



# THE ENERGY TO MAKE A DIFFERENCE

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## ABOUT KOSMOS ENERGY

Kosmos Energy is a pathfinding oil and gas exploration and production company focused on frontier and emerging areas along the Atlantic Margin. Our assets include existing production and other major development projects offshore Ghana, large discoveries offshore Mauritania and Senegal, as well as exploration licenses with significant hydrocarbon potential offshore Portugal, São Tomé and Príncipe, Suriname, Morocco and Western Sahara. As an ethical and transparent company, Kosmos is committed to doing things the right way. Our Business Principles articulate the company's commitment to transparency, ethics, human rights, safety and the environment. This report documents how we are meeting these commitments. Kosmos is listed on the New York Stock Exchange and is traded under the ticker symbol KOS. For additional information, visit [www.kosmosenergy.com](http://www.kosmosenergy.com).

### About the Cover

A woman and her child walk along the beach of Lompoul, Senegal. Kosmos engages regularly with fishing and coastal communities in Senegal through our Environmental and Social Impact Assessments, communications on our operational activities, and social investment projects.

## ABOUT THIS REPORT

Our 2015 report, "The Energy to Make a Difference," explains how corporate responsibility is a fundamental part of Kosmos Energy's day-to-day business, and how we are making a positive difference in our host countries. The report reviews the application of our Business Principles and supporting policies across each stage of the upstream project lifecycle. Selection of information for inclusion in this report was based on internal materiality discussions, external stakeholder feedback, and consultations with third-party experts. Among other things, the report is designed to communicate our progress on the Ten Principles of the United Nations Global Compact, which we support and endorse. Additionally, this report is guided by the International Petroleum Industry Environmental Conservation Association (IPIECA) standards for voluntary reporting in the oil and gas sector and by the Global Reporting Initiative (GRI), although it is not wholly in accordance with GRI guidelines. For an index of where information related to the Ten Principles and IPIECA reporting standards is located, please see page 42. This report has not received external assurance from an independent third party.

We appreciate your interest in our company and welcome your feedback on how we can improve our reporting. Please contact us at [CorporateResponsibility@kosmosenergy.com](mailto:CorporateResponsibility@kosmosenergy.com).

**F**rom Dallas to Dakar, Kosmos Energy is an oil and gas exploration company energized by doing business the right way, everywhere we operate. Over the last year, we have made several natural gas discoveries offshore Mauritania and Senegal. We understand that with major discoveries, come major responsibilities. We realize our operations have significant social and environmental impacts, and we are committed to making those impacts as positive as possible. Guided by deeply held corporate values, we have implemented company-wide policies that allow Kosmos to be a partner of choice for governments, non-governmental organizations and citizens in the countries and communities in which we operate.

# LETTER TO STAKEHOLDERS

**No matter where we work, or the volatility of the global oil and gas markets, we have an unwavering commitment to corporate responsibility in all its facets.**

This commitment and our approach are based on the values articulated in our Business Principles. These values serve as guideposts for how we run our business and are consistently applied across our geographic footprint. We approach each country with an above-ground agenda that matches our exploration expertise below the ground.

Although the Business Principles are timeless and consistent, we cannot allow their application to become static. The manner in which they are implemented must evolve to meet new challenges on the ground. To be a partner of choice in the countries where we work, we must always look for ways to raise our level of performance to meet the rapidly changing expectations that come with exploration success.

## BEING A FORCE FOR GOOD

In 2015, we made considerable progress in positioning the company as a partner of choice:

> In **Ghana**, where we have our largest presence outside the U.S., we achieved a major local content milestone by employing a 100 percent Ghanaian team. With our local office staffed completely by nationals, and the support of an independent advisory council comprised of respected Ghanaian business leaders, we are demonstrating our commitment to run our business for the benefit of the people of Ghana and our shareholders.

> In **Mauritania**, where we made two major discoveries of natural gas in 2015, we invested in various training programs for local suppliers focusing on workplace health and safety, as well as labor rights. Social investments included English classes for young people in Nouakchott and the provision of safety equipment to fishing communities in Ndiago, the area onshore from our operations.

> In **Senegal**, where we discovered natural gas in early 2016, we completed an environmental and social impact assessment that included consultation with more than 1,000 people in a range of coastal communities to ensure their concerns were documented and addressed ahead of drilling. We also facilitated oil and gas workshops for civil society organizations in Dakar as part of our engagement with the Senegal chapter of the Extractive Industries Transparency Initiative.

> In **Western Sahara**, we have continued our engagement with the local population on the potential impacts and benefits of further oil and gas exploration. We invested in skills training for local people in and around Dakhla, where we staged some of the support activities for our offshore drilling operations and where Kosmos maintains an ongoing presence through an expatriate community relations coordinator.

> In the **United States**, where Kosmos has its office in Dallas, Texas, we helped to deepen cross-cultural understanding by sponsoring *Spirit and Matter: Masterpieces of the Keir Collection of Islamic Art*, an internationally acclaimed exhibition at the Dallas Museum of Art that preserves and protects treasures of the past while promoting new scholarship aimed at expanding the collective knowledge of the Islamic world. With the destruction of priceless artifacts and ancient buildings in places like Palmyra and Mosul, this exhibition is especially timely and important.



**Miniature painting -  
Cup-Shaped Automaton**  
Egypt or Syria: 715 AH/1315 AD

The Keir Collection of Islamic Art on loan to the Dallas Museum of Art  
Image Courtesy of Dallas Museum of Art  
Photo: Ira Schrank



Quakam is one of the fishing communities in Senegal visited during our pre-drilling environmental and social impact assessment.

## NEW CHALLENGES

With major gas discoveries offshore Mauritania and Senegal, and an active exploration program underway, we will have to raise our level of performance to meet ever higher expectations. In this regard, the future holds a number of challenges:

- > **Safety** - In 2015, we delivered our best safety performance in the history of the company, with no lost time injuries and a total recordable injury rate of 0.95. Nothing is more important and we must stay vigilant. Our objective is to be incident- and injury-free, which requires everyone at Kosmos to maintain a “safety first” mindset.
- > **Labor Rights** - We are aware of concerns regarding labor practices in some regions where we operate, including discrimination and the alleged use of forced labor. Our Business Principles are clear: we will not tolerate discrimination. We recognize fundamental labor rights, including the right to work in safe conditions, and will not permit child, forced, or bonded labor at our operations or among our supply chain. In this regard, we have provided local vendors with human rights, labor rights, and HSES training in several countries to better ensure they adhere to international standards and our Business Principles. In addition, we commissioned an internationally recognized expert on labor rights to assess our workforce and supply

chain for key projects so we can address potential issues as our footprint grows.

- > **Sustainable Development** - It is my deeply held belief that hydrocarbon development can be an engine for greater economic opportunity. With our recent discoveries of natural gas offshore Mauritania and Senegal, we face the challenge of making sure development proceeds in a sustainable manner. Our activities have been, and will always be, conducted in a way that is inclusive and for the benefit of local populations. Our work to promote transparency reflects our conviction that resource revenues are more likely to be managed in the best interests of a country and its citizens if payments and receipts are transparent. In all the countries where we operate, we continue to invest in building the capacity and skills needed to support a vibrant petroleum sector capable of creating economic opportunity that is widely shared.

