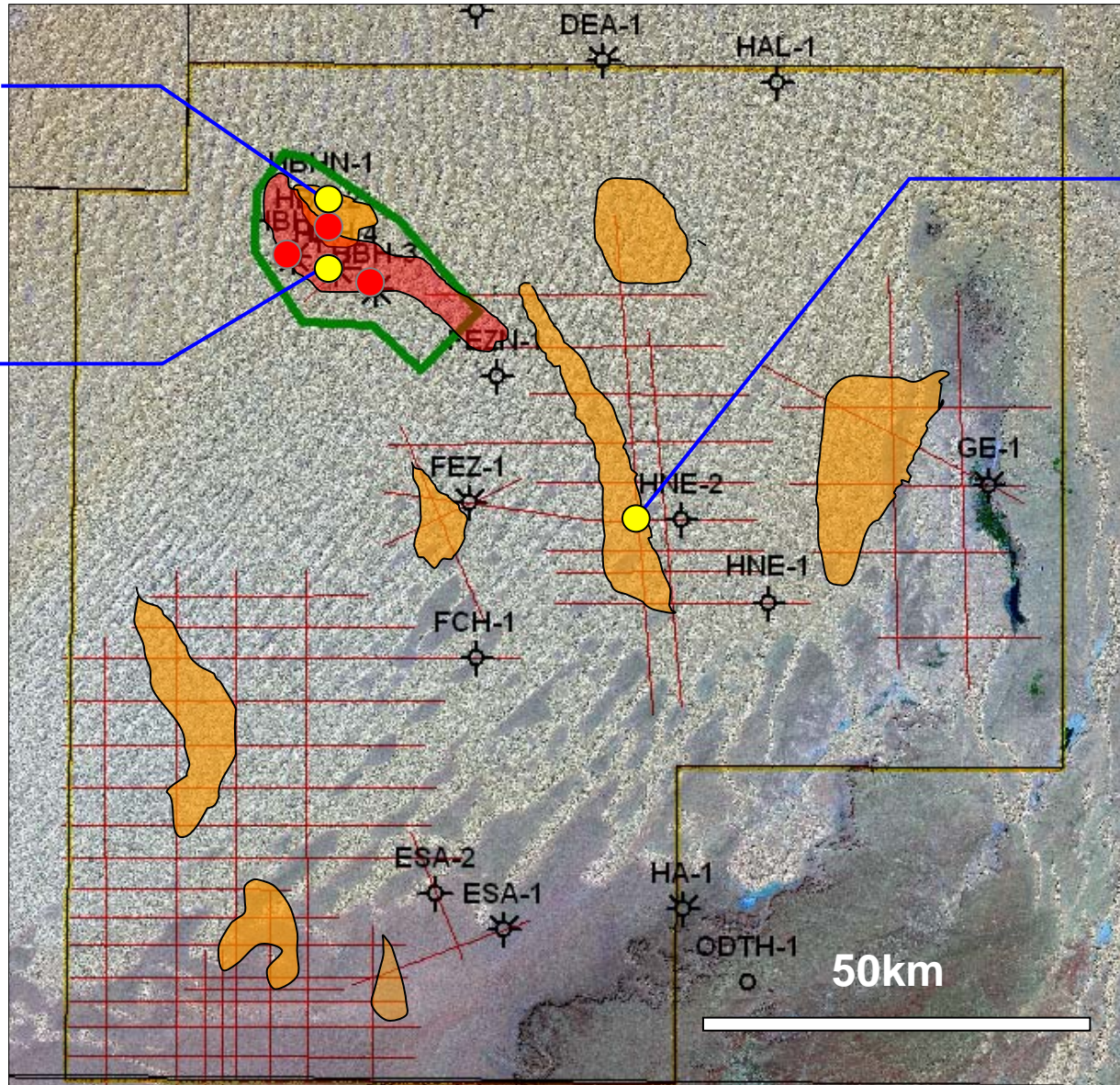


- One new non executive director has recently been appointed
 - Mehdi Varzi has a wealth of experience in the oil and gas sector which includes
 - Working for the National Iranian Oil Company and joining the Iranian Ministry of Foreign Affairs
 - Mehdi worked as a macro oil and gas analyst in the City of London latterly with Dresdner Kleinwort Wasserstein (DrKW) for 23 years
 - In 2001 Mehdi established Varzi Energy an independent global energy consultancy
 - Mehdi is a board member of Sonoran Energy Inc.
- Second non executive appointment will be announced in due course
- Search for a New FD is underway – anticipated that appointment will be made in Q2 2008
- Search for new Chairman is underway with Todd Kozel acting as the temporary Chairman in the interim



- GKP completed its farm out to BG in December 2006
- GKP negotiated a \$30 MM carry, a cash consideration of \$55 MM and an additional deferred consideration contingent upon commercial reserves
- GKP's carry was used to fund GKP's share of the 2D and 3D seismic programmes in 2007
- Licensees of the HBH Permit are
 - Gulf Keystone 38.25%,
 - BG Group 36.75% (operator)
 - Sonatrach 25%
- **2047 km 2D seismic** have been acquired across large parts of the block and **533 sq km of 3D seismic** across the HBH field / discovery
- A 6 well program commenced on 16th December 2007 with the spud of HBH-4 well
- The well is an appraisal well whose objectives are to confirm the presence of the sandstone reservoir and the extent of the HBH field gas accumulation
- The results of the HBH-4 well should be announced within next month
- HBH six well program is scheduled to complete in Q3 2008

HBH – seismic and drilling activity



HBH North
(Planned spud
Feb 2008)

HBH-4
(Drilling)

RM Exploration
well (Planned
spud April 2008)

KEY :
— : New 2D acquired
— : New 3D acquired



Provisional HBH Drilling Schedule*

HBH Provisional Drilling Schedule	2008												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep				
Well													
HBH-4 - Appraisal well	■	■											
HBH North - Exploration well		■	■	■	■								
RM - Exploration well				■	■	■	■						
"Other" - Exploration well							■	■	■				
HBH-5 - Appraisal well								■	■	■			
HBH-6 - Appraisal well											■	■	

