

# HKN Energy Ltd.



17 February 2021

SB1M Energy Conference



# 2020 Highlights

**24.7k bopd**

Production (gross), increase from 23.3k bopd in 2019

**31.3MMbbl**

Cumulative production (gross) as of 31 December 2020

**\$65.5 million**

2020 EBITDA

**\$117.2 million**

Payments received in 2020 for oil sales (\$122.8 million Revenue)

**\$68.6 million <sup>(1)</sup>**

Outstanding receivables due to HKN for oil sales from November 2019-February 2020

**\$49.0 million**

DFC loan (\$37.5MM in May 2020 followed by \$11.5MM in January 2021)

**\$90.1 million**

Cash balance at 31 December 2020 including \$6.8 million in restricted cash

**\$599.4 million**

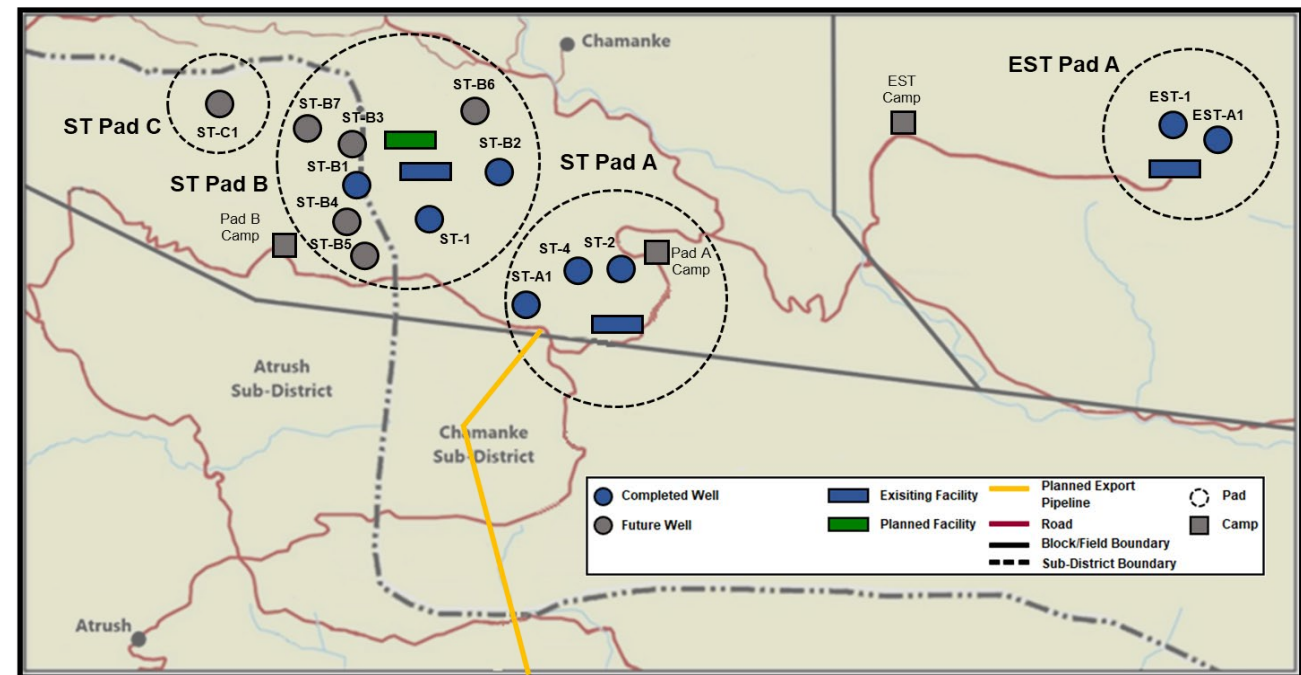
Cost recovery balance at 31 December 2020

(1) \$16.3 million (net to HKN) of amounts owed to the KRG have been offset against the outstanding receivables as of 31 December 2020.

# 2020 Operating Highlights

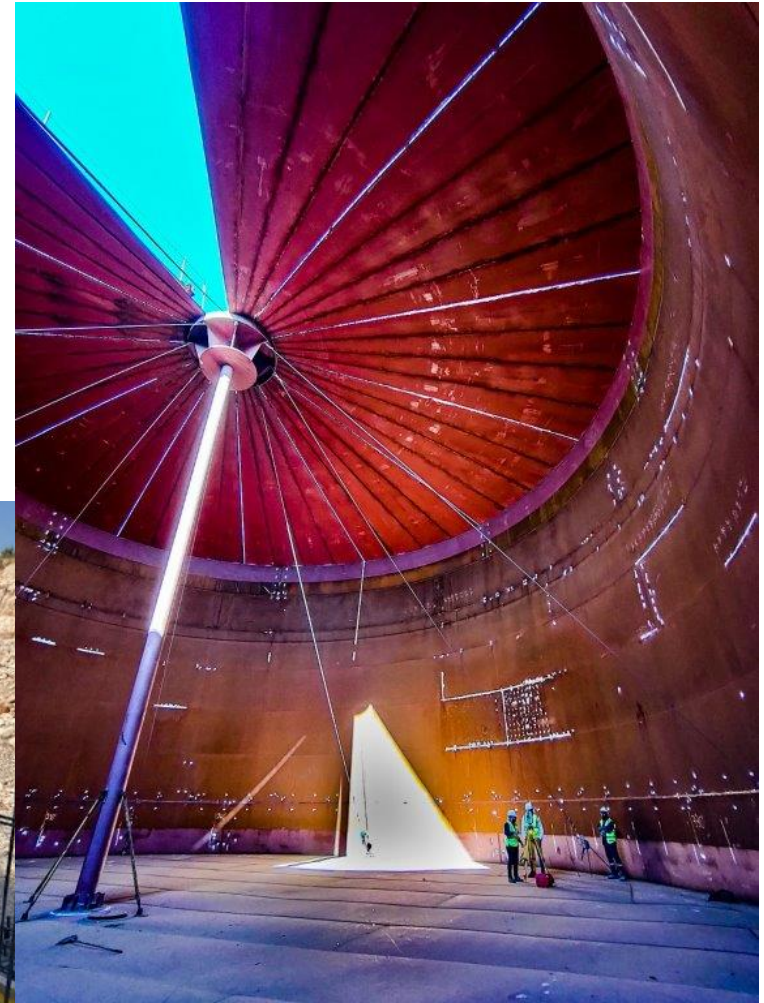
- **Production**
  - Continuous production throughout 2020 despite challenges
  - New monthly production records in December 2020 and January 2021 over 31k bopd
- **Drilling**
  - Drilling program halted in March 2020 at safe stage of ST-B3 well
  - Restart of 5+ well drilling campaign set for May 2021
- **Facilities**
  - EST facility temporarily shut in during early COVID months and restarted in October
  - COVID and payment issues created delays for new 25k bopd facility project, but now moving ahead in earnest
- **Cash flow**
  - \$7.0 million net cash flow for 2020 despite reduced revenue and overdue receivables

## Illustration of Sarsang block infrastructure



# Outlook

- 2021 Production (gross) in the range of 27k-30k bopd
- Focus on 25k bopd facility completion in Q2 2022
- Drilling restart with first spud date in May 2021
- 2021 Capex guidance revised from \$75-\$100 million to \$100-\$125 million (net to HKN)







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# Disclaimer (1)

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