

HKN Energy Ltd.



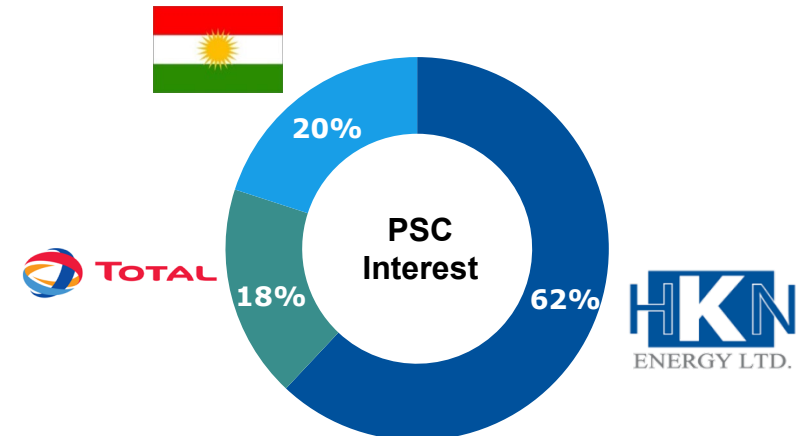
27 August 2020

1H 2020 Results



HKN is a Leading Kurdistan E&P Company

- Operator of Sarsang Block in Northern Kurdistan since 2007
- Swara Tika (ST) & East Swara Tika (EST) - distinct producing fields, each with three independent Triassic reservoirs and possible Cretaceous & Jurassic upside
- 380MMstb of gross 2P reserves in Triassic reservoirs
- High quality light oil (API 36-40) with low sulfur sells at a premium price compared to our Kurdistan peers
- Highest priority remains on safety
- Strong support from private US shareholder, Ross Perot, Jr.



HKN Quick Response

- **Protect our team**
 - Upgraded safety procedures to mitigate exposure including regular testing of personnel
 - Only essential production personnel rotating to KRI
 - Support and project expat staff working remotely
 - Most local personnel working from home
- **Protect investment and future growth opportunities**
 - Took decisive actions in March to cut costs and manage working capital with vendors
 - Reduced staffing by nearly 50%, reflecting significant slowdown in activity and CAPEX
 - Maintained steady production at two Swara Tika facilities of 25k bopd
 - Limited ongoing construction activity on new 25k bopd facility with focus on securing investment and completing engineering work
- **Maintain flexibility in an everchanging environment**
 - Prioritize experienced personnel at Swara Tika facilities by temporarily shutting in EST facility
 - Arrange charter flights to assist with movement in/out of country
 - Drilling rig remains stacked at Sarsang location at zero day rate
 - Ability to rehire expat and local staff as investment climate improves

2020 Highlights

26.4MMbbl

Cumulative production (gross) as of 30 June 2020

\$54.7 million⁽¹⁾

Payments received thru June 2020 for oil sales (\$53.4 million Revenue)

22.9k bopd

Production (gross), decrease from Q4 2019 due to shut in of EST facility

\$23.2 million

1H 2020 EBITDA

\$80.6 million⁽¹⁾

Cash balance at 30 June 2020 excluding \$6.7 million in restricted cash

\$37.5 million

1st disbursement on \$49 million DFC loan

\$607.1 million

Cost recovery balance at 30 June 2020

\$68.6 million

Receivable balance on oil sales including reimbursement of transportation costs for November 2019 – February 2020

(1) \$9.0 million in payments received since June 30, 2020.

2020 Operating Highlights

• Production

- Final facility ownership transition in 1H 2020; HKN now owns and operates all 3 production facilities on the Sarsang block
- Current production rate at ST of ~25k bopd