Kosmos is ready to tackle these challenges. We will do so in an open and collaborative manner, working with host governments, local communities, business partners, and other stakeholders. By working together, I am confident we can find practical solutions.

## OUR COMMITMENT IS FIRM

When the price of oil and gas plunges and companies feel financial pressure, their commitment to

corporate responsibility often suffers. This is a phenomenon I have seen many times in my 35 year career. Some companies see corporate responsibility as “nice to do” rather than an essential part of the business.

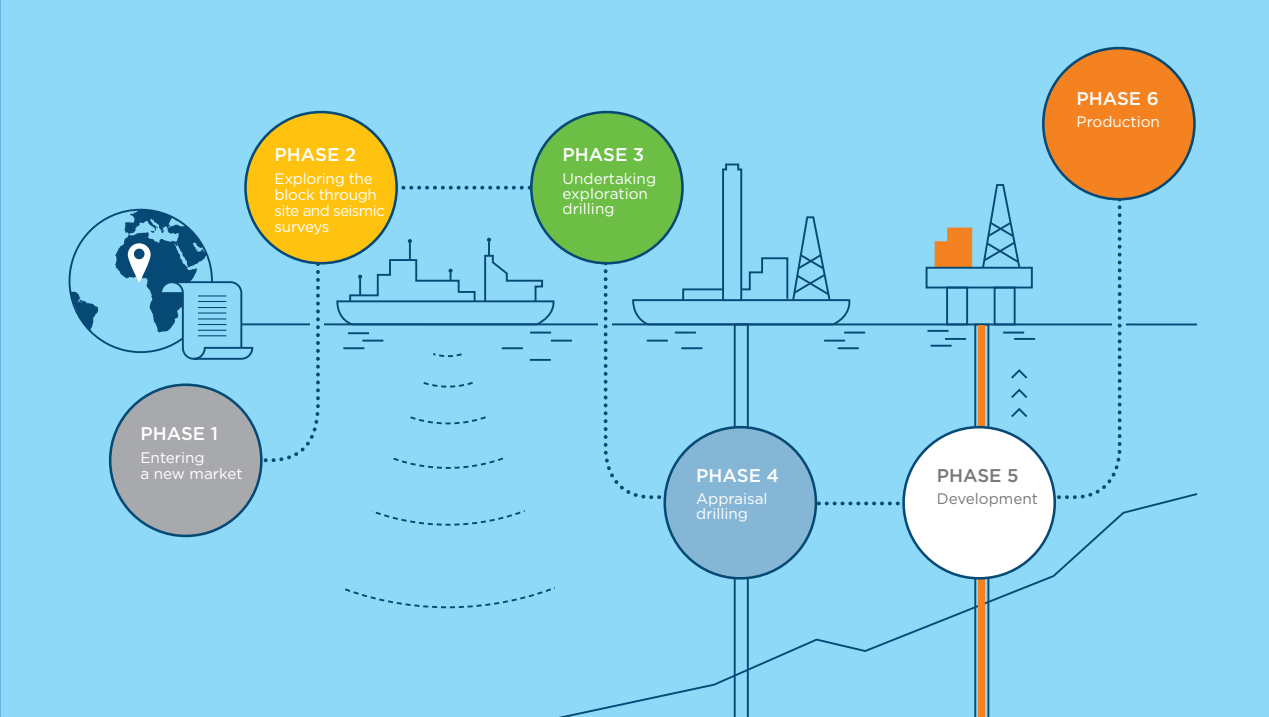
At Kosmos, we live by our Business Principles, knowing that a true commitment to corporate responsibility cannot change with the vagaries of the industry’s fortunes. We will continue to engage stakeholders early, listen carefully, and create a shared agenda focused on investing in people and their capabilities to deliver economic opportunity and real social benefit. This will be our legacy.



**ANDREW (ANDY) G. INGLIS**

Chairman of the Board  
and Chief Executive Officer

# OIL AND GAS PROJECT LIFECYCLE



The diagram above outlines the oil and gas project lifecycle, from entering a new geography, to exploration and, if successful, production. Our corporate responsibility activities – such as social investment and capacity building – in each country are increased as we move along the project lifecycle, although the standards to which we hold ourselves remain the same. The colors on the diagram correspond to the countries and areas of operation listed on the map below to show where we were in the project lifecycle during the 2015 calendar year.



# 2015 FINANCIAL HIGHLIGHTS

Year Ended (in thousands, except volume data)	2015	2014	2013
Revenues and other income	\$ 471,556	\$ 882,738	\$ 852,153
Income tax expense	155,272	298,898	166,998
Net income (loss)	(69,836)	279,370	(91,044)
Net cash provided by operating activities	440,779	443,586	522,404
Capital expenditures	777,204	528,414	424,676
Total Assets	3,203,050	2,926,859	2,311,665
Total long-term debt	860,878	748,362	865,839
Total shareholders' equity	1,325,513	1,338,959	992,335
Production (thousand barrels of oil per day)	23.4	23.4	22.5
Sales volumes (million barrels)	8.5	8.7	7.8
Total proved reserves (million barrels of oil equivalent)	76	75	47
Crude oil (million barrels)	74	73	45
Natural gas (billion cubic feet)	14	14	11



A used drill bit on the drilling floor of the Atwood Achiever while on location offshore Senegal.

## TOTAL EMPLOYEES

### 2015

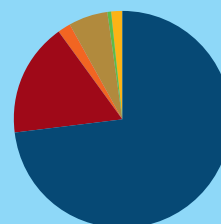


### 2014



- Total Employees
- U.S. Employees

## EMPLOYEE DISTRIBUTION



- United States: 73%
- Ghana: 17%
- Mauritania: 2%
- Morocco: 6%
- Senegal: .5%
- Suriname: 1.5%

# BUSINESS PRINCIPLES IN ACTION

Kosmos Energy was founded in 2003 with the goal of creating value for all of our stakeholders, including shareholders, employees, and the governments and the citizens of our host countries. We recognize that providing reliable returns to investors can only be achieved, over the long term, by advancing the societies in which we work.

In 2013, we adopted the Kosmos Energy Business Principles to formalize this commitment by articulating the values that had always guided our actions. The Business Principles are also informed by what our stakeholders have told us about their expectations of a responsible oil and gas company.

The Business Principles define how we conduct our business and the standards to which we hold ourselves accountable. The Business Principles are supported by more detailed policies, procedures and management systems, many of which are referenced in this report and on our website. The Principles reflect our values and practices across six key areas: Responsibilities to Stakeholders, Ethical Conduct, Our Workplaces, the Environment, Society, and Commercial Relationships.



Strong and supportive relationships with our stakeholders underpin our business and create value. Our stakeholders are any interested or potentially affected party, namely shareholders, employees, governments, communities, business partners and suppliers, and civil society. We believe we have unique corporate responsibilities to each of these groups:

> **Shareholders**

We aim to create attractive returns and manage our business risks.