HBH forward plan, cost estimates and objectives

- Appraise HBH field – c. 995 Bcf of gas
 - 3 appraisal wells planned

- Explore greater HBH block prospectivity
 - 3 exploration wells planned

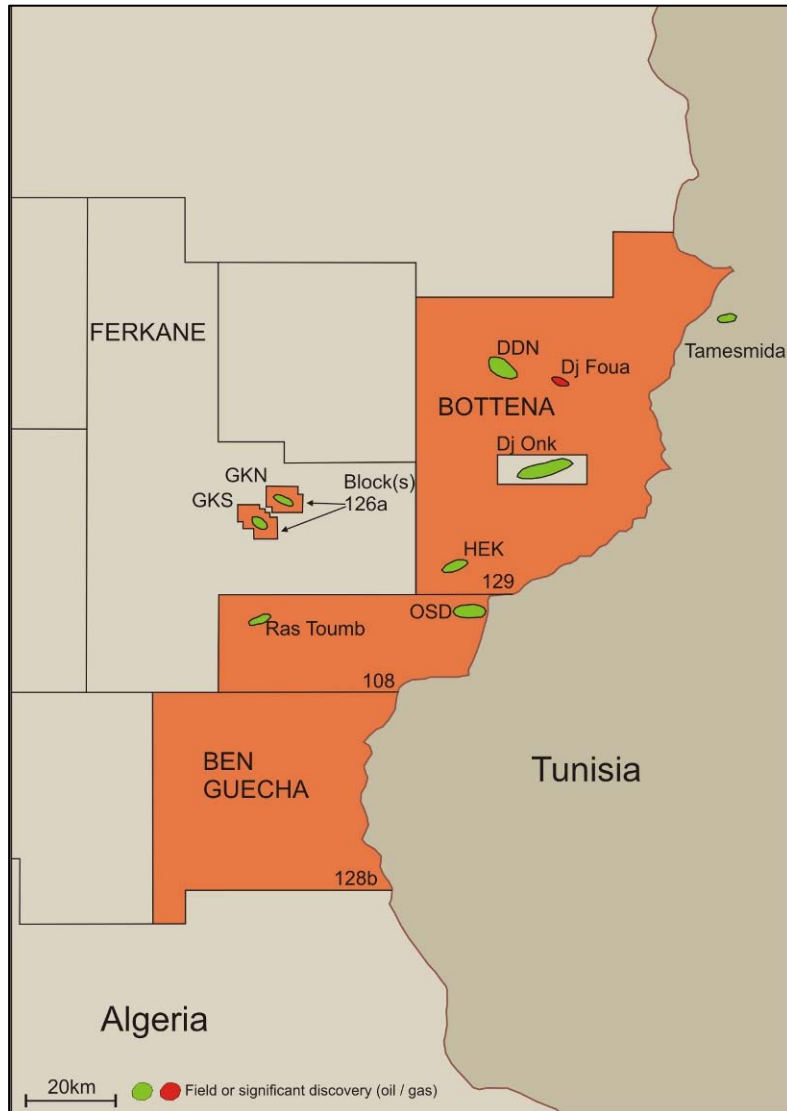
* The above schedule is subject to change and the final drilling schedule will ultimately be subject to partner approval



HBH-4 rig – photo courtesy of BG Group

HBH-4 well objectives and progress

- HBH-4 field appraisal well spudded on December 16th 2007
- Planned TD of ca. 1000 m
- Objectives:
 - locate reservoir and help to confirm sandstone distribution
 - prove presence of gas in the reservoir
 - acquire modern data over the reservoir interval and test if deemed necessary
- Results should be known within the next month
- After which the rig will move on to the HBH North location which is ca. 11 km to the north of HBH-4



- Gulf Keystone has thus far been unable to secure GKN and GKS production licenses in northern Algeria GKS
- Renewed dialog is currently in progress with the Algerian authorities
- No further capital expenditure planned on the northern Blocks until the license issue is satisfactorily resolved
- GKP has guarantees of US \$ 21.6 mm for 3 wells and a seismic program over these blocks

