HKN Energy Ltd.

September 2021

Pareto Conference

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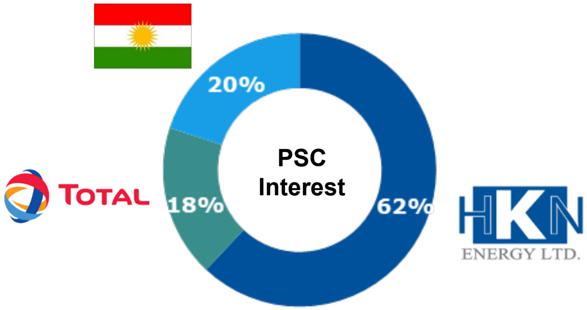
HKN ENERGY LTD.

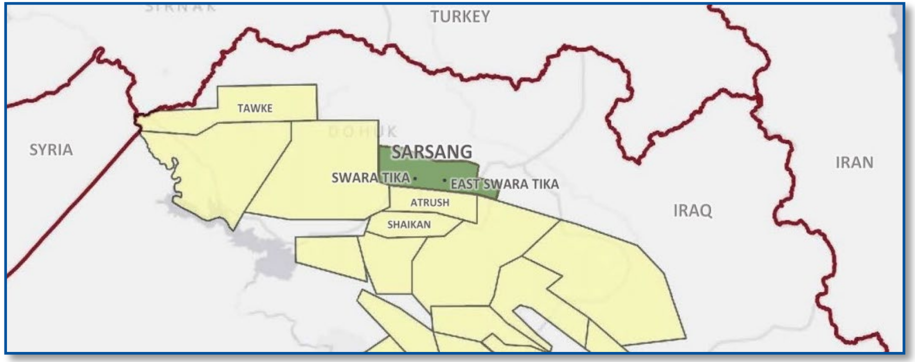
Corporate Overview

A Leading Kurdistan E&P Company

- **HKN Energy holds 62% operated interest in the Sarsang Block, Northern Kurdistan**
- **Two distinct producing fields**
  - Swara Tika and East Swara Tika each with three independent Triassic reservoirs
- **351 MMbbl remaining gross 2P Triassic reserves in Swara Tika and East Swara Tika[1], with additional resource potential**
- **Further upside: Jurassic and Cretaceous reservoirs in both fields**
- **High quality crude yields discount of only ~$7.00/bbl to Dated Brent**
- **1H 2021 average production of ~28,900 bopd (gross)**
- **Expansion underway to over 50,000 bopd in 2H 2022**
  - New 25,000 bopd facility under construction
  - Drilling underway to ensure deliverability

Sarsang Block partners and location





1) RPS CPR volume estimates as of 1 January 2018 (Swara Tika) and 1 December 2016 (East Swara Tika), adjusted for production through 30 June 2021

Clear Strategy and Operational Flexibility

- **Maximize value creation for all stakeholders in the Sarsang block**
  - Maintain focus on Safety, Health and ESG
  - Increase production from Swara Tika Triassic reservoirs to 50k bopd and maintain plateau
  - Grow 2P reserves from East Swara Tika
  - Evaluate additional upside on the Sarsang Block
  - Assist the KRG to manage and utilize associated natural gas
  - Service debt, build cash reserves and return capital to investors
  - Generate significant positive impact for Kurdistan and its communities

All investment decisions based on incremental value analysis

Ensuring Sustainability

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Environmental responsibilities

- Best in class environmental monitoring program and water treatment approach
- New 25k facility and existing Pad B facility will replace diesel with associated gas for power needs mid-2022
- HKN supports the KRG with gas management efforts

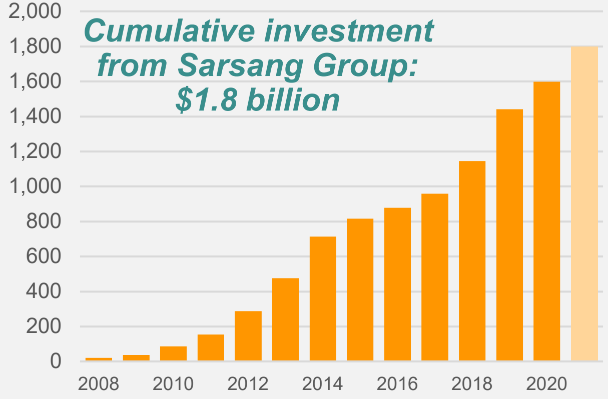
Social priorities

- $1.8 billion investment in Kurdistan & 2,100+ local jobs created by the Sarsang contractor group since 2007
- 29 community projects completed
  – Includes schools, community centers, athletic fields, etc.

