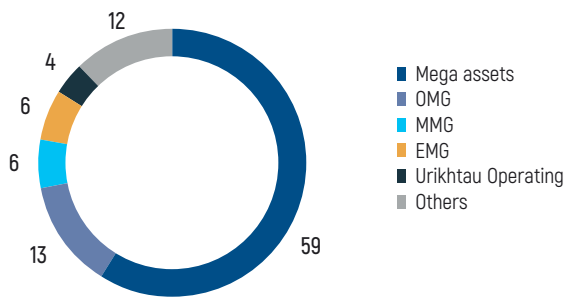


# OPERATING REVIEW



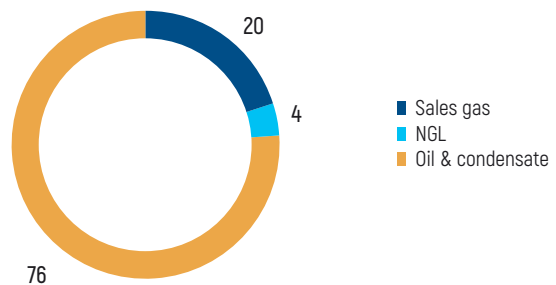
## RESERVES

2P RESERVES BREAKDOWN BY ASSET  
(NET TO KMG), % (2019YE)



Reaffirming its commitment to transparency, KMG, for the first time ever, disclosed a summary of its reserves report prepared under the internationally used PRMS guidelines. According to the reserves audit by the international independent consulting firm DeGolyer & MacNaughton, KMG's proved plus probable hydrocarbon (2P) reserves were at 676 mln tonnes of oil equivalent (5,220 mmmboe) as of 31 December 2019.

2P RESERVES BREAKDOWN BY HYDROCARBON TYPE  
(NET TO KMG), % (2019YE)



The proved reserves (1P) life of oil and condensate is 16 years (based on 2019 production level), far exceeding the average for the global oil majors (about 12 years).

**23 years**  
2P reserve life ratio of oil and condensate at 2019 production level

NET RESERVES<sup>2</sup> UNDER PRMS (NET TO KMG), YE2019

Reserves	Oil and condensate, mln barrels	NGL, mln barrels <sup>2</sup>	Commercial gas, bcf	Hydrocarbon reserves, mmoeb
Proved (1P)	2,825	168	5,204	3,860
Proved plus Probable (2P)	3,993	189	6,228	5,220
Proved plus Probable plus Possible (3P)	4,686	224	7,070	6,089

Reserves	Oil and condensate, mln tonnes	NGL, mln tonnes <sup>2</sup>	Commercial gas, bcm	Hydrocarbon reserves, mmtoe
Proved (1P)	371	14	147	499
Proved plus Probable (2P)	524	16	176	676
Proved plus Probable plus Possible (3P)	616	19	200	790

6,000 cf = 1 boe; 1 cm = 35.31466 cf; 1 ton = 7.62 barrels.

<sup>1</sup> Net Reserves are defined as that portion of the gross reserves attributable to (1) the interest held by KMG after deducting all interests held by others, as well as (2) interests that are not held by KMG, but which KMG controls.

<sup>2</sup> Natural gas liquids.