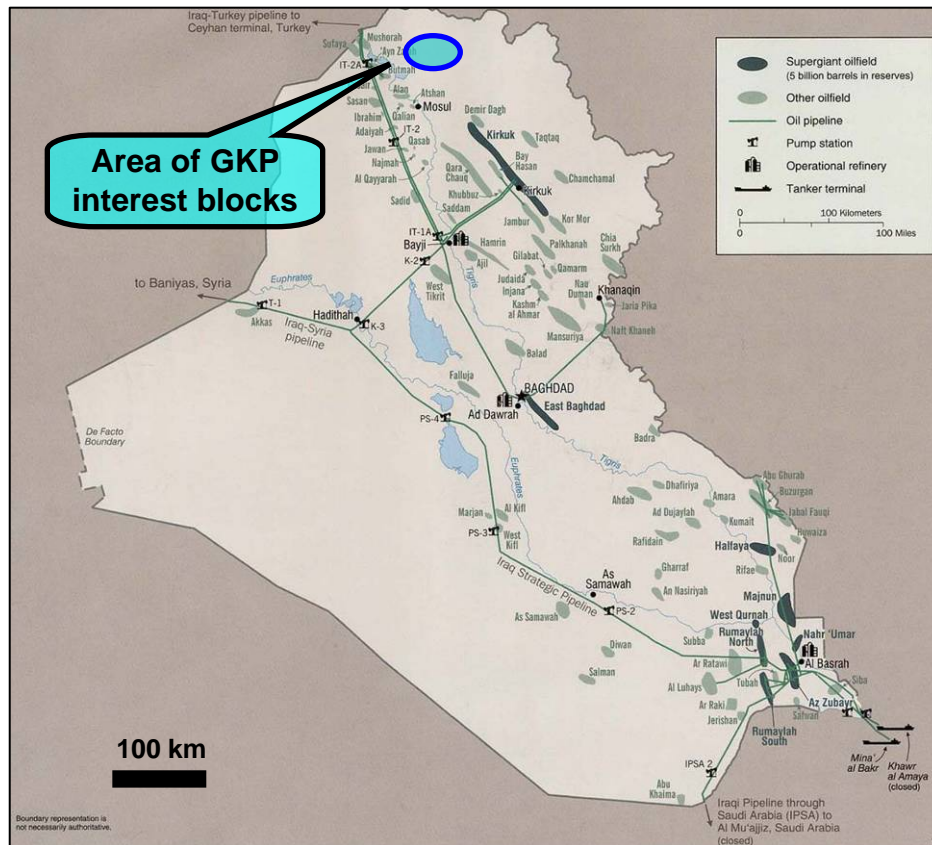
Kurdistan Region of Iraq : Key facts



- The Kurdistan Region of Iraq is located in the North eastern part of Iraq
- Region is approx 400 km x 120 km in size
- Autonomous since 1992 – having its own constitution, parliament, independent judiciary, military, and secured boundaries
- It has a unified cabinet (KDP and PUK and minor parties) since early 2006