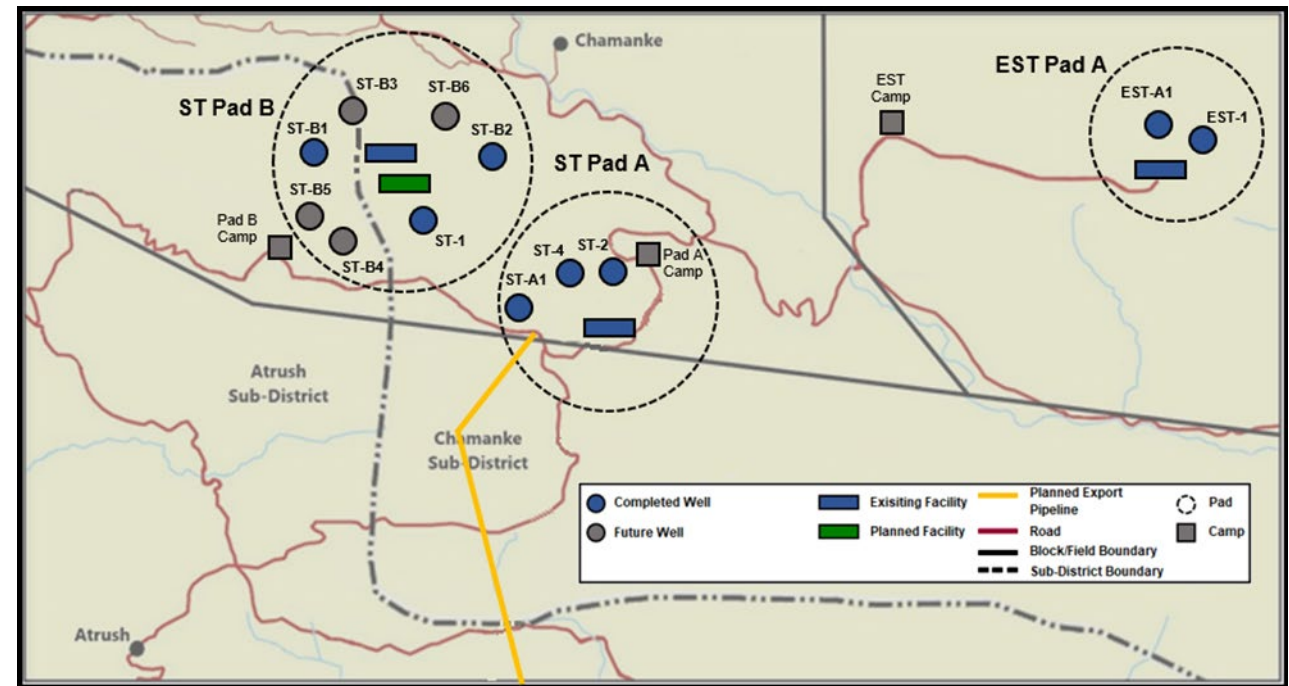
• Drilling

- Drilled & completed ST-B2; currently producing ~6k bopd
- ST-A1 well completed in Q1 2020
 - Tie-in of well deferred until Q1 2021
 - ST-A1 will fill the remaining capacity on ST Pad A of ~2k bopd
- Drilling on ST-B3 was halted back in March after reaching a safe stage and casing set directly above producing reservoirs

• Facilities

- EST facility
 - February landslide damaged flowline to EST-A1
 - COVID-19 restrictions caused delay in repairs and restriction on personnel movement resulted in temporary shut in of facility
 - Repairs to the flowline commenced this summer and EST expected to be back online by end of year with restrictions easing
- Pad B 25k bopd facility
 - Limited capex spent since March
 - HKN and EPC contractor continue to finalize plans to keep progressing the construction while limiting short-term capex

Illustration of Sarsang block infrastructure



Significant Value Creation Opportunities

2021-2022 (50,000+ bopd)

- Tie in ST-A1 well to fill current capacity on Pad A
- Complete new 25k bopd facility by 2022
- Drill 4 wells to fill new 25k bopd facility
- Efficiency improvements on existing facilities
- Reduce OPEX/bbl
- Process 3D seismic
- Connect to KRG pipeline

