

HKN Energy LTD.



March 2022

SB1M Energy Conference



HKN Energy Ltd. 2021 Highlights

30.0k bopd

Production (gross), increase from 24.7k bopd in 2020

42.2 MMbbl

Cumulative production (gross) as of 31 December 2021

\$180.7 million

2021 Operational Cash Flow

\$206.5 million

Cash payments received in 2021 for oil sales (\$271.9 million Revenue)

\$149.0 million

Total HKN Energy Ltd. Debt

\$184.8 million

Cash balance at 31 December 2021 including \$7.2 million in restricted cash

\$100.9 million

2021 Free Cash Flow, increase from -\$13.9MM in 2020

\$563.8 million

Cost recovery balance at 31 December 2021

Operating Highlights

Drilling

- Drilled and completed 5 wells (ST-B3 through ST-B7) in the 2021 Pad B drilling program
- Currently in the final stages of the stimulation and testing program
- We anticipate these wells will contribute approximately 20k bopd once tied-in to the new 25k bopd facility

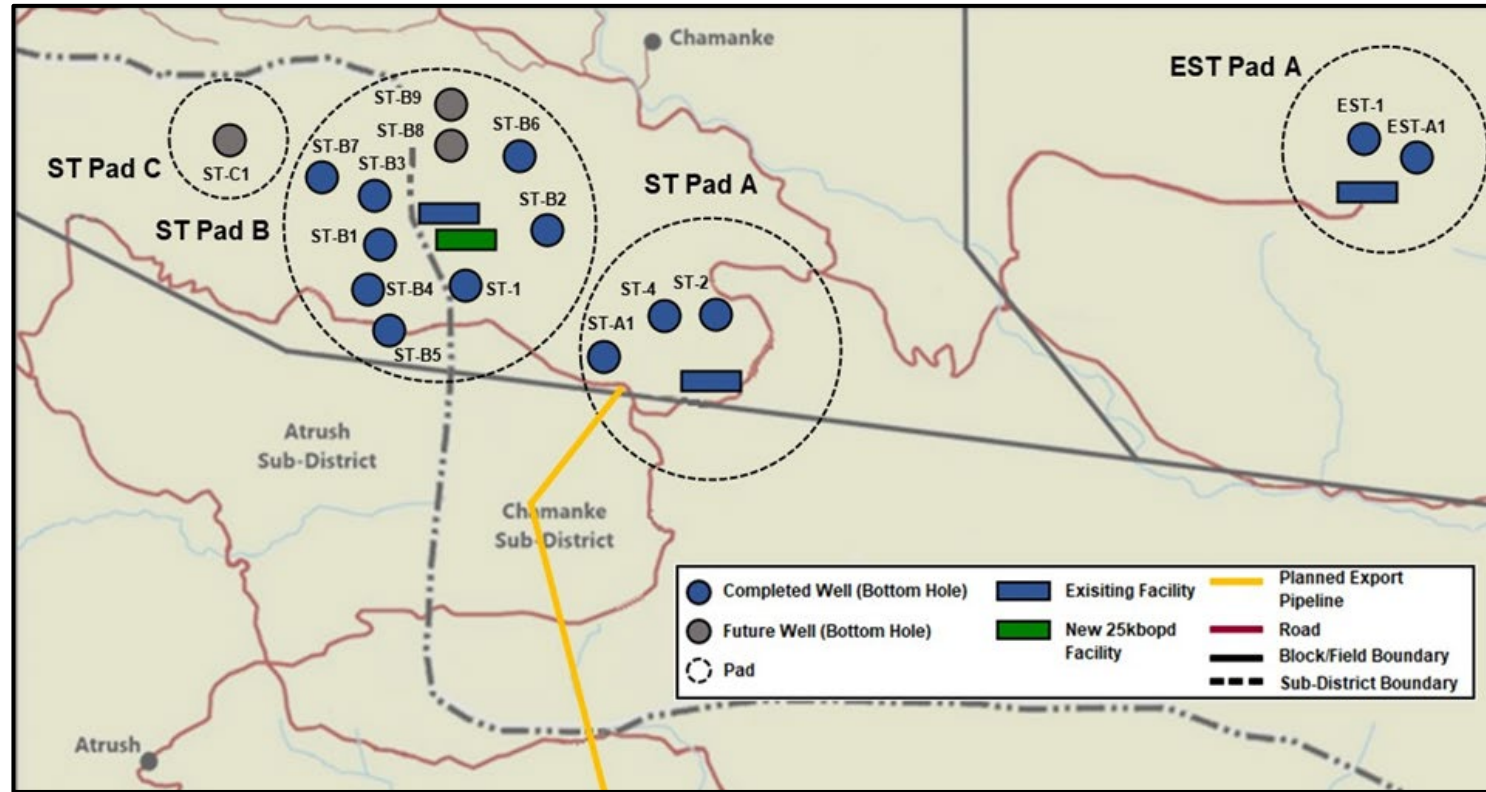
New 25k bopd Facility

- All critical packages now on-site
- Solid progress on construction
- Total project cost of approximately \$100MM-\$105MM (net to HKN) with 68% spent to date
- Remains on target for first oil in Q3 2022

Cash flow

- Cash balance of \$220.2MM at 3/1/2022
- Brent break-even price approximately \$24/barrel to cover OPEX, G&A, transportation, discount to Brent and interest costs