Kosmos Energy’s Board of Directors is focused on building a successful, long-term future for the company and ensures we maintain good corporate governance. The Board is made up of eleven members, including five Independent Directors. The Board of Directors has six standing committees: Audit Committee; Nominating and Corporate Governance Committee; Compensation Committee; External Affairs and Political Risk Committee; Health, Safety, and Environmental Committee; and the Exploration Assurance Committee.

The External Affairs and Political Risk Committee evaluates company performance against our Business Principles and advises management on issues of potential political, societal, or security risk.

> **Employees**

We aim to provide a stimulating and rewarding work environment, and will not tolerate discrimination.

We aim to foster a company culture that combines an entrepreneurial and team-based approach with ethical behavior. Directors, officers and employees are required to comply with all aspects of the Business Principles and Kosmos’ Code of Conduct in their work activities and in representing the company.

> **Host Governments**

We seek to establish a collaborative approach and contribute to national development.

Our goal with host governments is to develop a shared agenda based on mutual trust and respect. We are open about our business dealings with our host governments because transparency builds trust and accountability. This provides public assurance that hydrocarbon resources are developed responsibly, with the benefits going to the people of our host countries. The “Performance Data” on page 45 in this report details the payments we have made to governments.

We begin significant engagements with our host governments early, at the time of licensing, in an effort to ensure alignment with government priorities and industry needs. We aim to become a partner of choice for our host governments.

> **Communities**

We are committed to engaging and creating opportunities, as well as respecting human rights.

Investing in community relationships early, prior to beginning exploration drilling, is a key part of Kosmos’ approach in every country where we operate. Our Stakeholder Engagement and Community Development Policy details the standards to which we hold ourselves accountable when interacting with communities. We have published this policy on our website at: [www.kosmosenergy.com/responsibility](http://www.kosmosenergy.com/responsibility).

In 2015, we conducted a detailed review of our global Social Investment Programs to better understand their impact and align their focus areas with our business. As a result, we enhanced our corporate guidelines regarding program design and project selection criteria to ensure our efforts are sustainable and complementary to local development priorities. The results of this review led to a new approach which we are piloting in 2017 that better aligns with community, government, and company priorities.



**Kosmos personnel at the shore base in Nouakchott, Mauritania exemplify our entrepreneurial spirit and team-based approach.**

**> Business Partners and Suppliers**

We will allocate contracts through a fair and transparent process, and adhere to our Business Principles in our operations.

We aim to work with suppliers, both local and multi-national, who share our values and standards. Our employees and contractors are prohibited from misusing confidential information to indulge in, or assist others to participate in, insider trading. We expect our employees and contractors to respect confidential and proprietary information and we similarly work to protect the intellectual property of others.

**> Civil Society**

We will engage with and listen to civil society, recognizing the important role that civil society plays in holding governments and companies accountable. We are always open to having meaningful dialogues with civil society about the challenges inherent in exploring for oil and gas in frontier areas. Sometimes we will disagree, but we believe listening and engaging in debate deepens our understanding of the issues. We seek NGOs as valued partners in our social investment programs. Our relationships with civil society in the countries and communities where we operate create mutual value and are central to our success.



Kosmos also engages in public policy discussions occurring globally on energy and corporate responsibility. Kosmos has been a formal supporter of the United Nations Global Compact since 2013. The UN Global Compact is a



**“Our engagement in international initiatives, such as the United Nations Global Compact’s Business for Peace program, has strengthened our ability to manage complex issues such as human rights and sensitive operating areas. These initiatives bring together representatives from companies, civil society and government from all over the world to share challenges and best practices, and we are pleased to be a part of such constructive dialogues.”**

**REG MANHAS**  
Senior Vice President, External Affairs  
Kosmos Energy

voluntary initiative for businesses that are committed to aligning their operations and strategies with universal principles in the areas of human rights, labor, environment, and anti-corruption, and take actions that advance societal goals.

In September 2013, UN Secretary-General Ban Ki-moon launched the business leadership platform, Business for Peace (B4P), to mobilize greater engagement of business in support of peace as a complement to government action. Led by the UN Global Compact with a multi-stakeholder Steering Committee, this platform seeks to elevate and strengthen support for business contributions and for public-private dialogue to advance peace, in support of the recently launched Sustainable Development Goals (SDGs). To

date, over 130 companies from 37 countries have joined Business for Peace. Kosmos has been an active participant in this initiative, and most recently was invited to become a member of the Steering Committee.

In 2015, we commissioned an independent research report from Chatham House, the Royal Institute of International Affairs, on what could be learned from resource development in fragile or conflict-affected zones, including where it has been used to motivate the resolution of entrenched conflicts. The final paper examined both positive and negative effects on stability that can be linked to the extractives sector. The paper is available on the Chatham House website and can be accessed in full here: <http://bit.ly/1UeVVox>.



The Business Principles are supported by robust compliance policies and methodology, including our Anti-Corruption Compliance Policy and Procedures, which align with the U.S. Foreign Corrupt Practices Act (FCPA) of 1977, the U.K. Bribery Act of 2010, as well as best practices in anti-corruption compliance. We are continuously evaluating our anti-corruption measures and performance.

**ANTI-CORRUPTION AND TRAINING**

All Kosmos employees, board members, and individual contractors are required to attend yearly anti-corruption training, and certify that they have read, understood, and will comply with our Anti-Corruption Compliance Policy. To further ensure comprehension, all of our employees are required to pass a test on the Anti-Corruption Compliance Policy.

We exercise care in the selection of vendors, suppliers, and contractors, and we impose the same high standards of conduct that we observe in our own company. We use a risk-based process to evaluate third parties who will work on our behalf. We conduct background due diligence when appropriate to make sure we have obtained full disclosure. In addition to providing all third parties with copies of our Business Principles and Anti-Corruption Compliance Policy, we routinely conduct in-country contractor and supplier training on compliance and supplement in-person training with online training modules.

We conduct rigorous due diligence on potential partners as we seek to expand our exploration portfolio. In some cases, we have decided not to pursue new ventures when we were uncomfortable with a potential partner's standards.

We conduct an annual internal audit of the company's compliance with its business ethics policies and

periodically conduct audits on third parties. We maintain a Whistleblower Hotline as a vehicle for employees, third parties and others to report, without risk of retaliation, potential violations of any Kosmos policy.

**TRANSPARENCY**

Kosmos continues to be an industry leader in promoting transparency by disclosing the terms of all of our petroleum agreements and reporting payments made to our host governments around the world. We are a Supporting Company of the Extractive Industries Transparency Initiative (EITI). Kosmos is a member of the EITI Steering Committees in Ghana and Mauritania and plays an active role in the EITI process in Senegal and São Tomé and Príncipe.



We advocate for the adoption of EITI in all of the countries where we operate, where possible.