- The only constitutionally recognised Region of Iraq under the 2005 Iraq Constitution
- Draft Federal Revenue sharing law agreed in June 2007: not yet enacted
- Kurdistan Petroleum Law August 2007 – defers to and is compliant with Iraq Constitution permitting PSAs in the Kurdistan Region



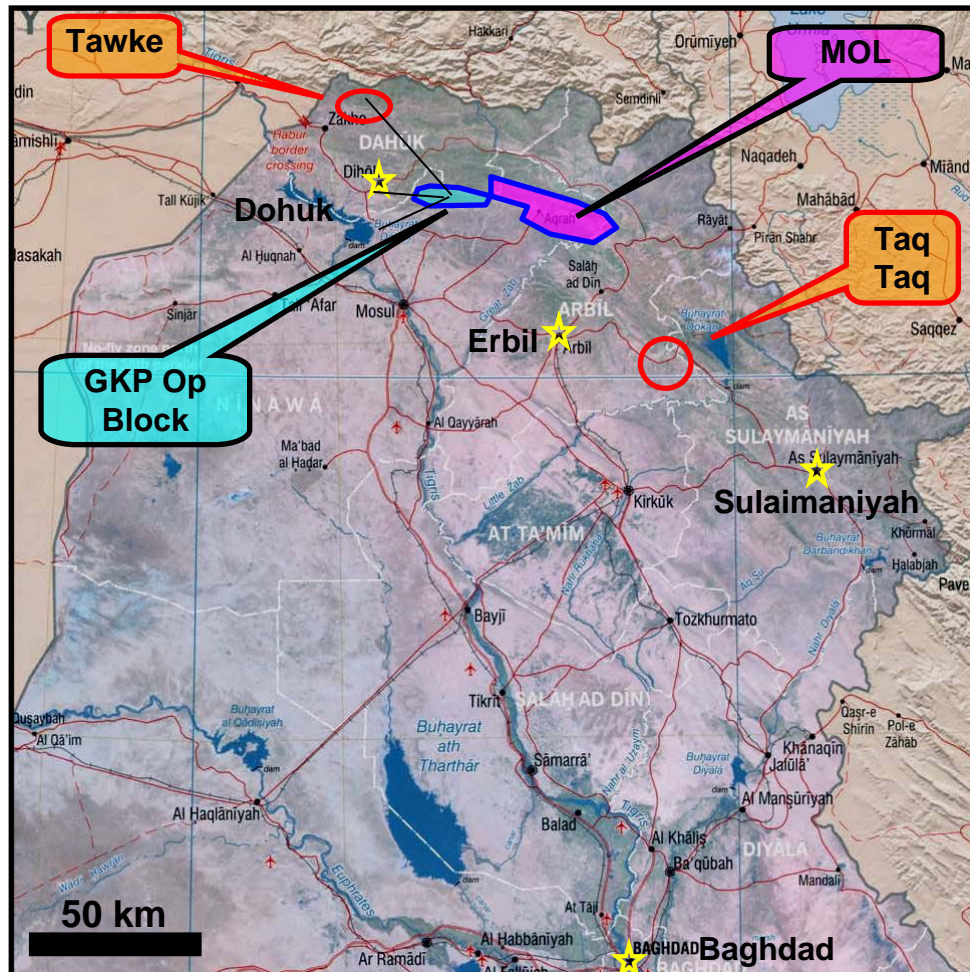
Map Source: Middle East Reference Map U.S. [Central Intelligence Agency](#), 2004