Illustration of Sarsang block infrastructure

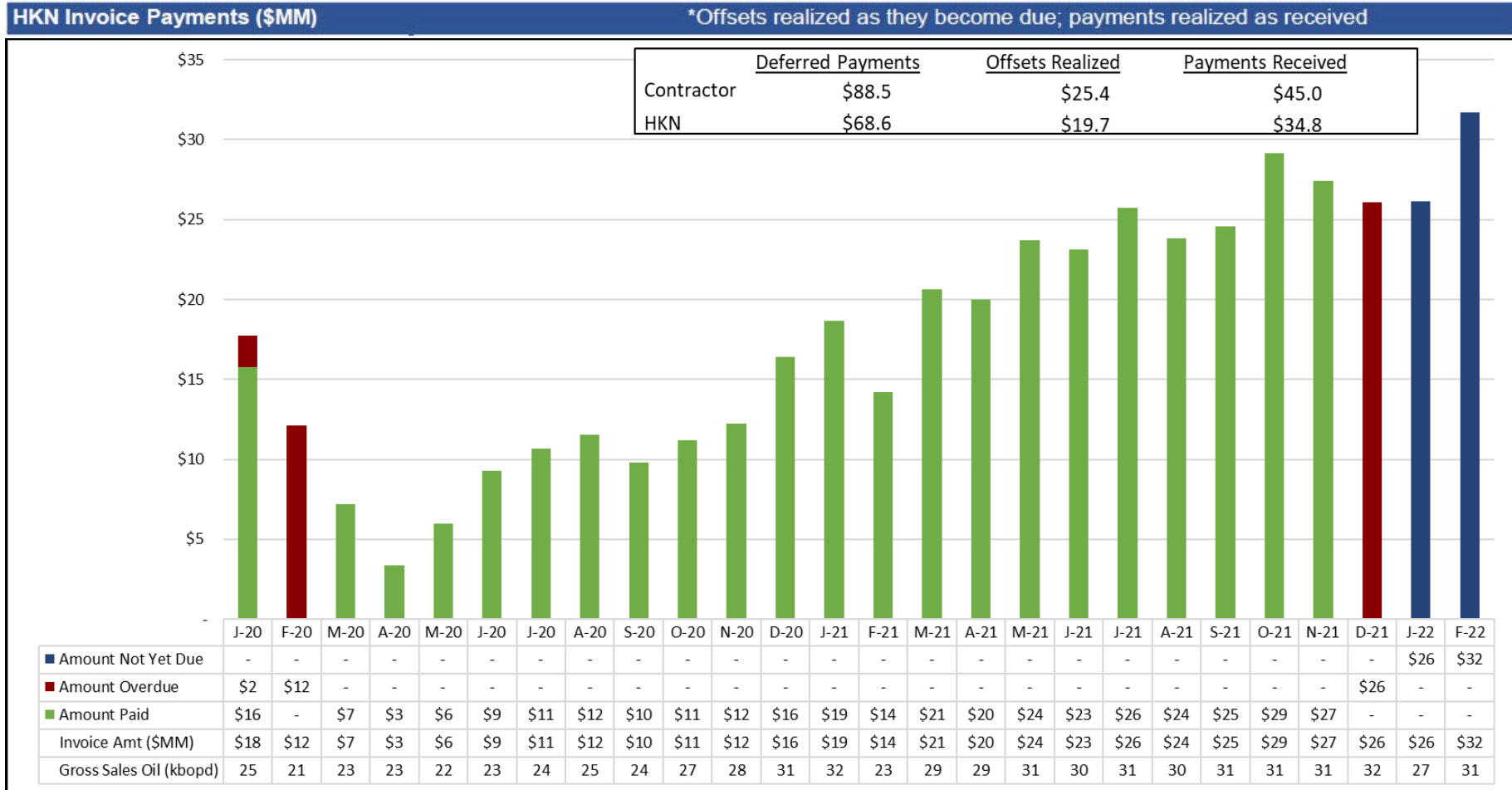


HKN Energy Operational Outlook for 2022

- 27k-30k bopd until first oil from the new 25k facility, and 45k-50k bopd following commissioning
- Plan to drill 2 Pad B wells and 1 Pad C well during 2022 to fill new facility and prepare for future infill wells
- 3D seismic acquisition covering the western part of Swara Tika commenced in February 2022 and is planned to conclude in Q3 2022