Kosmos discloses payments to governments at a project level, as laid out in the European Union Accounting Directive, an initiative that aims to improve corporate accounting practices and transparency. Our project level disclosures are available on our website: <http://www.kosmosenergy.com/responsibility/transparency.php>. This type of disclosure is beneficial to investors, civil society, and local communities and reflects evolving international expectations.

In October 2015, Kosmos submitted a comment letter to the United States Securities and Exchange Commission (SEC) as part of the SEC rulemaking process for Section 1504 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, which proposes requiring U.S.-listed companies to disclose payments to U.S. and foreign governments as a

**“Kosmos is determined to operate in a corruption-free environment and we take great care to ensure that our co-venture partners, employees, contractors and vendors are all aware of their obligation to operate ethically. Having vocal support for this approach from the highest levels at the company enables us to instill an ethical mindset in every employee.**”



**RICHARD STEPHENS**  
Manager, Legal Compliance  
Kosmos Energy

standard part of their reporting to the SEC. In our comment letter to the SEC, we highlighted our commitment to transparency, including our project level disclosure in accordance with the EU Accounting Directive. We stated that we believe that this type of disclosure is beneficial to investors, civil society, and local communities, and reflects evolving international expectations. A copy of this letter is available on our website at <http://www.kosmosenergy.com/responsibility/transparency.php>.



**All Kosmos employees - regardless of role or work location - are required to complete anti-corruption training. The employee pictured is based at our shore base in Nouakchott, Mauritania.**

Kosmos aims to be a world-class exploration and production company known for delivering excellent results and being a workplace of choice for some of the best people in the industry. We want our employees to have careers that are professionally challenging, personally rewarding, and focused on delivering value to our stakeholders. In 2015, we hired 54 new employees to bring our total number of employees at year end to 256 worldwide. We incorporate the ideas and experiences new employees bring to our organization while retaining our unique culture and upholding our Business Principles.

Kosmos focuses on recruiting, retaining, and developing a diverse and capable workforce of talented people who embrace our Business Principles and entrepreneurial culture. We are an equal opportunity employer and do not tolerate harassment or intimidation of any kind. Employees are respected and encouraged to contribute their ideas. We base employee recruitment and advancement solely on merit and will not tolerate discrimination, subject only to the need to ensure that, in some contexts, we seek to accelerate the recruitment and advancement of suitably qualified nationals of the countries in which we operate.

We seek to hire and develop local employees for our international operations. We are proud that in Ghana and Mauritania, 100 percent of our employees are citizens of those countries. This level of local employment is a long-term target for Kosmos in all of the countries where we have operations. We are also committed to investing in the development of our employees. For example, employees hired in Ghana, Mauritania, Senegal, and Suriname have rotated through our Dallas headquarters on special assignments. These development opportunities have enabled them to assume greater responsibility and handle the increasingly complex work that we are moving to local offices. We augment our internal programs with external development opportunities through our Education Reimbursement Policy.

We recognize fundamental labor rights and require our contractors to adhere to international labor standards and local laws. We will not permit child, forced, or bonded labor at our operations or among our suppliers. In 2015, we conducted a labor rights risk assessment of select operations to better understand our level of risk, both at the current stage of our operations and in the future.



**Kosmos ranked 25th among mid-size companies in the Dallas Morning News rankings of the Top 100 Places to Work 2015, our third year earning a position on the list.**

Kosmos is a relatively small company with a fast-paced, collaborative work environment and a high level of employee engagement. We have instituted programs to ensure employees remain engaged as the company evolves. These programs include Town Hall meetings, during which senior management provides an operational update and holds an open forum, as well as monthly cross-departmental brown bag lunches with members of Kosmos' senior leadership team.

**“Prior to my joining Kosmos Energy Ghana, I was impressed with the company’s commitment to the country after finding oil in 2007. I was not surprised when I heard that the company was looking to make it a one hundred percent Ghanaian staffed entity by hiring a Ghanaian national as Country Manager. I am proud I made the decision to join Kosmos Energy to fulfill this commitment. Kosmos Energy’s interest is really vested in the development of Ghana and its people.”**



**JOE MENSAH**  
Vice President and Country Manager  
Kosmos Energy Ghana



**Support staff in Accra, Ghana complete a training on Kosmos Energy’s Business Principles and supporting policies.**

We value the natural areas where we do business, both land and sea, and we strive to prevent or minimize potential adverse impacts on the environment. Our Health, Safety and Environmental (HSE) management system, The Standard, was reviewed and refreshed in 2015, a process we now conduct on an annual basis. The Standard sets clear expectations and performance measures that we use to plan and monitor our corporate, country and project-level activities. The Standard is available on our website at [www.kosmosenergy.com](http://www.kosmosenergy.com).

After license acquisition, the first stage in the oil and gas project lifecycle is the acquisition of seismic data. Kosmos recently completed seismic surveys offshore Mauritania and Senegal. Our geologists and geophysicists use the data to create detailed images of the earth's physical characteristics which then enable us to make more informed decisions about the location of potential oil and gas deposits.

Conducted offshore, our seismic activities also provide unique insight into the presence and abundance of marine life, including large mammals, birds, fish, corals, and others. Where possible, we share this data with scientists and local marine research institutes. For example, in Ireland,

where we have relinquished our licenses in the Porcupine Basin, we are continuing to support the Marine Renewable Energy Ireland initiative by contributing marine ecological data sets developed during past seismic surveys to help researchers better understand and protect the marine ecology.

Kosmos also supports a marine biodiversity initiative in Mauritania, the Biodiversity Oil and Gas Program, to improve understanding and protection of the Mauritanian offshore ecosystem. To read more about this program, see page 30. We always aim to promote the sustainable management of living natural resources and minimize the potential impact of our operations on the environment and biodiversity.

We plan for an effective and timely response to emergencies that have the potential to impact personnel, the environment, local communities, or our assets. In 2015, we conducted regular global crisis simulation drills with internal and external stakeholders, such as governments and civil society. These types of exercises help us improve our ability to respond in the unlikely event of an emergency. Our local leadership team and HSES Advisors are mentored through these exercises to

**“Kosmos employees accept that the responsibility to ensure health, safety, and environmental protection is integral to the way we do business, not just because it’s a part of our social license to operate, but simply because it’s the right thing to do. It has become a core value that is demonstrated every day in the way we plan and execute our work and engage with our contractors and communities where we operate.”**



**SCOTT BERGERON**  
Senior Director, Health, Safety and Environment  
Kosmos Energy

develop their ability to lead on the ground during an incident.

In addition to training personnel, Kosmos carefully considers the technology and drilling equipment that we use. We base these decisions on our Well Integrity Management System (WIMS), which governs well design and the execution of drilling, completions and testing of wells. We believe in safe and efficient operations that are consistent with strong well governance procedures, and internationally recommended best practices.

We believe climate change is real and influenced by human activity. At this time, Kosmos does not operate any of its producing assets. Kosmos' only oil and gas production is offshore Ghana, where our co-venturer, Tullow Oil, operates the Jubilee field. While we do not participate in the Climate Disclosure Project (CDP), Tullow Oil participates in the CDP, reporting emissions and management processes on behalf of the Jubilee co-venturers, including Kosmos Energy. Our management will revisit this decision when Kosmos has operated oil or gas production.

