

HKN Energy Ltd.



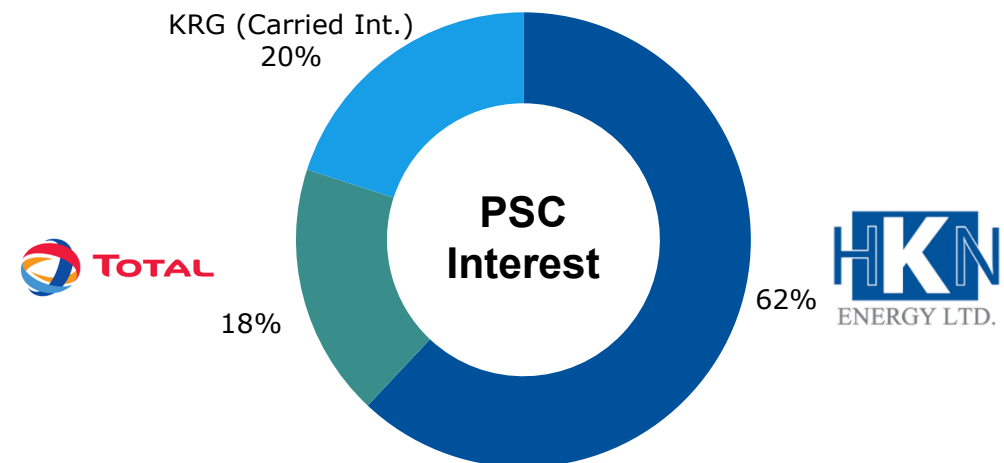
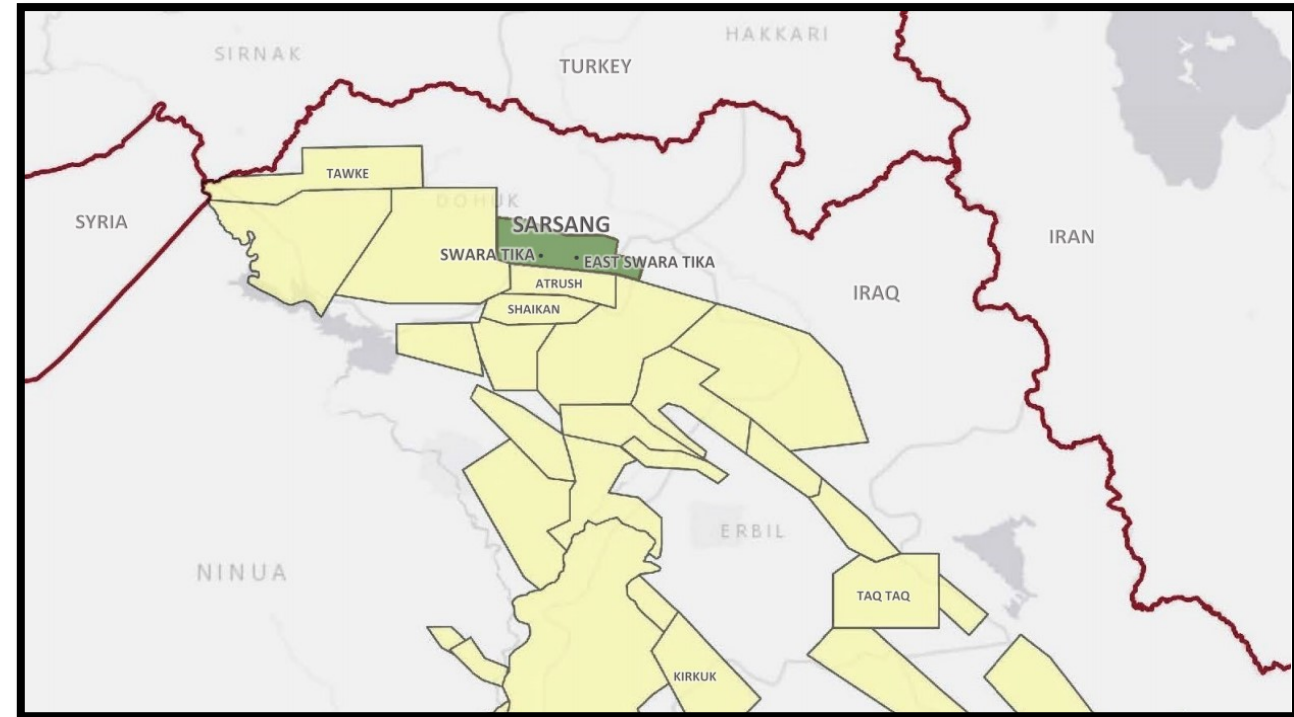
26 February 2020

