

MERGENT INDUSTRIAL

NEW LISTING

July 1, 2010



This Supplemental News Reports is published as required, is part of the annual MERGENT INDUSTRIAL and INTERNATIONAL MANUALS and will be included in the bound 2010 July Monthly News Reports and is published on our Website.

GULF KEYSTONE PETROLEUM LTD.

Company Website: www.gulfkeystone.com

History: Incorporated in Bermuda on Oct. 29, 2001.

Business Summary: Gulf Keystone Petroleum is a holding company. Through its subsidiaries, Co. is engaged in the exploration and production of oil and gas in the Republic of Algeria and the Kurdistan Region of Northern Iraq.

Property: Co. maintains its registered office in Hamilton, Bermuda. Co. also has offices in Kurdistan, Iraq; and London, U.K.

The following table sets forth information regarding Co.'s exploration blocks as of Dec. 31, 2009:

Block	Interest (%)	Sq. Km.
Sheikh Adi, Kurdistan, Iraq . . .	80	251
Akri-Bijee, Kurdistan, Iraq . . .	20	889
Ber Bahr, Kurdistan, Iraq	40	208

Subsidiaries

Gulf Keystone Petroleum (UK) Limited
Gulf Keystone Petroleum International Limited
Gulf Keystone Petroleum Numidia Limited
Gulf Keystone Petroleum BHH Limited
Shaikan Petroleum Limited

Officers

Todd F. Kozel, Chairman; Chief Executive Officer
Chris Garrett, Vice President - Operations
John B. Gerstenlauer, Chief Operating Officer
Ali A. Al-Qabandi, Director - Business Development
Ewen Ainsworth, Director - Finance
Tony Peart, Director - Legal; Director - Commercial Operations
Adnan Samarrai, Region Officer
Mohamed Messaoudi, Region Officer

Directors

Todd F. Kozel
John B. Gerstenlauer
Mehdi Varzi
Ewen Ainsworth
Ali A. Al-Qabandi
Peter Derek Truscott of St. James, Ph.D.

Auditors: Deloitte LLP

UK Solicitor: Memery Crystal LLP

Shareholder Relations: Tony Peart, Tel.: 44 20 7514 1400

Annual Meeting: In August

No. of Stockholders: Apr. 1, 2010, 1,792

No. of Employees: Jan. 5, 2010, 74

Address: Milner House, 18 Parliament Street, P.O. Box 1561, Hamilton, HMFx, Bermuda Tel: 441 294 1516 Fax: 441 292 7880 E-mail: eainsworth@gulfkeystone.com Web: www.gulfkeystone.com

Consolidated Income Account, years ended Dec. 31 (\$000):

	2009	2008	2007
Revenue	999	5,414	5,414
Cost of sales	(2,013)	(3,257)	(3,257)
Gross profit (loss)	(1,014)	2,157	2,157
Impairment of intangible exploration assets	(57,418)	(29,350)	(20,585)

Impairment of tangible oil & gas properties	(12,182)	(7,860)	
Impairment of inventories	(4,343)		
Gain (loss) on change in fair value of financial asset		(6,455)	
General & administrative expenses	(21,180)	(16,417)	(16,172)
Profit (loss) from operations	(95,123)	(61,096)	(34,600)
Other gains & losses	(442)		
Interest revenue	318	1,932	5,183
Finance costs	(1,027)	(105)	(101)
Profit (loss) before tax	(96,274)	(59,269)	(29,518)
Tax expense (benefit)	(28)	231	(377)
Profit (loss) after tax for the year	(96,302)	(59,038)	(29,895)
Weighted average shares outstanding - basic	422,471	317,323	277,003
Weighted average shares outstanding - diluted	422,471	317,323	277,003
Year end shares outstanding	489,976	368,008	278,041
Net earnings (loss) per share - basic	\$(0.23)	\$(0.19)	\$(0.11)
Net earnings (loss) per share - diluted	\$(0.23)	\$(0.19)	\$(0.11)
Total number of employees	74		
Number of common stockholders	1,792		

Reclassified to conform with 2008 presentation. As of January 5, 2010. As is As of April 1, 2010.