## SAFETY PERFORMANCE

Kosmos continued to improve safety performance in 2015 leading to the best year for safety in the company's history. Key performance indicators for the year, available in the Performance Data on page 45, were based on industry benchmarks reported by the Oil and Gas Producers Association, as well as internal objectives for operational readiness and behavior-based training. In early 2016, Kosmos achieved a major milestone in our safety performance: one year of zero recordable incidents. Prior to achieving this milestone, we had two recordable incidents in January 2015: a wrist fracture at our shore base in Mauritania and a foot injury on the drillship.



Kosmos aims to be a trusted partner, good corporate citizen, and catalyst for positive change. We understand that governments have the principal responsibility for promoting the welfare of their citizens, including through the distribution of benefits generated by oil and gas development. However, we recognize that Kosmos must behave responsibly and that we are most likely to have a sustainable business if we work with a range of stakeholders, support measures intended to promote good governance, and maximize the opportunities we create for those around us.

Prior to seismic operations or exploration drilling, we conduct Environmental and Social Impact Assessments to develop well-informed operational management plans and consult with potentially impacted populations. Social Impact Assessments help Kosmos to develop the baseline of socioeconomic conditions before activity begins, understand and mitigate any potential adverse impacts from the activities, and collect information

that enables our future activity to benefit workers, communities, and local businesses.

Upon establishing a country office to oversee our operations, we complete an assessment to identify social investment opportunities and potential partners from the community. In 2015, we reviewed our social investment programs worldwide to better understand their impact. The results of this review led to a new approach that better aligns with community, government, and company priorities.

Kosmos has a deep commitment to respecting and protecting human rights. Our Human Rights Policy, available on our website, ensures that our behavior toward employees, contractors, and external stakeholders is both responsible and respectful. We conduct Human Rights training sessions for our employees in select countries. Rather than conducting a stand-alone company-wide human rights risk assessment, we have incorporated human rights into all of our Social Impact Assessments, and have based our efforts on potential risk exposure.

Since it is important for community members to achieve redress if they suffer harm as a result of our operations, we maintain and publicize mechanisms in every country for addressing grievances. Additionally, we train employees and contractors on how to handle and resolve grievances appropriately.

We seek to apply the U.N. Guiding Principles on Business and Human Rights in all our operations. A key element of the Guiding Principles is for companies to evaluate within their risk assessments the extent to which the company's activities may pose risks to those around them. In 2015, we hired a third party expert to conduct a labor rights risk assessment of our operations in certain countries to

**“I am proud to be part of an organization committed to respectfully bringing cultures together. Doing so allows us to provide opportunities to our host countries’ talent so they may become tomorrow’s leaders.”**



**RAQUEL ZOTOS**  
International Human Resources Manager  
Kosmos Energy

better understand our risks during exploration, as well as risks that could arise in the event of an oil or gas discovery. We believe adopting a proactive approach to human rights is good risk management.

Kosmos is currently participating in a corporate committee that is assisting International Alert, a global peace-building organization, in developing updated guidance on human rights due diligence in fragile and conflict-affected settings. A background paper that will serve as the conceptual framework underpinning the guidance can be found at [http://www.international-alert.org/sites/default/files/Economy\\_ConflictSensitivityBusinessHumanRights\\_EN\\_2016.pdf](http://www.international-alert.org/sites/default/files/Economy_ConflictSensitivityBusinessHumanRights_EN_2016.pdf). International Alert is planning to release the final guidance document in late 2016.

Kosmos seeks to implement the Voluntary Principles on Security and Human Rights in our operations. Although port facilities are often secured by state security providers, we use private security providers for our office operations. We have conducted security assessments and trainings for these private providers that incorporate the Voluntary Principles as guidance. Our goal is not only to prevent potential human rights abuses, but also to encourage security providers to serve as advocates for protecting and promoting human rights.



**Kosmos employees volunteer their time for the Dallas Area Habitat for Humanity.**

At Kosmos, we see our interactions with local business partners as a way to contribute to the countries in which we operate, in addition to paying taxes, fees and other payments to host governments. In fact, in the event of exploration success, we see oil and gas development as an engine for economic development.

We maintain high standards for our suppliers and commercial partners in terms of safety, the environment, and anti-corruption. Suppliers are required to adhere to our Business Principles. Their willingness to observe the standards articulated in our Business Principles and supporting policies is a key consideration in the selection process.

When a potential local supplier is found to be outside our HSE standard, we endeavor to provide the necessary training or certification to elevate them to our standard. This is frequently the case, as we operate in a number of countries with nascent oil and gas industries. For example, in Ghana, we provide regular defensive driving and safety training for our

**“One of my favorite responsibilities is my morning call with our local procurement teams. There are typically a dozen nationalities represented! I am always impressed by the respect each person has for the global team and for our supplier base, and the expertise that each person is willing to share. Although this call is focused on operational activities, it is clear to me that our local procurement team deeply understands the positive impact we can have on local businesses and supplier development.”**



**ALICIA KEMPER**  
Procurement Analyst,  
Supply Chain  
Kosmos Energy



**Kosmos provides training to local contractors at the Port of Nouakchott to raise HSE standards and enhance operations.**

transportation vendors. In Morocco, where we were the industry lead at the port of Agadir, we held safety trainings and provided additional Personal Protective Equipment (PPE) for stevedores and other local workers in the port. These efforts lowered the incident rate at the port, both for Kosmos and for other companies that had contracts with port employees.

Ensuring that our suppliers and contractors fully understand their contractual obligations regarding anti-corruption provisions is of paramount importance. Our local procurement officials offer one-on-one sessions with our suppliers to walk them through their requirements under our policies, the U.S. Foreign Corrupt Practices Act of 1977, and other relevant legislation.

During this process, we often identify areas for additional training within our local supply chain. For example, in Senegal, we will be providing English lessons for employees and contractors in 2016. Similarly, in Mauritania, we have worked with a cleaning company that services our apartments and local office on its health and safety standards, as well as its human resources practices. The company’s contract with Kosmos has been an incentive for this vendor to improve its operations. As a result, they are now attracting business from local embassies and other international organizations.

We seek to maximize the amount of goods, services, and employment that we source locally. Our local content approach aims to enable people to access jobs, and to enable businesses to access supply chain opportunities through Kosmos. This is more challenging at the exploration stage in our project lifecycle, where there are few non-technical jobs created and highly specialized equipment is often sourced globally.

In 2015, we thoroughly assessed our approach to local content, both at the corporate level as well as in Mauritania where we have active drilling operations. The assessment was completed by an international firm with relevant expertise and found that we needed to update certain policies and contract language, as well as improve cross-functional cooperation to optimize local content. As a result of this process, we have updated our Local Procurement Policy to include a greater emphasis on local content, as well as improved guidelines on measurement and reporting. We also created a cross-functional steering team tasked with planning and evaluating local content for our future LNG project in Mauritania and Senegal. We recognize that maximizing local participation within our business is an ongoing process that requires early planning and periodic re-evaluation based on changes in supply and demand.