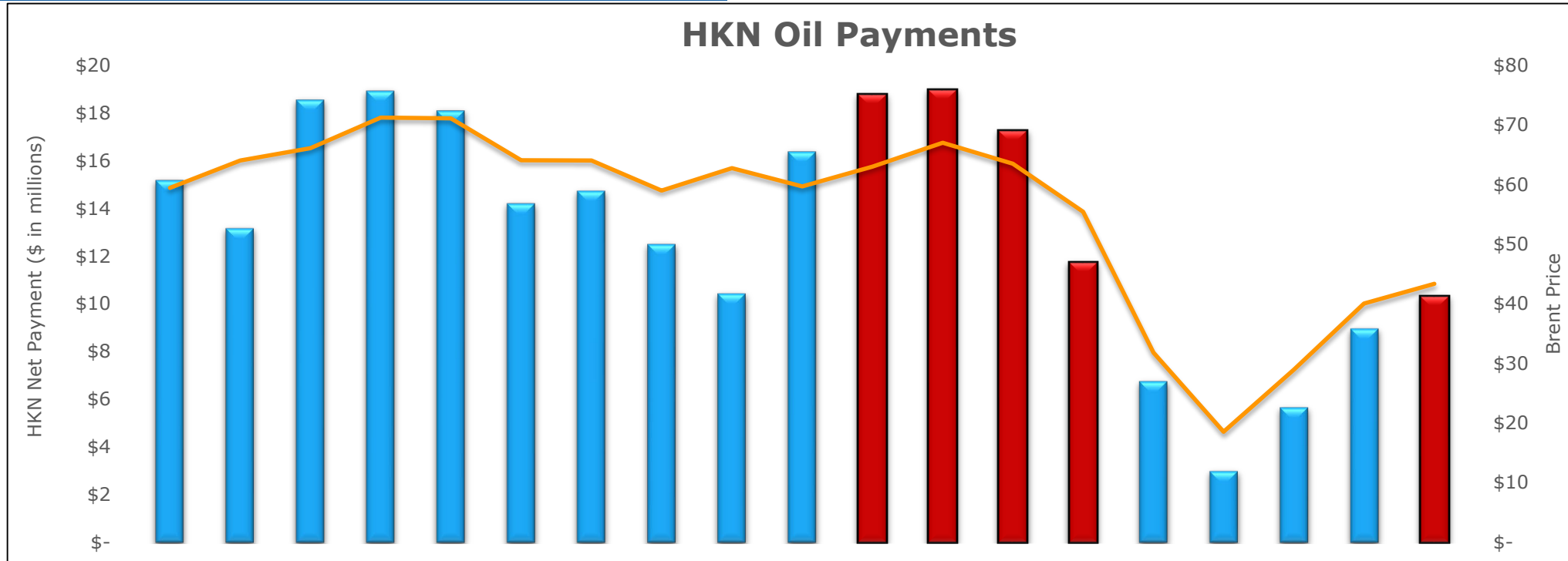
Execute on approved FDP
funded by bond proceeds

LONG-TERM POTENTIAL (100,000+ bopd)