Governance focus

- Transparency, including reporting on government payments
- Business ethics and anti-corruption
  – In-person reviews of strict anti-corruption and due diligence policies
  – Increased training
- Formal sustainability reporting
  – 3rd party-evaluated quarterly reports in accordance with the International Finance Corporation's Sustainability Performance Standards

Total investment in Kurdistan region ($m)

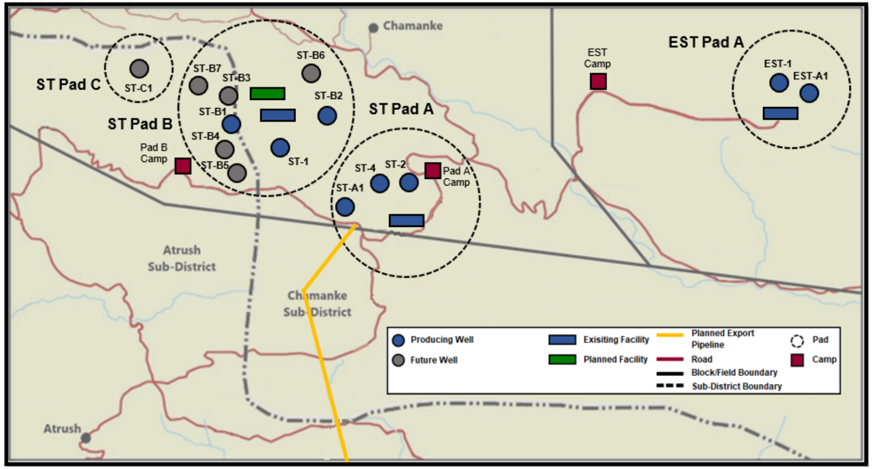


Operational Results & Outlook

Operating Highlights – 1H 2021

- **Production**
  - 1H 2021 production increased by 26% from the comparable period in 2020, in line with our latest production forecast guidance of 27k to 30k bopd
- **Drilling**
  - Drilled and completed Swara Tika B6:
    - Testing in the KCA reservoir indicates that well can produce at 5,000 bopd or more
  - Drilled surface sections (~1,500m) in batch program for Swara Tika B4, B5, and B7 with record efficiencies achieved
  - Scheduled to drill, complete and test 4 additional B wells by early 2022
- **Facilities**
  - Continued to make progress on the new 25k bopd facility on Swara Tika. The recent resurgence of global COVID cases has impacted package deliveries and installation, causing a deferral of estimated first oil from the facility to Q3 2022
- **Cash flow**
  - $46m free cash flow generated in 1H 2021, which represents a $71 million increase compared to 1H 2020
- **Seismic**
  - ST Seismic deferred to 2H 2022, and EST Seismic is contingent 2H 2022

Illustration of Sarsang block infrastructure



1H 2021 key figures:

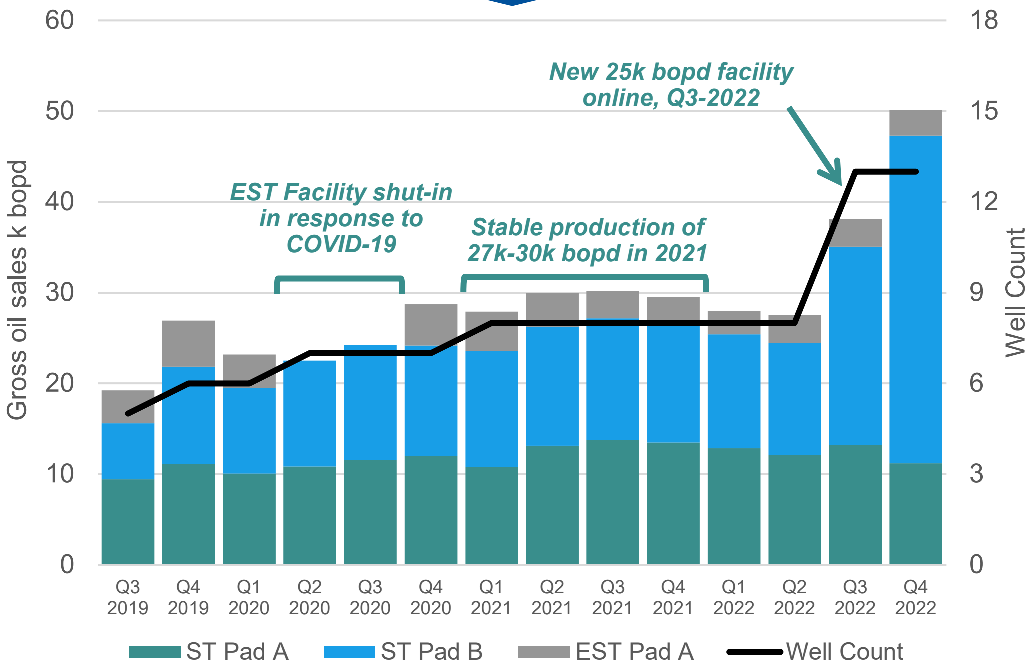
26%	$46/bbl	$24/bbl
Production Increase from 1H 2020	CAPEX break-even	Operating break-even[1]