# CONNECTING DALLAS TO THE WORLD THROUGH ART

Our approach to social investment constantly evolves according to business needs and the world around us. In 2015, this was most noticeable in Dallas, Texas, where we launched two major multi-year initiatives aimed at connecting our home city to the world through art and science.



Mr. Mahanta Gueye, Technical Advisor to Senegal's Minister of Energy, examines an illuminated manuscript.

## CROSS-CULTURAL UNDERSTANDING

We believe that through our search for oil and gas – and the way we do business – we can have a positive impact on the places where we work by connecting people, bridging cultures, and deepening understanding. We believe art has the same power.



In September 2015, the Dallas Museum of Art (DMA) announced Kosmos as the presenting sponsor of the Keir Collection of Islamic Art for its inaugural years of exhibitions and installations. The partnership between the museum and the company provides \$800,000 of support for a series of special

exhibitions, installations in the museum's collection galleries, and a prospective touring exhibition. The sponsorship also includes resources to facilitate loans of items from the Keir Collection to other U.S. and international institutions.

Assembled over the course of five decades by noted art collector Edmund de Unger (1918-2011), the Keir Collection is recognized by scholars as one of the world's most geographically and historically comprehensive, encompassing almost 2,000 works in a range of media that span 13 centuries of Islamic art. The first exhibition, *Spirit and Matter: Masterpieces from the Keir Collection of Islamic Art*, showcases more than 50 masterworks from the collection, marking the first time many of the featured works have been on display in North America.

Kosmos' partnership with DMA is an extension of our ongoing efforts to engage with the communities where we live and work, and foster appreciation for the art and culture of these communities. We brought representatives from our countries of operation in West Africa to Dallas to join us at the opening of the Keir Collection at the Dallas Museum of Art.

Although the process of bridging cultures begins with the preservation of historic artifacts, it develops most fully through the

study of art and what it reveals not just about the artists and the works themselves – their form, their style, and their content – but also the social, political, and cultural circumstances that shaped them. When this knowledge is shared, it becomes a catalyst for deeper understanding and greater trust.

The people of Dallas – in all their diversity – will enjoy the fruits of the scholarship now taking place at the DMA on the Keir Collection and will be able to view and learn from the collection for free. Those beyond Dallas will be able to access the art online through high definition photographs thanks to the museum's ongoing digitization project. Works of art that are essentially being discovered for the first time will soon be available. By supporting the display of the Keir Collection – and the scholarship and knowledge it will generate – we are doing our part in Dallas for the benefit of people everywhere.



Lamp  
North Africa, possibly Morocco:  
12th-13th century

The Keir Collection of Islamic Art on loan to the Dallas Museum of Art  
Image courtesy of Dallas Museum of Art  
Photo: Ira Schrank



## Editorials

# Editorial: DMA's Islamic Art collection should challenge us all

Published: 15 September 2015 12:35 PM

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Great art is about more than beauty.

It is about revealing something true through our perceptions and, sometimes, in spite of them.

In the West, so much of our perception of the Islamic world today is dominated by images of war and terrorism. History and culture, not to mention art, are obscured by the actions of extremists, many of whom are bent on the destruction of any remnant of society that doesn't reflect their radicalism.

That's why there may be no more important time than now for the celebration and consideration of beauty and artistry in historic Islamic cultures.

In Dallas, we are fortunate that on Friday, the Dallas Museum of Art will open one of the nation's most significant exhibits of masterpieces of Islamic artwork, spanning the 9th to 19th centuries.

Spirit and Matter: Masterpieces from the Keir Collection of Islamic Art is an ambitious show of artifacts and pieces of art that illuminate a spectrum of history that many of us are unfamiliar with.

This collection is on loan to the DMA for 15 years and, thanks to an \$800,000 sponsorship from Dallas-based Kosmos Energy, will not only become an important permanent exhibit but a significant part of the museum's scholarship.

Now is the perfect time for serious study of these works. It is impossible to divorce current events from them.

The Islamic State's path of destruction through Syria and Iraq has targeted culture as well as lives. Wanton destruction of art, including the demolition of the ancient Temple of Baalshamin in Palmyra, is part of the movement's attempt to erase anything but its own distorted view of the world. The brutal torture and beheading last month of Syrian archaeologist and scholar Khaled al-Asaad was another indication of the lengths the Islamic State will go to.

DMA director Maxwell Anderson is right when he notes that iconoclasm is probably as old as art itself. And as grotesque as the Islamic State's destruction of art in the Islamic world might be, it still represents a fraction of existing works.

Nevertheless, in a time of destruction and upheaval, it is important to try to understand what is being attacked. It is not simply people; it is a rich history and culture worth cherishing.

All of us should understand that, from those who harbor suspicions about all of Islam to those who would embrace its most radical interpretations.

North Texas is home to both types of people. But it's also home to many more people who are eager to learn about history and other cultures with the understanding that will enrich their own lives.

This collection of art will do just that, through its beauty and its reflection of cultures and times past.

It should challenge our perceptions, and we should welcome that challenge.

# CONNECTING DALLAS TO THE WORLD THROUGH SCIENCE

## BUILDING CAPACITY IN SCIENCE

Each day at Kosmos, we use the fundamentals of science, technology, engineering, and math (STEM) to do our jobs. We interpret seismic images to identify potential oil and gas deposits. We plan deepwater drilling operations targeting prospects located more than three miles below the ocean floor. We study the rocks we bring to the surface to better understand where oil and gas might be found. Being at the forefront of science and technology is how we play our part in meeting the world's energy needs and how we create value for stakeholders.

The shortage of people with training in the STEM disciplines poses a potential long-term threat to many businesses, including our own. In 2015, Kosmos announced a partnership with the Perot Museum of Nature and Science to face this challenge head-on by helping Dallas teachers develop their ability to train and inspire young people in the STEM disciplines.



Museum of Nature and Science

*The Kosmos Energy STEM Teacher Institute* is an innovative program designed to improve the quality of formal science instruction for participating kindergarten through 12th grade teachers, and increase interest and engagement among their students in STEM subjects. Through this program, teachers enjoy professional development



During the Kosmos Energy STEM Teacher Institute summer academy, Dallas/Fort Worth area teachers receive specialized training from the Perot Museum's network of educators.

opportunities and access to the Perot Museum's network of educators and vast resources.

The program, which started in the spring of 2015, involves a formal application process for teachers to ensure they are invested and committed. Chosen teachers from across the Dallas/Fort Worth area attend a week-long Summer Academy, where they are grouped according to their level of comfort and expertise in sciences - Pre-Service Teachers, Novice Teachers, Advanced Teachers, and Mentor Teachers - rather than by grade level.