- Increasing 2022 CAPEX guidance to \$140MM – \$160MM (net to HKN)

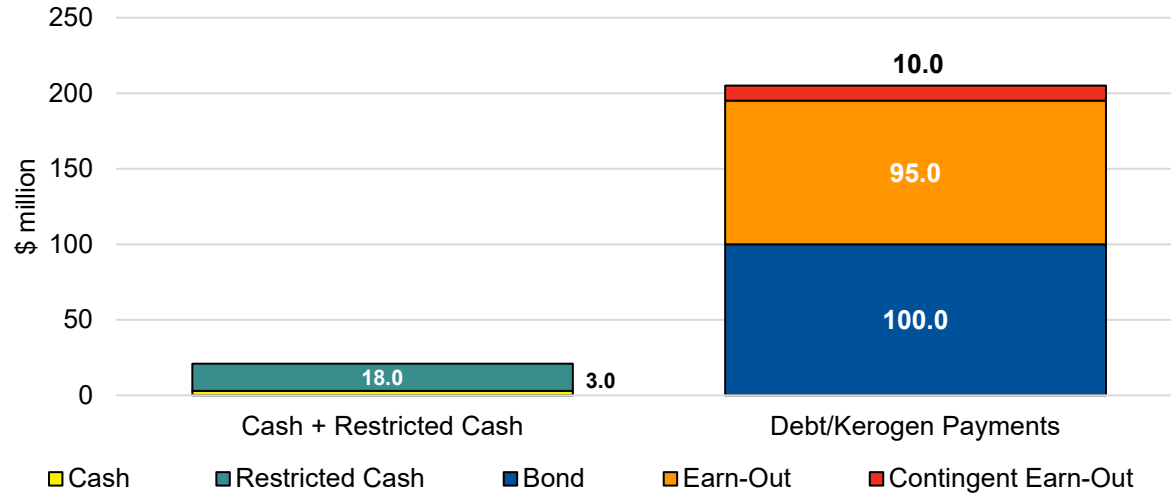


Oil Sales Payment



- \$14.1MM in arrears balance due to HKN as of end of February
- During 2021, HKN received 10 monthly oil sales payments (\$206.5MM) plus \$25.3MM in payments/offsets for arrears from 2019/2020 oil sales
- We continue to closely monitor the environment around payments for oil sales and are prepared to look aggressively at CAPEX reductions if we lose confidence in future collections

