

HKN Energy Affiliate Signs Agreements to Operate and Acquire Interest in the Atrush Block in Kurdistan

January 22, 2024

HKN Energy IV, Ltd. (“HKN IV”), an affiliate of HKN Energy Ltd. (“HKN”), has entered into a definitive agreement to acquire GEP2, Ltd. (“GEP2”), a wholly owned subsidiary of General Exploration Partners, Inc. (“GEP”), which in turn is a wholly owned subsidiary of ShaMaran Petroleum Corp. (“ShaMaran”). At closing, GEP2 will hold a 25% working interest in, and operatorship of, the Atrush Block in Kurdistan following a transaction between ShaMaran and TAQA International B.V. (“TIBV”). The acquisition of GEP2 is subject to approval by the Kurdistan Regional Government (“KRG”).

Concurrent with the closing of the transaction between ShaMaran and TIBV, HKN IV will begin operating Atrush on a fee basis in contemplation of closing the acquisition of GEP2. After the acquisition of GEP2 closes, the Atrush PSC will have the following parties: GEP 50%, HKN IV (through GEP2) 25%, and KRG 25%.

HKN IV is a sister company to HKN and its ownership interest in and operatorship of the Atrush Block do not directly impact HKN or HKN Energy III, Ltd. Working together with ShaMaran, we expect to realize synergies and cost savings that benefit both the Sarsang and Atrush blocks. We anticipate a smooth transition without any interruption in petroleum operations for the Sarsang and Atrush blocks.