- Iraq is estimated to have proven oil reserves of 115 bn bbls of oil (Source EIA).
- Limited oil & gas activity in last 30 years
- Significant discontinuity – sanctions, wars
- Many un-drilled surface structures
- In the Kurdish Region of Iraq there have been less than 30 wells drilled (until the recent entry of DNO / TTOC)
- Multiple surface structures are evident from mapping in the Kurdistan Region of Iraq

Iraq is perhaps the last significant, accessible, onshore hydrocarbon province in the world that's yet to be properly explored

Why Kurdistan Region of Iraq ?



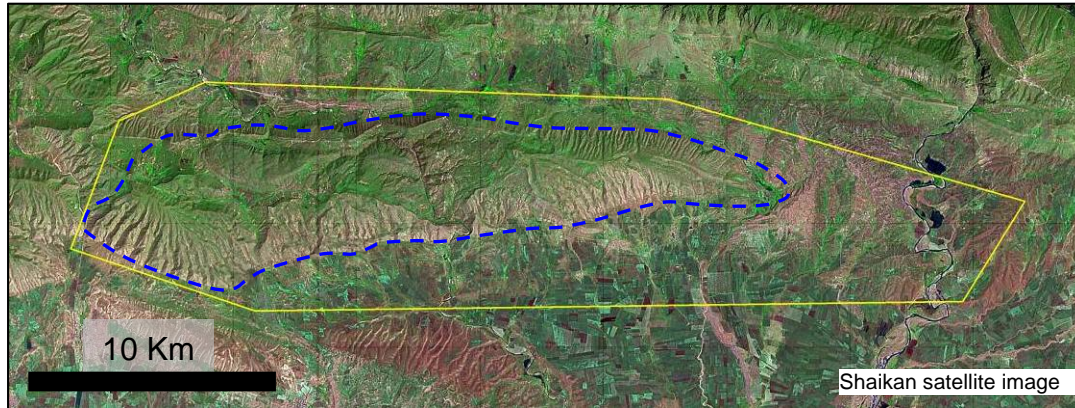
 Approx location of other companies assets (not to scale)

Tawke Field (DNO)*

- PSA signed 2004
- Operating in Northern Kurdistan for 3 years
- Acquired 2D & 3D seismic
- Newly discovered Tawke field, number of different reservoirs, 9 wells drilled to date
- Tawke-1 well aggregate test rate of 23,000 bopd
- 42 km 12" pipeline to Turkey & Central Processing facility completed
- Commenced early production and field development
- Published gross recoverable oil reserves range from 150-370 million barrels (current expected value 230 mmbbl) (Source: DNO web site)

Taq Taq Field (TTOC)*

- New activity started in late 2005
- Acquired 2D & 3D seismic
- Drilled 6/7 wells, at least 3 different reservoir zones
- Aggregate flow rates from the Taq Taq-4 & Taq Taq-7 wells were 29,790 & 37,560 bopd respectively