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

Working to define scope,
alternatives and cost for
future development

Oil Sales Payments

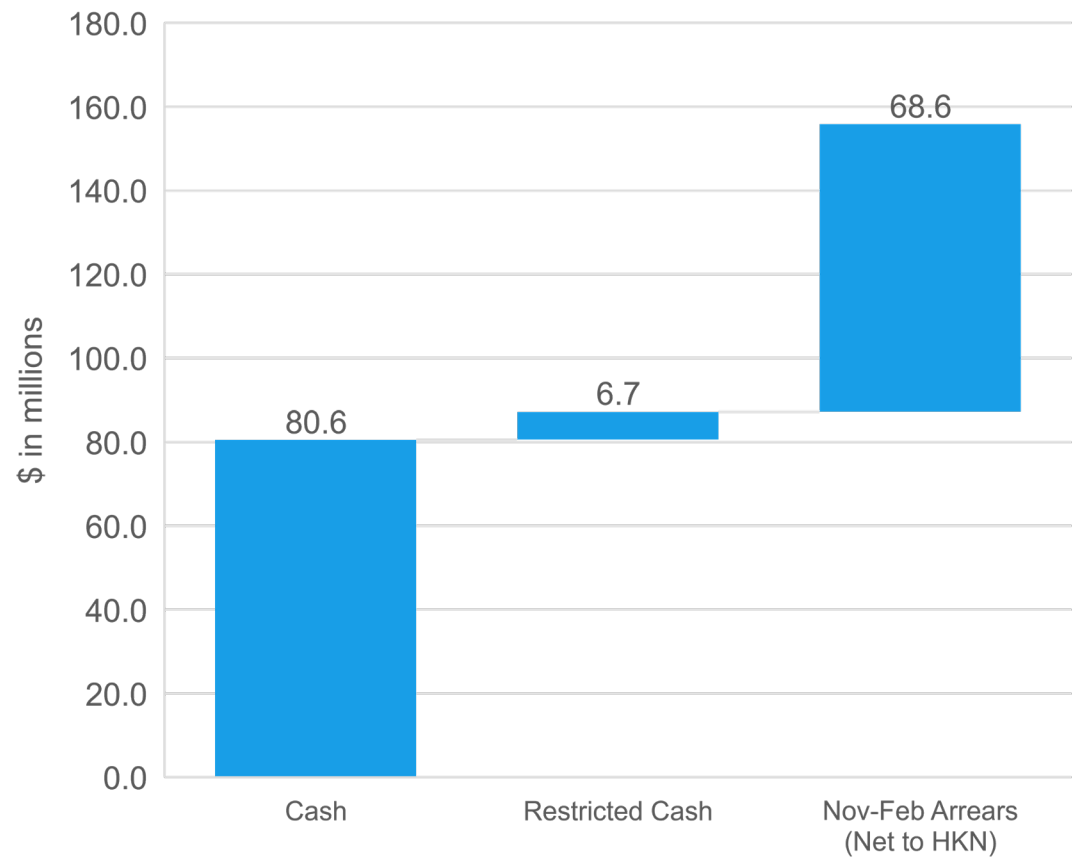


Payment Month	Apr-19	Jun-19	Jun-19	Aug-19	Aug-19	Sep-19	Oct-19	Jan-20	Jan-20	Apr-20					Apr-20	May-20	Jun-20	Jul-20	
Production Month	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20
Gross Production (kbopd)	24.0	21.2	26.0	25.2	23.4	21.3	21.4	20.0	16.1	25.8	28.8	26.2	25.3	21.5	22.7	22.6	21.6	23.4	23.7

— Brent Price (prod. Month)
■ HKN Net Payment (Past Due)
■ HKN Net Payment (Received)
■ HKN Net Payment (Net Yet Due)

Strong Balance Sheet

Cash & A/R at June 30, 2020



U.S. International Development Finance Corporation (“DFC”) Loan

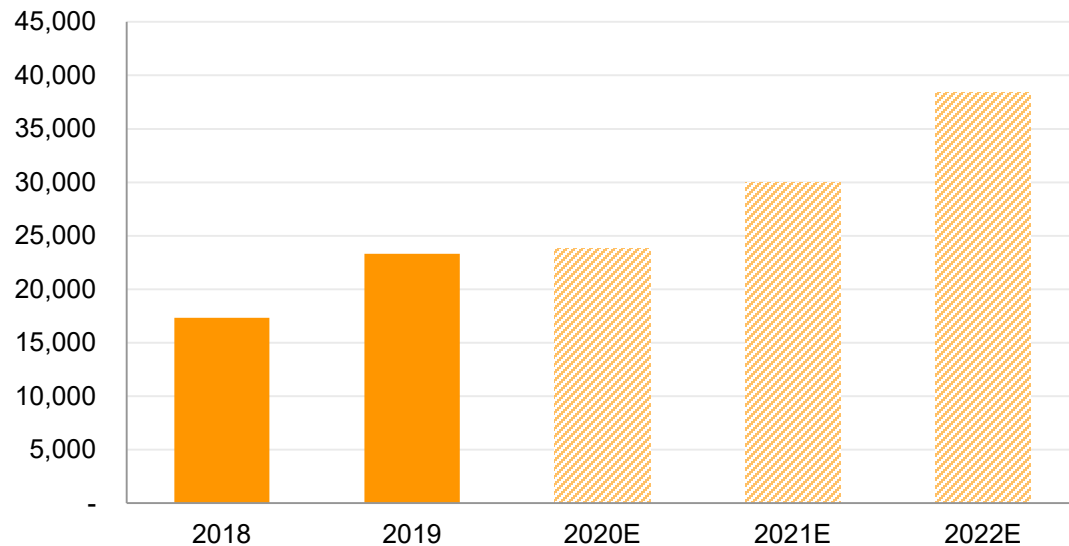
- Closed in early May with 1st disbursement in late May
- Strong signal of support by the US government for Iraq’s energy sector
- Loan provides financing for HKN’s ongoing project to build a new 25k bopd facility for the Swara Tika field
- Key terms
 - \$49 million loan (1st disbursement in May of \$37.5 million)
 - May 15, 2029 loan maturity
 - Interest only quarterly payments until August 15, 2022 when amortization payments begin
 - Interest rate on first disbursement of 6.86%

Note: Debt as of June 30, 2020: \$100 million Bond (matures March 2024) and \$37.5 million DFC loan (matures May 2029).