1) Including OPEX, G&A, transportation, discount to Brent, interest.

Near-term Priority: Production Maintenance

- **Maintain stable production of 27-30k bopd (gross) throughout 2021**
  – Sufficient well capacity to keep facilities full
- **Drilling campaign to fill new 25k bopd facility resumed in May 2021**
  – Rig secured with experienced crew for full drilling campaign
  – Five producer wells to be drilled and tied into the new facility
- **Optimize production from all wells**
  – Balance short-term cash flow and long-term reservoir management
- **Continue to manage COVID-19 situation**

Sarsang Production by Pad



Near-term Priority: Complete New Facility

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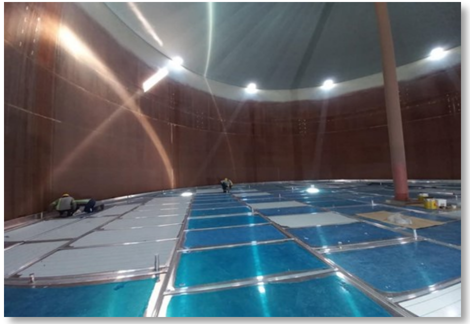
- **First oil from new 25k bopd facility planned for Q3-2022**
  - Engineering ~96% complete
  - Procurement ~96% complete
  - Fabrication of 28 key vendor packages ~85% complete
  - Delivery of vendor packages to site ~26% complete, have experienced delays due to COVID restrictions
  - Export pipeline tie-in on track to align with completion of facility
  - Total project cost of ~$85-$90m (net to HKN) with 65% spent to date
  - COVID-19 supplier delays of 6 weeks has delayed first oil date to Q3 2022



Value Creation Priorities

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Near-term (2021-2022)

- Maintain steady production in 2021
- Complete the ST Pad B 25k bopd facility by Q3-2022
- Drill wells to increase production capacity at ST Pad B
- Connect to KRG pipeline
- Acquire 3D seismic on western half of ST field

Mid-term (3-5 years)

- Maintain ST production plateau by keeping all 3 facilities full
- Improve operating efficiency and reduce OPEX at all production facilities
- Focus on long-term reservoir management alternatives (e.g., secondary recovery)
- Advance gas handling solution
- Return capital to debt and equity investors
- Acquire 3D seismic on all of EST field

Long-term (2026 and beyond)

- Develop EST
- Evaluate additional prospective Triassic areas on block
- Assess Jurassic and Cretaceous reservoirs
- Implement secondary recovery project
- Materially reduce CO_2 emissions

Finance

1H 2021 Key Metrics

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28.9k bopd	Production (gross), increased from 22.9k bopd in 1H 2020
36.5MMbbl	Cumulative production (gross) as of 30 June 2021
$117.8 million	Revenue (121% increase over 1H 2020 revenue of $53.4 million)
$87.8 million	Payments received in 1H 2021 for oil sales
$89.5 million	1H 2021 EBITDA (54% higher than full year 2020 EBITDA of $58.3 million)
$149.0 million	Debt balance at 30 June 2021
$138.9 million	Cash balance at 30 June 2021 including $7.2 million in restricted cash
$594.5 million	Cost recovery balance at 30 June 2021