- GKP have signed one block as operator and entered as a partner into a second block with MOL – the two blocks are adjacent
- GKP interest blocks are c. 90 km NW of Erbil and c. 50-80 km from the Turkish border
- Erbil is 320 km NNW of Baghdad

Work undertaken to date

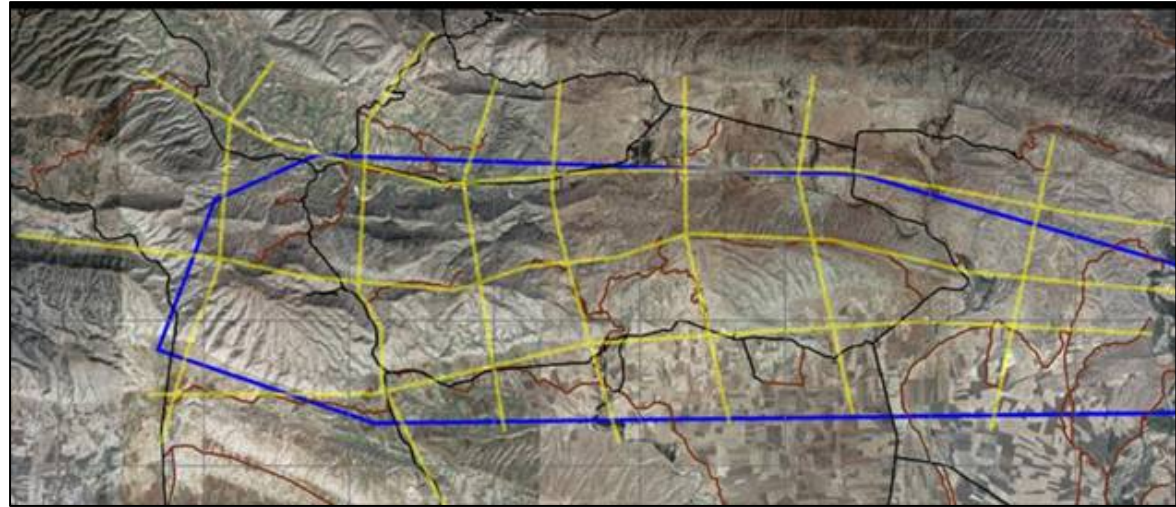
- Established & registered local GKP office in Erbil
- Field visits to Shaikan & Akri-Bijeel region
- Purchase of detailed geological maps and satellite image data
- Oil seep analysis & geochemistry
- Geological field traverses using local geologists
- 2D seismic planning underway – plan to start acquiring data in Q1 2008





Anticipated work program

- 3 year exploration phase
- 25 year PSC duration
- G&G technical work
- 150 km 2D seismic – Q1 2008
- 1 exploration well – Q4 2008



Kurdistan Provisional Schedule	2008											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Geological field work	█	█	█									
2D seismic acquisition, processing & interpretation				█	█	█	█	█	█			
Drilling planning								█	█	█		
Exploration well										█	█	█