Operational Outlook

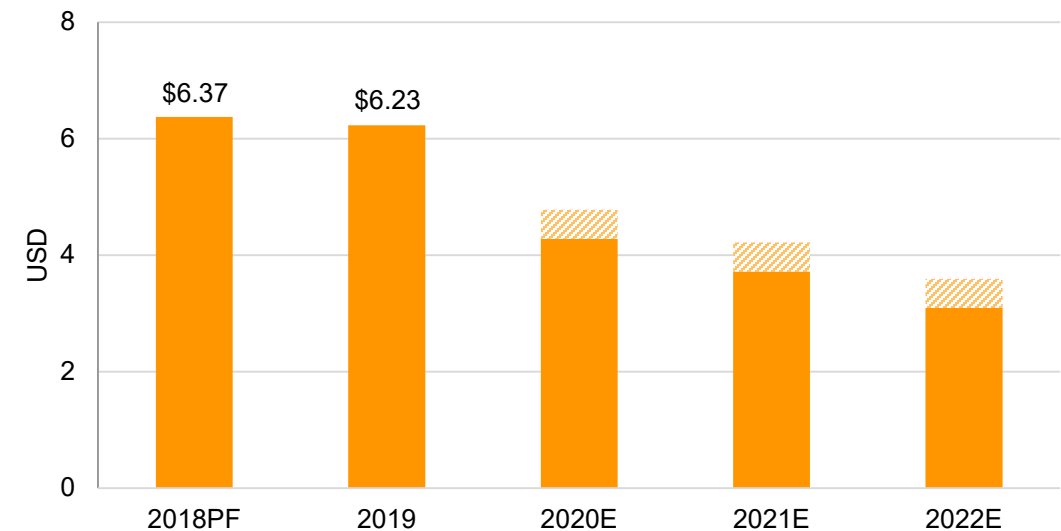
- Production guidance of 21k-24k bopd (gross) for 2020 with new 25k bopd facility online in 2022
- Increasing capex guidance of \$40-\$60 million for 2020 to \$55-\$70 million with resumption of capital program focused on incremental production and facility construction

Average gross production (bopd)



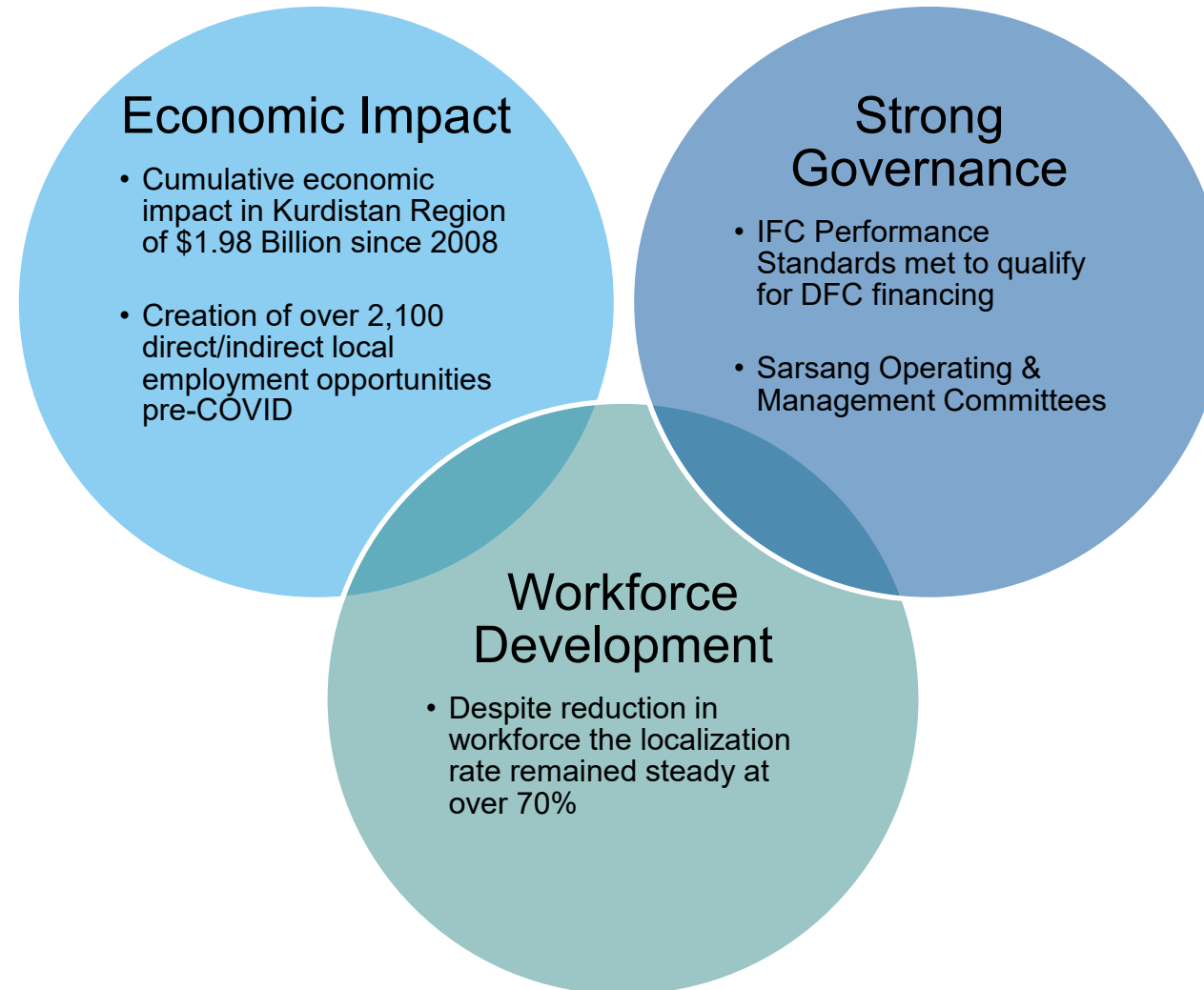
Ramping production to over 50k bopd in 2022