Oil Sales Payments and Receivables

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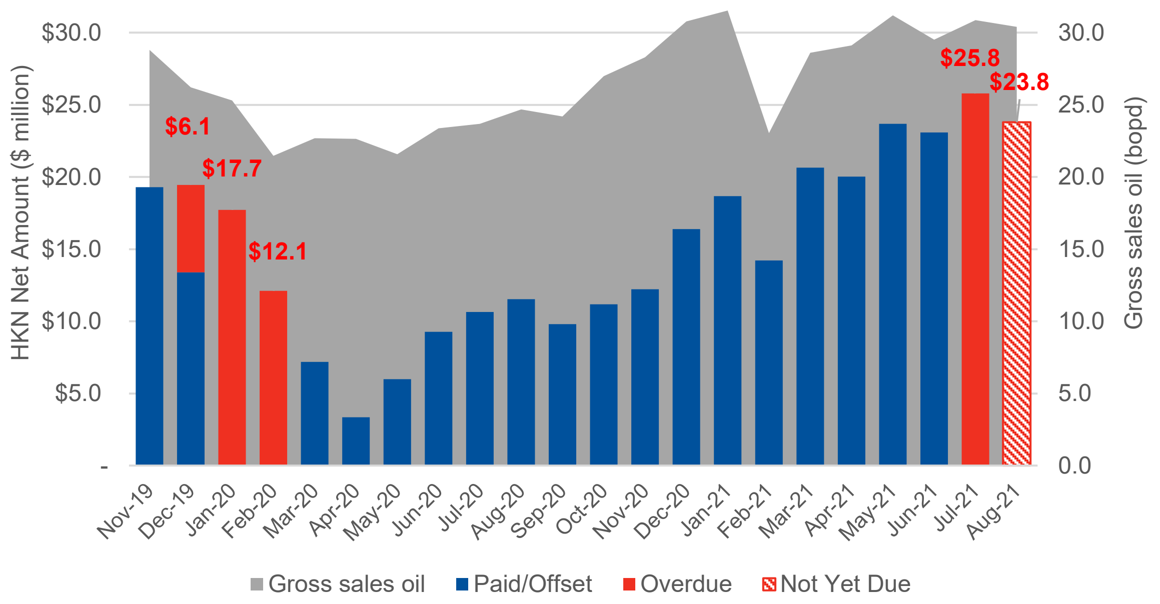
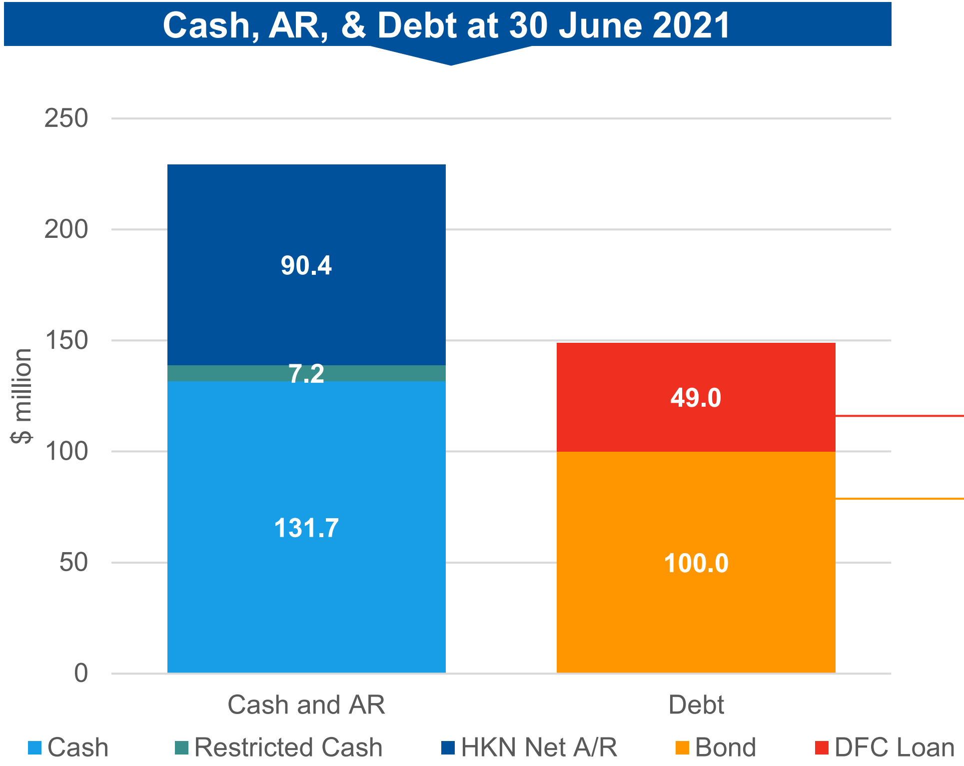
- **Oil is marketed through the KRG**
- **KRG announced a revised mechanism to pay outstanding receivables (May 2021):**
  - 20% of any Brent price differential above $50/bbl each month for every barrel sold
  - KRG unilaterally changed payment term to 60-days from previous 15-days
- **At $60/bbl Brent and production levels at mid-point of guidance, HKN expects to fully recover arrears by Q3 2022**
- **Payments and amounts outstanding include transportation cost owed to HKN by the KRG**
- **Payments received and offsets realized are through 9 September 2021; current balance is $35.9 million**