Consolidated Balance Sheet, as of Dec. 31 (\$000):

Assets:	2009	2008
Intangible assets	90,482	95,520
Property, plant & equipment, net	3,433	15,713
Deferred tax assets	960	
Total non-current assets	94,875	111,233
Inventories	574	5,922
Trade & other receivables, net	2,214	7,857
Cash & cash equivalents	19,156	33,606
Derivative financial instruments	574	
Total current assets	22,518	47,385
Total assets	117,393	158,618
Liabilities:		
Trade & other payables, net	44,117	18,515

Current tax liabilities	524	
Total current liabilities	44,641	18,515
Trade & other payables, net	113	14,857
Provisions	3,545	2,846
Total non-current liabilities	3,658	17,703
Total liabilities	48,299	36,218
Net assets	69,094	122,400
Share capital	3,985	2,765
Share premium account	239,813	204,919
Share option reserve	11,745	4,890
Exchange translation reserve	(157)	(184)
Retained earnings (accumulated losses)	(186,292)	(89,990)
Total equity	69,094	122,400

Reclassified to conform with 2009 presentation

Auditor's Report: The following is an excerpt from the Report of the Independent Auditors, Deloitte LLP, as it appeared in the 2009 Annual Report:

Opinion

In our opinion: the Group financial statements give a true and fair view, in accordance with IFRSs, of the state of the Group's affairs as at 31 December 2009 and of its loss for the year then ended;

the Group financial statements have been properly prepared in accordance with the accounting policies set out in the Summary of Significant Accounting Policies; and

the information given in the Directors' Report is consistent with the Group financial statements.

Emphasis of a matter - going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in Note 1 of the Group financial statements concerning the Group's ability to continue as a going concern. Note 1 explains that whilst the Group's existing financial resources include approximately \$156.4 million of cash and cash equivalents at 1 June 2010 and the Standby Equity Distribution Agreement facility, due to high levels of planned expenditure as a result of the significant drilling campaign over the next 12 months following the Group's recent exploration success in Kurdistan, together with the anticipated cash outflows of \$52 million associated with the Sheikh Adi and Ber Bahr PSC acquisitions, the Group may require the injection of additional finance through production revenue streams, fund raisings, or other methods of finance. These conditions, along with other matters as set forth in Note 1 of the Group financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. The financial statements do not include any adjustments that would result if the Group was unable to continue as a going concern."

Capital Stock:

1. Gulf Keystone Petroleum Ltd. common; par \$0.01.
AUTHORIZED — 750,000,000 shs.
OUTSTANDING — Dec. 31, 2009, 489,976,407 shs; par \$0.01.

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OPTIONS — Dec. 31, 2009, outstanding, 11,000,000.
REGISTRAR — Computershare Investor Services plc, Bristol, United Kingdom.
PRIMARY EXCHANGE — National Bulletin Board (NBB): GUKY F
PRIVATE PLACEMENTS — (20,915,034 shares) privately placed at £0.765 per share on Mar. 15, 2010 for total gross proceeds of approximately \$24,000,000 (£16,000,000).

(152,301,835 shares) privately placed at £0.75 per share on May 25, 2010 for total gross proceeds of approximately \$165,000,000 (£114,200,000).

CAPITAL HISTORY — In 2009, Co. increased its authorized share capital from 500,000,000 shares to 750,000,000 shares.

2. Gulf Keystone Petroleum Ltd. American Depositary Receipts; no par.

One American Depositary Receipt equals 20 Common shares.

DEPOSITARY — The Bank of New York Mellon, New York, NY

PRIMARY EXCHANGE — National Bulletin Board (NBB): GFKSY