OPEX/bbl

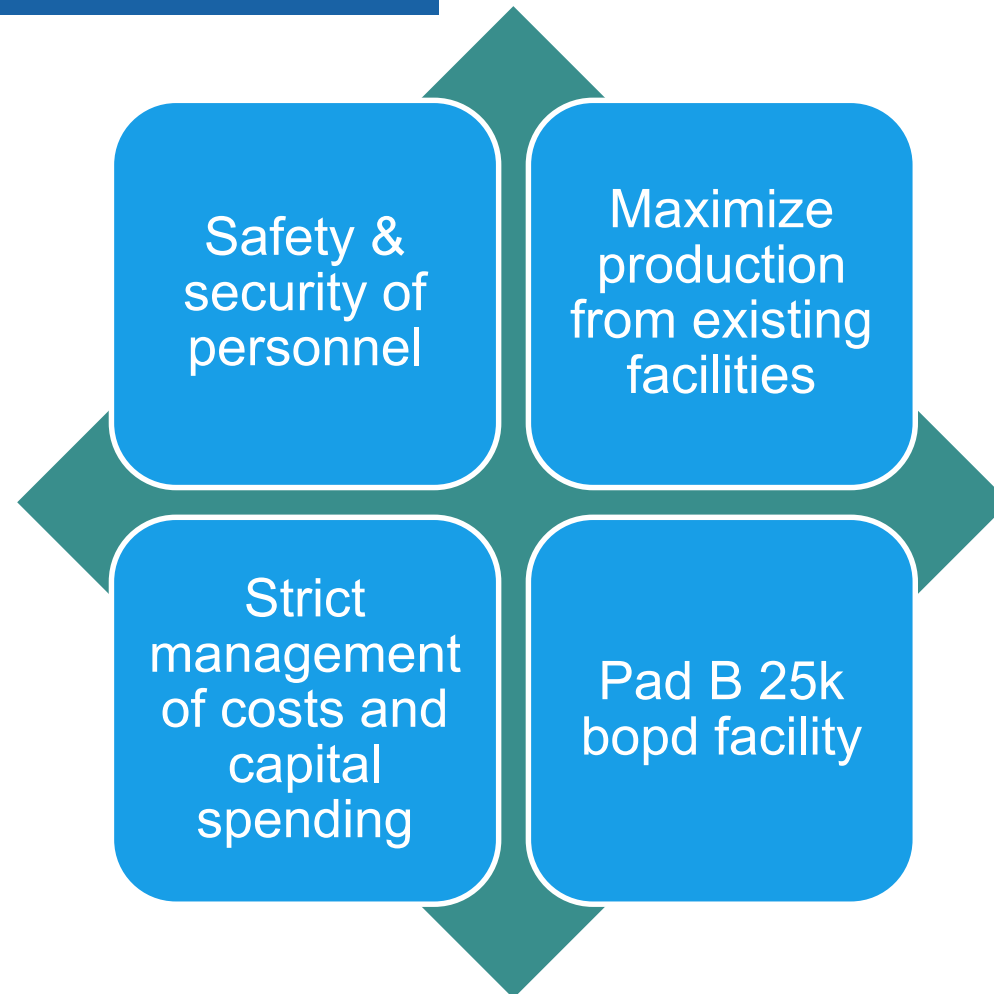


1H 2020 - \$5.68/bbl

Stakeholder Commitment



Near-term Priorities





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 27 August 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.