HKN		
Deferred Payments	Offsets Realized	Payments Received
$68.6	$17.7	$15.0



Notes: February 2021 production impacted by well interventions across the block and the ST-A1 tie-in. Status of receivable is based on 15-day payment terms.

Strong Balance Sheet

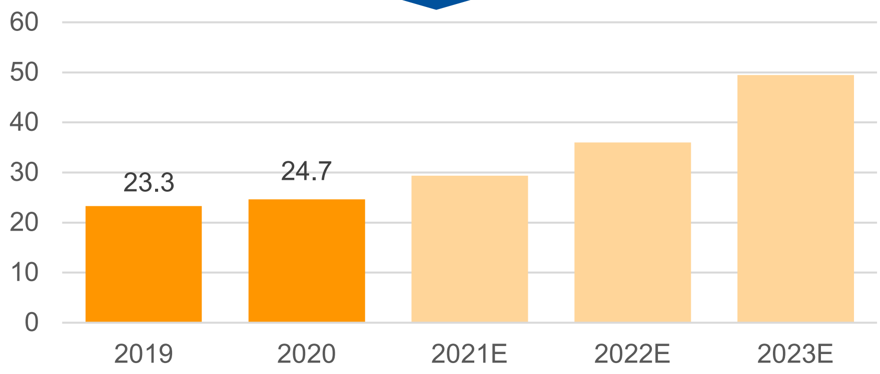


- **DFC Loan ($49 million)**
  - $37.5 million disbursement in May 2020
  - $11.5 million disbursement in Jan 2021
  - Matures May 2029
  - Interest only quarterly payments until Aug 2022
  - Blended interest rate of 6.79%
- **Bond ($100 million)**
  - Closed March 2019
  - Matures March 2024
  - Semi-annual interest payments
  - Coupon rate 11%

2021 Guidance Unchanged

- Production of 27-30k bopd (gross)
- Capital spending at lower end of $100 – $125 million guidance range
- Cash breakeven price from operations: approximately $24/bbl

Average gross production (k bopd)



50k bopd in 2023

OPEX ($/bbl)

Targeting <$3/bbl

Note: OPEX/bbl includes adjustments related to adoption of IFRS.

HKN Energy III

Capital Structure of the Group

HKN Energy III – $100m bond

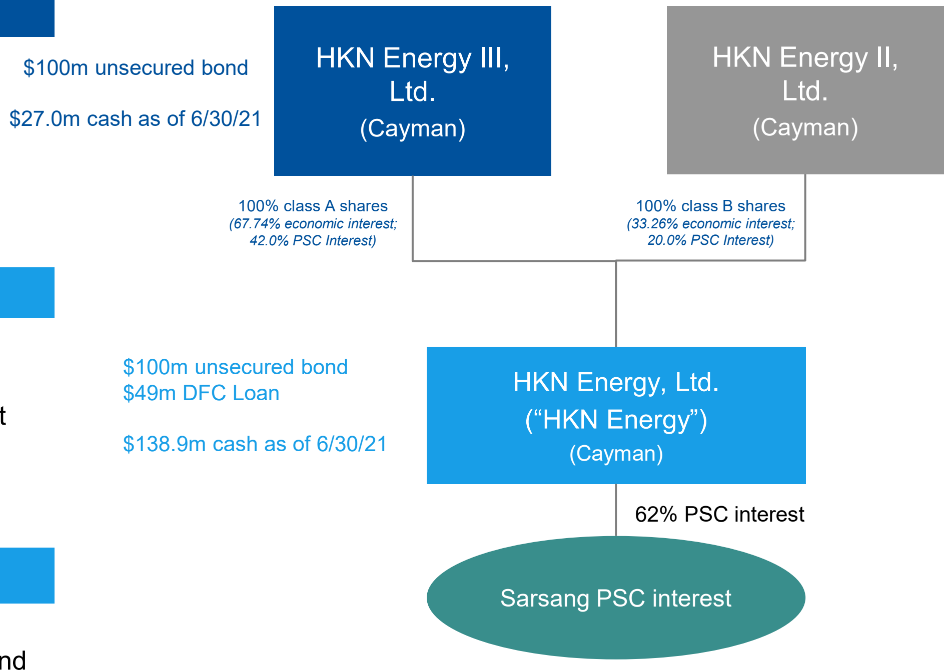
- Unsecured bullet bond with 12 months DSRA
- No additional debt other than subordinated debt
- Dividends limited to excess amount after contributions to liquidity balance ($10m per quarter - accumulated to full issue amount before maturity) and subject to other restrictions
- Matures May 2025