SB1M Energy Conference



HKN is a Leading Kurdistan E&P Company

- **Operator of Sarsang Block in Northern Kurdistan since 2007**
- **Two distinct producing fields, each with three independent Triassic reservoirs**
 - Swara Tika (ST)
 - East Swara Tika (EST)
- **380MMstb of gross 2P reserves in Triassic reservoirs**
- **Currently producing from 6 wells into 3 production facilities**
- **High quality light oil (API 36-40) with low sulfur sells for a premium price**
 - \$7.08/bbl discount to Brent in 2019 excluding trucking related expenses of \$2.23/bbl
- **Highest priority remains on safety**



2019 Highlights

22.3MMbbl

Cumulative production (gross) as of 31 December 2019

\$157 million⁽¹⁾

Payments received in 2019 for oil sales (\$190 million Revenue)

23.3k bopd

Production (gross), increased from ~17k bopd in 2018

30.2k bopd

Peak gross production in 2019

\$83 million⁽¹⁾

Cash balance at 31 December 2019

\$100 million

Nordic bond closed in Q1 2019

\$49 million

DFC (formerly OPIC) loan commitment letter executed in December

(1) KRG oil payment delay during last 2 months of 2019 impacted cash by \$23 million. Both payments were collected in January 2020.

2019 Operating Highlights

• Production

- Transitioned operatorship of both ST facilities; EST transition planned for 2020

• Drilling

- Drilled & completed ST-B2
 - Tested Triassic KCC at +7,000 bopd and ~38 API
 - In the lower KCC anhydrite, HKN conducted it's first test in an anhydrite section which flowed 36 API oil at a rate up to ~7,500 bopd on 2" choke
 - Multiple zones tested in Triassic KCB reservoir with rates ranging from 4,000 bopd to 9,000 bopd and ~36 API
- EST-A1 successfully completed in the Triassic KCB reservoir
- ST-A1 well spud in late November and completed this month
 - Drilling costs under budget