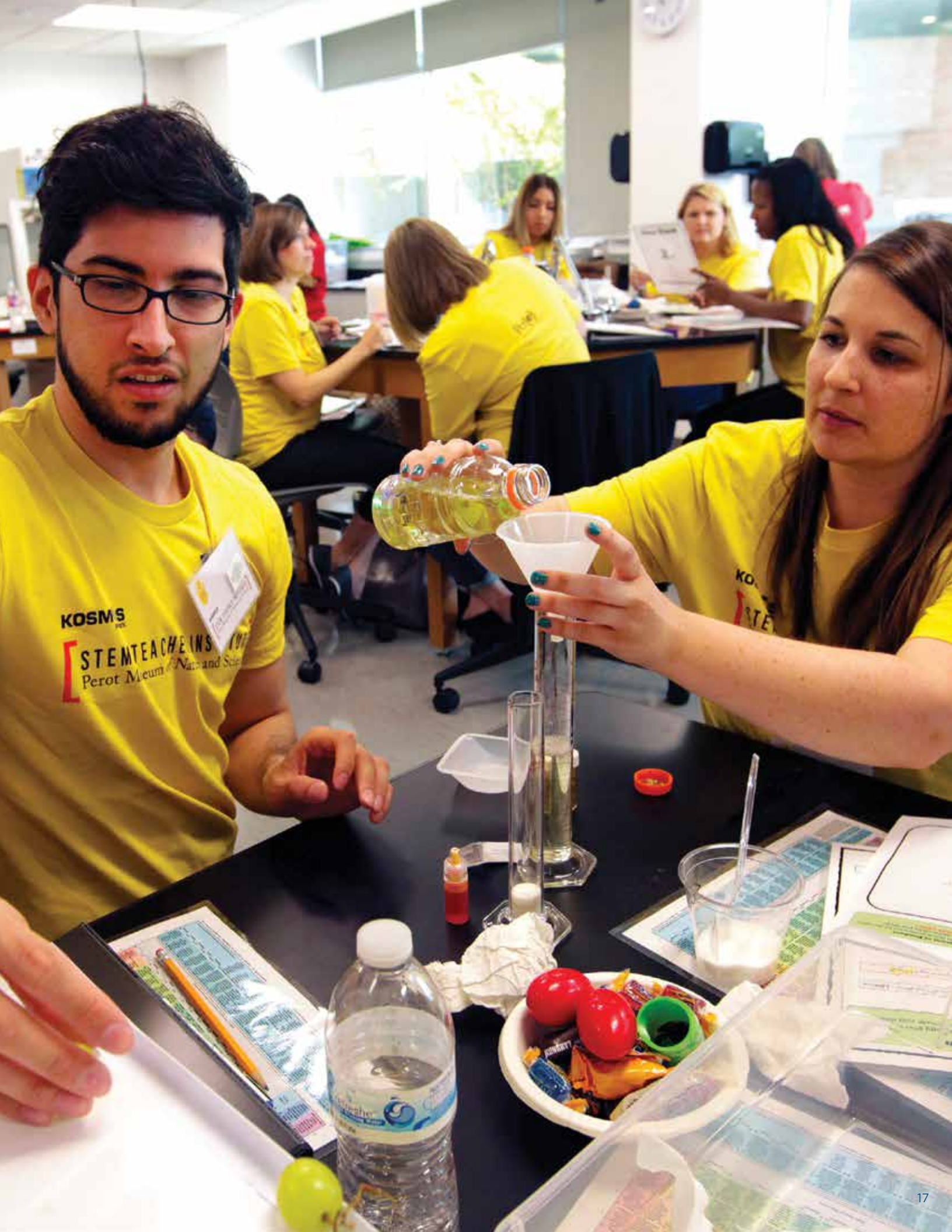
Instruction continues through the academic year with five professional development sessions held on weekends twice a month, for which they receive continuing education credits required for teachers by the Texas Education Agency. The teachers

are also mentored throughout the academic year.

The program is expected to impact more than 4,800 students during the 2015-2016 school year. Expected outcomes include significantly increased knowledge of science among teachers, competence, confidence, creativity, and consistency in science instruction. In addition, the program will enhance teachers' ability to encourage students to pursue careers in fields related to science, technology, engineering, and math.

# 4,800+

STUDENTS WILL  
BE IMPACTED  
DURING THE 2015-16  
SCHOOL YEAR





# GHANA

Ghana is the only country where we have oil and gas production. Kosmos discovered the Jubilee field offshore Ghana in 2007 and spent the next 42 months drilling appraisal and development wells and building necessary infrastructure to begin production in late 2010. Although Kosmos does not oversee day-to-day operations of the Jubilee field – that is the responsibility of the field operator – we take an active role in stakeholder engagement, social investments, and other activities to increase assurance that hydrocarbon production benefits local people. Our office in Accra, which is the largest outside of the United States, makes up approximately 20 percent of our global workforce and is staffed 100 percent by Ghanaians.

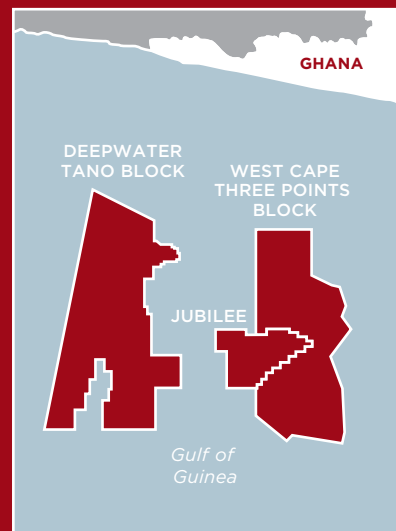
## MANAGING OUR FOOTPRINT

In Ghana, we continue to invest in our core asset which provides the company's financial foundation. Gross production from Jubilee field averaged approximately 102,500 barrels of oil per day sales throughout 2015. Gas production from the Jubilee field was also strong, ending the year at more than 110 million cubic feet per day.

For the third consecutive year, we delivered a reserve replacement ratio above 100 percent. Kosmos' proved net reserves at the end of 2015 were 76 million barrels of oil

equivalent. Reserves increased primarily due to continued strong reservoir performance, more than offsetting the impact of lower oil prices.

In December 2015, the Greater Jubilee Full Field Development Plan and Unit Expansion Agreement for the Mahogany and Teak fields were submitted to the Government of Ghana. The plan includes connecting the Mahogany and Teak fields to the Jubilee field Floating Production, Storage and Offloading vessel (FPSO).



The TEN project, our second major oil development in Ghana, is now more than 90 percent complete and remains on schedule and within budget. We expect TEN to produce first oil in the third quarter of 2016. Ghana's second FPSO, named the *John Evans Atta Mills* in honor of the late president who oversaw the beginning of oil production in the country, arrived on location in March 2016.

By 2017, we anticipate significant growth from Ghana with the TEN project expected to increase our net production by nearly 50 percent over 2015.

### **Safety and Environmental Performance**

Our active monitoring of safety and environmental compliance contributed to strong HSE performance in 2015. There were no Lost Time Incidents (LTI) for our West Cape Three Points operations throughout 2015. There was one LTI on the Jubilee field FPSO Kwame Nkrumah in 2015, and no LTIs on any other Jubilee operations. We continued to invest in safety training throughout the year, which helped sustain performance gains achieved in 2014.