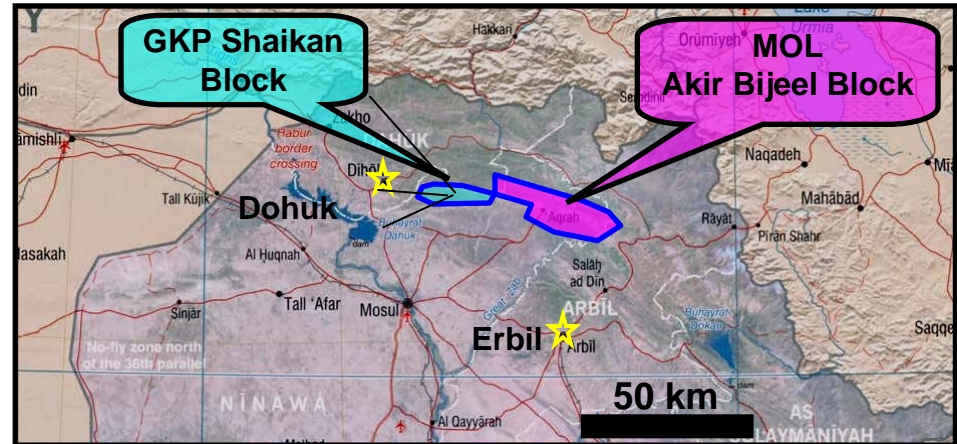


Akri-Bijeel Block

MOL (Kalegran) – (Operator - 80%)
Gulf Keystone (20%)

Anticipated work program

- 200 km 2D seismic
- 1 exploration well
- 3 year exploration phase
- 25 year PSC duration



- GKP believe that the Akri-Bijeel Block could have significant oil potential and contains two visible surface anticlines
- GKP farmed into this block for a 20% ground floor interest
- Basic field work is underway
- The work program and budget is currently being prepared by MOL



- Active drilling program in HBH asset in Algeria in 2008
 - 3 appraisal wells on a field that may have mid case resources of 995 Bcf
 - 3 exploration wells which will target prospects from the 2D and 3D seismic programmes
 - All 6 wells will drill back to back and should be completed by the end of the HBH contract period

- Exploration program about to commence in attractive exploration acreage in Kurdistan
 - Secured interests in the Shaikan (75%) and Aki-Bijeel Blocks (20%)
 - Prospect potential thought to lie in the range 100-300 mmbo in GKP block
 - Seismic acquisition due to commence in Q1 2008
 - Hope to drill in Q4 2008
 - Partnership with MOL in an adjacent block with perceived similar prospectivity



Todd Kozel
CEO

- **Co-Founded Gulf Keystone UAE in 2000**
- **20 Years US / International E&P Management**
- **Texas Keystone 1995 – 2004**
- **Co-Founded Falcon Drilling**



Ali Al Qabandi (Founder)
V.P. Business
Development

- **Extensive Oil and Gas experience within the Kuwaiti oil industry**
- **Numerous executive positions and committee directorships for the Kuwait Oil Company**
- **Co-Founded Gulf Keystone UAE in 2000**



Ibrahim Al-Khaldi
(Co- Founder)
Chief Operating Officer

- **Business development officer for MENA for Baker Atlas**
- **(Baker Hughes Subsidiary)**
- **General field engineer for western Atlas**



Chris Garrett
MD UK
VP Ops

- **29 years of oilfield experience with Core Laboratories, Western Geophysical, Baker Hughes and Randall & Dewey.**
- **Managing Director of the UK Office and Operations Manager.**

Appendix – Executive Management Team



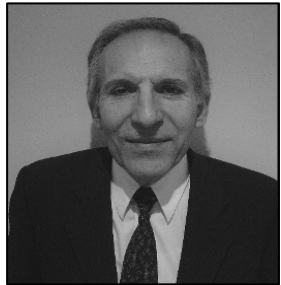
Dr Jon Cooper
Finance Director

- **Qualified Accountant by background**
- **Experienced finance professional focussing on oil and gas industry**
- **9 years oil and gas corporate finance with DrKW**
- **Departs 23 January 2008**



David Mackertich
EVP Exploration and
Technical

- **Geologist, M.Sc Petroleum Geology, MBA**
- **UK DTI 1988 to 1991, Amerada Hess 1991 to 2003**
- **19 years International Exploration & Business Development**



Mehdi Varzi
Non Exec

- **Worked with National Iranian Oil Company prior to joining Iranian Ministry of Foreign affairs**
- **Macro Oil Analyst with Dresdner Kleinwort Benson 1986-2005**
- **Consultant /Non-exec to a number of oil and gas companies**



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