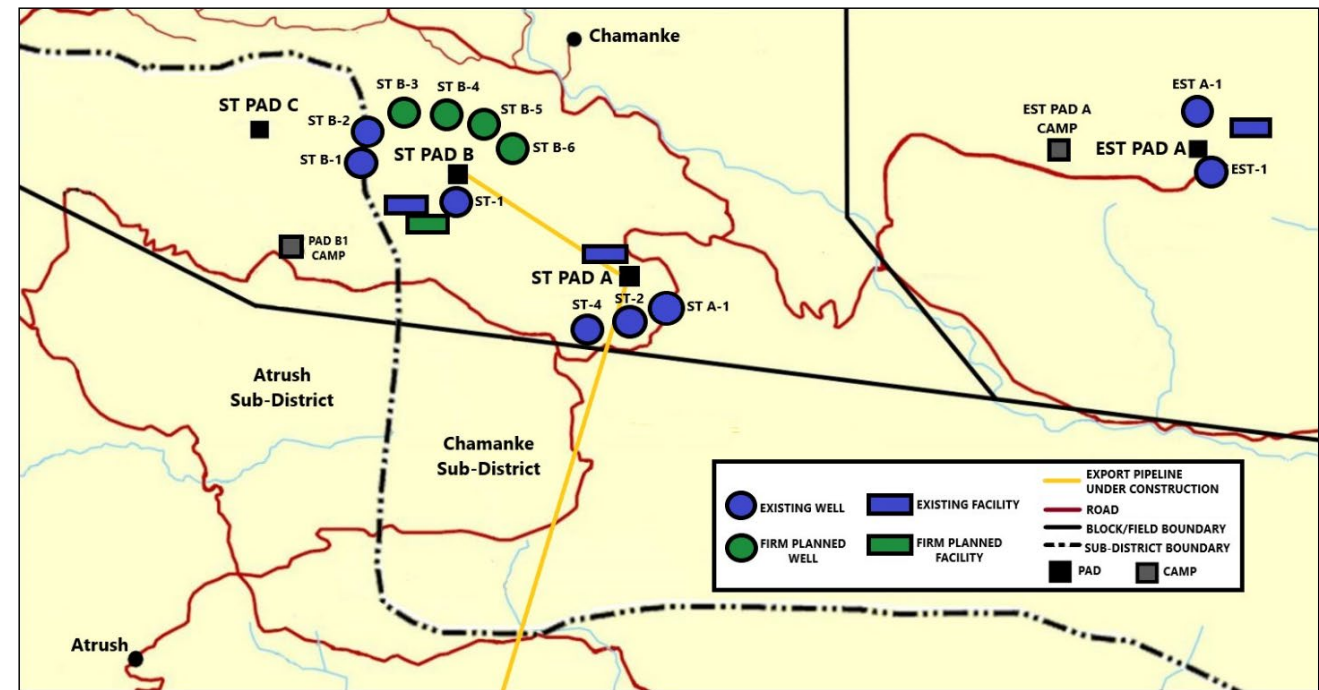
• Facilities

- Began construction of Pad B 25k bopd facility with one-third complete
- Facility upgrades underway – water and gas handling capabilities

• Seismic

- Acquired 3D seismic across approximately 50% of Swara Tika structure; processing will be completed in 2020

Illustration of Sarsang block infrastructure



Significant Value Creation Opportunities

2020-2021 (50,000+ bopd)

- Complete new 25k bopd facility by Q1 2021
- Drill 5 wells (1 completed January 2020)
- Efficiency improvements on existing facilities
- Reduce OPEX/bbl
- Process 3D seismic
- Advance gas handling solution
- Connect to KRG pipeline

Execute on approved FDP
funded by bond proceeds

LONG-TERM POTENTIAL (100,000+ bopd)

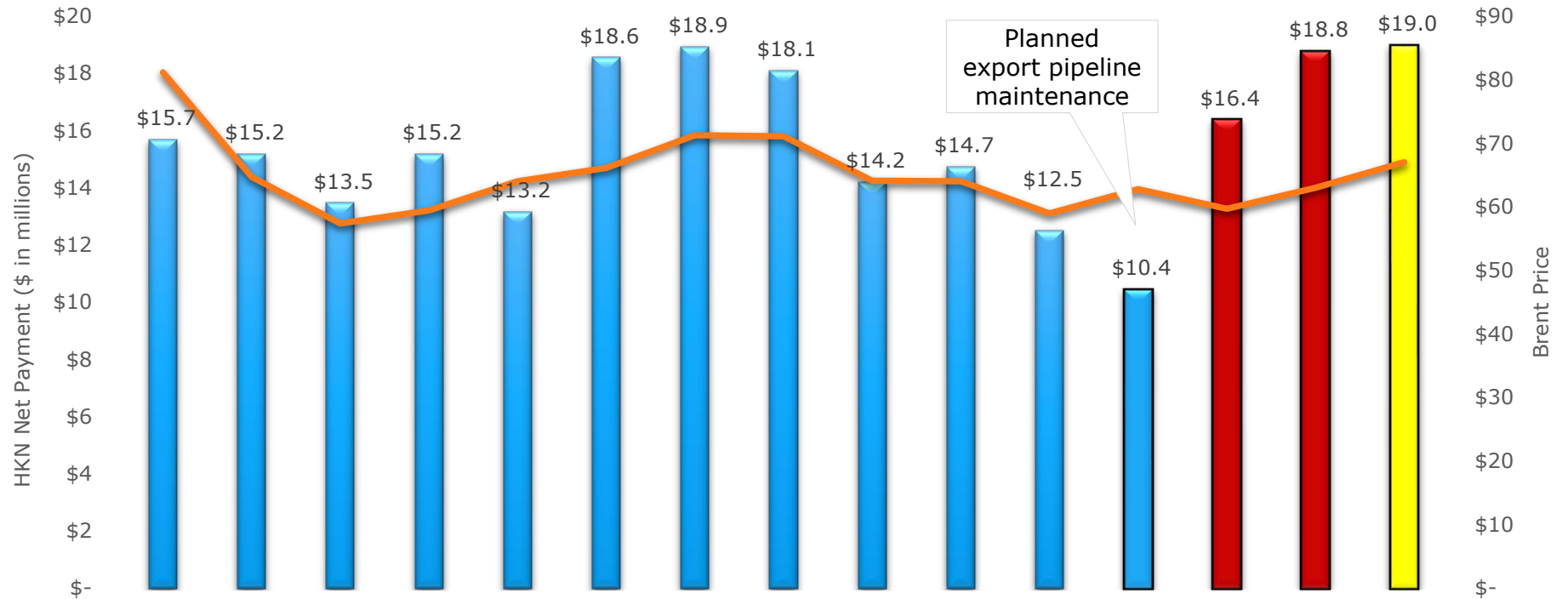
- East Swara Tika development
- Development of Jurassic and Lower Cretaceous
- Reservoir management / secondary recovery