HKN III Balance Sheet



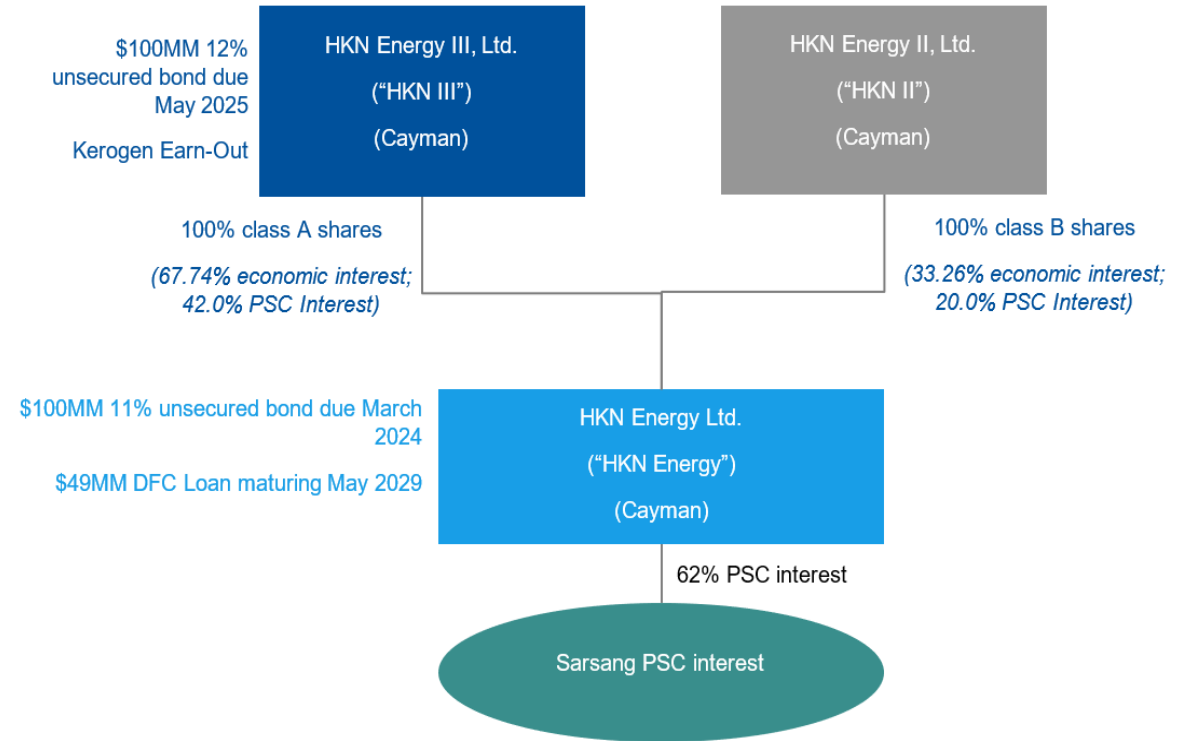
Kerogen Payments¹

- Kerogen Earn-Out payment (\$95MM)
 - Kerogen payments expected to begin Q3 2022 only after debt service and DSRA are satisfied
- Contingent Kerogen Earn-Out payment (\$25MM)
 - Contingent payment earned Q3 2021 – Q2 2023, but payment not expected to begin until Q3 2022
 - Earned \$10MM of contingent payment in 2021
- Kerogen Earn-Out & contingent payment only paid if oil sales payment received

Cash

- Cash Balance (including restricted) as of 12/31/2021 of \$21.0MM

Simplified Corporate Structure



1. HKN has accrued \$100.1MM of Earn-Out consideration as of 12/31/2021, which is the present value of \$105MM (\$95MM Earn-Out payment + \$10MM contingent payment)



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