HKN Energy – $100m unsecured bond

- Unsecured bullet bond with 6 months DSRA
- Pari-passu with DFC loan
- Dividends limited to cash in excess of net cash positive or 50% of net profit if net debt positive and incurrence tests
- Matures March 2024

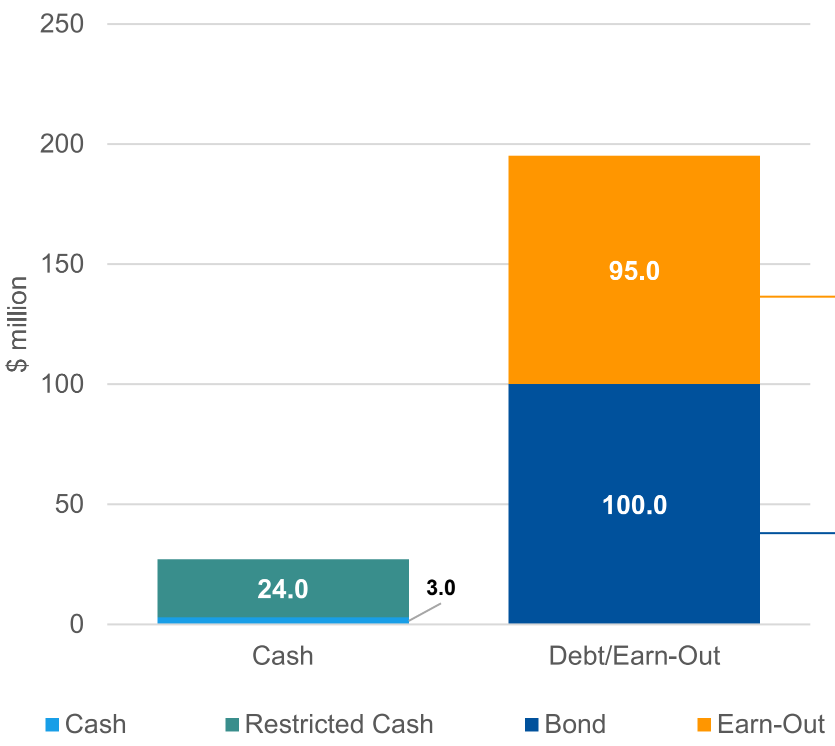
HKN Energy – $49m DFC loan

- 7 years amortizing loan with 6 months DSRA
- Pari-passu with HKN Energy bond; requires sinking fund to repay bond
- No dividends before new 25,000 bopd facility is commissioned and not before first amortization in August 2022



Unconsolidated HKN III Balance Sheet

Cash & Debt at 30 June 2021



- **Contingent Kerogen Payment ($25 million)**
  - If average Brent >= $65/ bbl : $5 million
  - If average Brent between $55/ bbl and $65/ bbl : Amount equal to linear interpolation between nil and $5 million
  - Contingent payment earned Q3 2021 – Q2 2023, but payment not expected to begin until Q3 2022
- **Earn-Out Kerogen Payment ($95 million)**
  - Earn out based on 20% share of the gross revenue in HKN Energy based on 42% indirect Sarsang PSC interest per quarter and paid out of available cash from dividends from HKN Energy
  - Kerogen payments expected to begin Q3 2022 only after debt service and DSRA are satisfied
- **Bond ($100 million)**
  - Closed May 2021
  - Matures May 2025
  - Semi-annual interest payments
  - Coupon rate 12%

For more information on HKN Energy,
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