Working to define scope,
alternatives and cost for
future development

Strong Balance Sheet

- \$83 million cash balance at 31 December 2019
- \$100 million bond closed in Q1 2019
- \$49 million DFC loan anticipated close by Q1 2020

HKN Oil Payments



Payment Month	Jan-19	Feb-19	Mar-19	Apr-19	Jun-19	Jun-19	Aug-19	Aug-19	Sep-19	Oct-19	Jan-20	Jan-20			
Production Month	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
Gross Production (kbopd)	17.5	22.5	22.2	24.0	21.2	26.0	25.2	23.4	21.3	21.4	20.0	16.1	25.8	28.8	26.2

— Brent Price (prod. Month)

■ HKN Net Payment (Received)

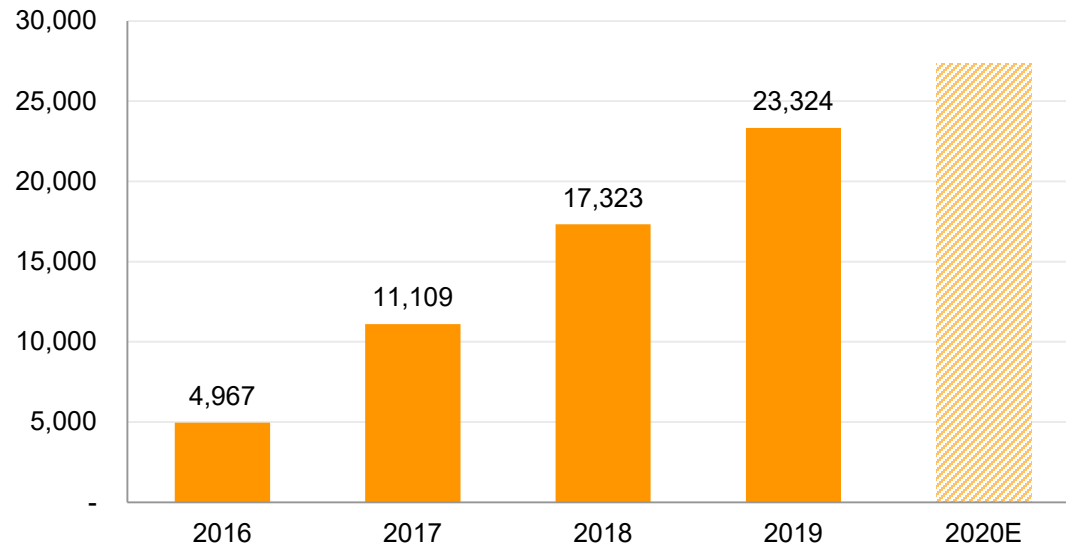
■ HKN Net Payment (Past Due)

■ HKN Net Payment (Net Yet Due)

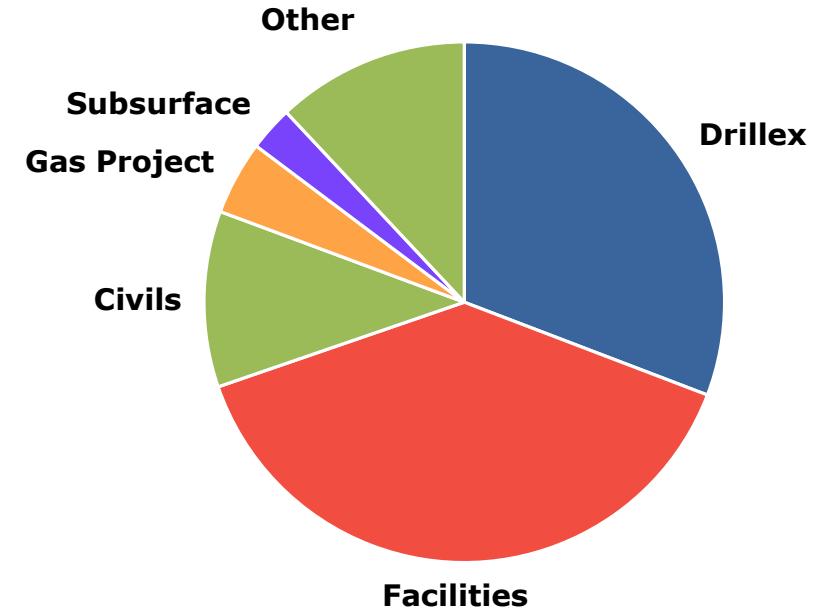
Operational Outlook

- Production guidance of 26k-29k bopd (gross) for 2020 with new 25k bopd facility online in Q1 2021
- Capex guidance of \$120-\$160 million for 2020 with capital program focused on facility construction and drilling program

Average gross production (bopd)



2020 development cost





www.HKNEnergy.com

Disclaimer



Disclaimer (1)

Important information

This presentation and its appendices have been produced by HKN Energy Ltd. (the "Company") solely for information and for use in connection with the review of the half year results of the Company. For the purposes of this notice, "Presentation" means this document, any oral presentation, any question and answer session and any written or oral material discussed or distributed by, or on behalf of, the Company. By attending the meeting where this presentation is made (whether in person, or by telephone), or by reading this document, you agree to be bound by the limitations set out below.

This Presentation may not be reproduced or redistributed, in whole or in part, to any other person. This Presentation has not been reviewed by or registered with any public authority or stock exchange and does not constitute a prospectus.

This Presentation does not constitute or form part of any offer to sell or a solicitation of an offer to buy or subscribe for, or otherwise dispose of or issue of, any securities nor shall it or any part of it, nor the fact of its distribution form the basis of, or be relied on in connection with, any contract commitment or investment decision.

This Presentation contains certain forward-looking statements relating to the business, financial performance and results of the Company and/or the industry in which it operates. Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words "believes", "expects", "predicts", "intends", "projects", "plans", "estimates", "aims", "foresees", "anticipates", "targets", and similar expressions. The forward-looking statements contained in this Presentation, including assumptions, opinions and views of the Company or cited from third party sources are solely opinions and forecasts which are subject to risks, uncertainties and other factors that may cause actual events to differ materially from any anticipated development. Forward-looking statements speak only as of the date they are made and cannot be relied upon as a guide to future performance. None of the Company or any of its parent or subsidiary undertakings or any such person's officers or employees provides any assurance that the assumptions underlying such forward-looking statements are free from errors nor does any of them accept any responsibility for the future accuracy of the opinions expressed in this Presentation or the actual occurrence of the forecasted developments. The Company assumes no obligation and does not undertake, except as required by law, to update this Presentation, including any forward-looking statements or to conform any forward-looking statements to our actual results after the date of this Presentation.

SEVERAL FACTORS COULD CAUSE THE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS OF THE COMPANY TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS THAT MAY BE EXPRESSED OR IMPLIED BY STATEMENTS AND INFORMATION IN THIS PRESENTATION, INCLUDING, AMONG OTHERS, RISKS OR UNCERTAINTIES ASSOCIATED WITH THE COMPANY'S BUSINESS, SEGMENTS, DEVELOPMENT, GROWTH MANAGEMENT, FINANCING, MARKET ACCEPTANCE AND RELATIONS WITH CUSTOMERS, AND, MORE GENERALLY, GENERAL ECONOMIC AND BUSINESS CONDITIONS, CHANGES IN DOMESTIC AND FOREIGN LAWS AND REGULATIONS, TAXES, CHANGES IN COMPETITION AND PRICING ENVIRONMENTS, FLUCTUATIONS IN CURRENCY EXCHANGE RATES AND INTEREST RATES AND OTHER FACTORS. SHOULD ONE OR MORE OF THESE RISKS OR UNCERTAINTIES MATERIALISE, OR SHOULD UNDERLYING ASSUMPTIONS PROVE INCORRECT, ACTUAL RESULTS MAY VARY MATERIALLY FROM THOSE DESCRIBED IN THIS PRESENTATION. SAVE AS TO THE EXTENT REQUIRED BY LAW AND REGULATION, THE COMPANY DOES NOT INTEND, AND DOES NOT ASSUME ANY OBLIGATION, TO UPDATE OR CORRECT THE INFORMATION INCLUDED IN THIS PRESENTATION.

Disclaimer (2)

No representation or warranty (express or implied) is made as to, and no reliance should be placed on, any information, including projections, estimates, targets and opinions, contained herein, and no liability whatsoever is accepted as to any errors, omissions or misstatements contained herein, and, accordingly, none of the Company or any of its parent or subsidiary undertakings or any such person's officers or employees has independently verified any information herein and accepts any liability whatsoever arising directly or indirectly from the use of this document. By attending or receiving this Presentation you acknowledge that you will be solely responsible for your own assessment of the market and the market position of the Company and that you will conduct your own investigations and analysis and be solely responsible for forming your own view of the future performance of the Company's business and its current and future financial situation.

This Presentation is confidential and is being communicated in the United Kingdom to (i) "investment professionals" for the purposes of article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Financial Promotion Order"), (ii) persons qualifying as high net worth individuals under Article 48 of the Financial Promotion Order, (iii) persons who fall within article 49 of the Financial Promotion Order (high net worth companies, unincorporated associations, or partnerships or the trustees of high value trusts), or (iv) other persons who have professional experience in matters relating to investments and to whom the Presentation may otherwise be lawfully communicated. This Presentation (or any part of it) is not to be reproduced, distributed, passed on, or the contents otherwise divulged, directly or indirectly, to any other person (excluding an investment professional's advisers) without the prior written consent of the Company.

IN RELATION TO THE UNITED STATES AND U.S. PERSONS, THIS PRESENTATION IS STRICTLY CONFIDENTIAL AND IS BEING FURNISHED SOLELY IN RELIANCE ON APPLICABLE EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED. THE BONDS HAVE NOT AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OR ANY STATE SECURITIES LAWS, AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, OR TO OR FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS, UNLESS AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT IS AVAILABLE. ACCORDINGLY, ANY OFFER OR SALE OF BONDS WILL ONLY BE OFFERED OR SOLD (I) WITHIN THE UNITED STATES, OR TO OR FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS, ONLY TO QUALIFIED INSTITUTIONAL BUYERS ("QIBs") IN OFFERING TRANSACTIONS NOT INVOLVING A PUBLIC OFFERING AND (II) OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS IN ACCORDANCE WITH REGULATION S. ANY PURCHASER OF BONDS IN THE UNITED STATES, OR TO OR FOR THE ACCOUNT OF U.S. PERSONS, WILL BE DEEMED TO HAVE MADE CERTAIN REPRESENTATIONS AND ACKNOWLEDGEMENTS, INCLUDING WITHOUT LIMITATION THAT THE PURCHASER IS A QIB.

This Presentation speaks as of 26 February 2020. There may have been changes in matters which affect the Company subsequent to the date of this Presentation. Certain figures contained in this Presentation, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum or percentage change of the numbers contained in this Presentation may not conform exactly with the total figure given. Neither the delivery of this Presentation nor any further discussions of the Company with any of the recipients shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since such date.