### **Gas to Power**

Kosmos continues to play an important role in promoting the use of natural gas to generate power. The Jubilee partnership supplied on average approximately 66 million cubic feet of gas each day in 2015 to the Ghana National Gas Company's (GNGC) onshore processing facility at Atuabo and onward flow to the Aboadze power plant for fuel to generate electricity. Kosmos continues to work closely with its partners and government stakeholders to plan for and expand Ghana's gas infrastructure to meet the country's needs.

### **ENGAGEMENT AND LISTENING**

As a long-term partner in Ghana, Kosmos regularly engages with a wide range of stakeholders, including government, local communities, contractors and suppliers, civil society, the media, and academia. We communicate regularly with these stakeholders to

understand their concerns about the industry and share information that improves their knowledge of the oil and gas sector.

### **Government of Ghana**

Beyond our day-to-day interactions with government on matters related to operation of West Cape Three Points and other business, we participated in key events as an industry representative at the government's request. In October 2015, when the Economic Community of West African States (ECOWAS) held its first forum on extractive industries in Accra, Kosmos engaged as a key partner who had helped build Ghana's oil and gas sector. The forum was designed to promote sustainable development and management of natural resources to meet the needs of current and future generations. Delegations from 15 ECOWAS member states attended, along with representatives from the public and private sectors.

### **Local Communities**

While our legal license to operate is granted by national governments, we also seek to obtain the broad support of, and bring sustainable benefits to, the communities directly

associated with our operations. The area directly onshore from the Jubilee field includes the six coastal districts of the Western Region of Ghana, where we have centered much of our local community engagement. We employ community liaison officers who live in the communities to ensure that we are in regular communication. During community meetings, we encourage community members to have an open dialogue with our company by visiting our offices, contacting us via email or phone calls, or using our grievance mechanism.

### **Contractors and Suppliers**

We aim to maximize the participation of local suppliers in all of our operations to increase the benefits our business brings to host countries. In Ghana, where we have maintained an office since 2007, developing our local supplier base has been an important way for us to contribute to national economic and social development. For example, Kosmos and its partners have helped build the capabilities of a small Ghanaian waste management company, Zeal Environmental Technologies. The company has become a premiere environmental management company.



**The FPSO John Evans Atta Mills starts its long sail from Jurong Shipyard in Singapore to Ghana. Production from the Tweneboa, Enyenra and Ntomme fields is expected to begin in the third quarter of 2016.**



**In 2015, we hosted several workshops for editors and journalists to deepen their knowledge of the oil and gas industry.**

**Civil Society**

Kosmos maintains regular contact with a range of civil society organizations in Ghana, such as the African Centre for Energy Policy (ACEP), the National Resource Governance Institute (NRGI), and the Extractive Industries Transparency Initiative (EITI).

In 2015, Kosmos staff in Ghana hosted a 24-person delegation from Senegal – comprised of EITI committee members, parliamentarians, and civil society organizations – who visited Accra to learn about Ghana’s experience

embracing transparency in the oil and gas industry. The full-day discussion covered a range of topics, including collaboration between industry, government and civil society, and policy development.

In addition, Kosmos was selected as an industry representative to serve on the governing board of the Western Region Coastal Foundation (WRCF), an organization that brings together industry and local communities to coordinate the development activities carried out by these stakeholders and government.

**Media**

Editors and journalists are important stakeholders as they regularly write about oil and gas activities in Ghana and shape public understanding. In 2015, we hosted several workshops for editors and journalists to deepen their knowledge of the industry.

Held in the Western Region, as well as in Accra, the workshops brought together more than 50 editors and journalists from four different regions and featured presentations by industry specialists and independent subject matter experts from Ghana National Gas Company, the Petroleum Commission, the University of Cape Coast’s Institute of Oil and Gas Studies, and other organizations.

The subjects explored in the workshops were based on feedback from earlier engagements with media and also from local journalists who had already participated in oil and gas training programs.

**Academia**

In 2015, Kosmos engaged with students and faculty at the University of Mines and Technology at Tarkwa; University of Cape Coast; University of Ghana; the Kwame Nkrumah University of Science and Technology; and the Ghana Academy of Arts and Science. We participated in forums at the universities, as well as provided

**THE KOSMOS ENERGY ADVISORY COUNCIL**

Kosmos took an important step in 2014 to demonstrate our long term commitment to Ghana by creating an independent advisory council comprised of respected Ghanaian business leaders who advise the company and serve as a sounding board as we work to support Ghana’s socio-economic needs and management of oil and gas resources.

Members of the council were selected based on their business knowledge, diverse points of view, and history of success leading companies in Ghana. By listening to the advice and insights of these business leaders, Kosmos is playing a more active role in helping Ghana develop the full potential of its oil and gas resources to support Ghana’s socioeconomic development. There is natural alignment between Kosmos and Ghana when it comes to creating a well-managed and increasingly productive petroleum sector.

**“Kosmos Energy Ghana has come a long way since establishing the Advisory Council. My colleagues and I have consistently given advice on a range of internal and external issues, in their wish to make the right decisions and to take the right steps, in dealing with its diverse Ghanaian stakeholders. Kosmos Energy has become more Ghanaian since then.”**



**SETH KWASI DEI**  
 Founder of Leasafric and Blue Skies Ghana Limited; and member of the Kosmos Energy Ghana Advisory Council



**Kosmos worked with local communities to build IT resource centers in Ghana's Western Region. These centers help young people develop the technology skills needed to pass the Basic Education Certificate Examination.**

guest speakers on such topics as governance and management of the oil and gas industry, transparency and business ethics, and socio-economic development.



**A student completes an assignment at the IT center in New Nzulezu.**

### POSITIVE IMPACTS

Kosmos strongly supports local content initiatives in Ghana and other countries. Where openings exist, we seek to employ suitably qualified people from the places where we work. In 2015, Kosmos achieved a major milestone by employing a 100 percent Ghanaian team. This has been a long-term goal for the company and demonstrates our commitment to local content and employee development.

### Local Hiring, Employee Development, and Capacity Building

We implement personal development plans for our employees aimed at investing in our people, building capability that enables us to promote from within, and enhancing the organization's performance. We had 43 employees in Ghana at year-end 2015, and 91 percent of these employees received training and development opportunities in 2015. In addition to providing a range of leadership, business skills, and technical training, Kosmos sent Ghanaian employees to Mauritania and Senegal on extended assignments to help train other employees and support our drilling programs there. Total training expenditure in Ghana during 2015 was almost \$200,000.

Along with building the capability of our own staff, Kosmos also supports the professional development of key partners. In 2015, we developed and conducted a training program on incident investigation that included employees, contractors, and participants from the Petroleum Commission, Environmental Protection Agency, and Ghana National Petroleum Corporation. This joint program provided a

rich learning environment as participants shared experiences and lessons from a variety of backgrounds and perspectives.

In the community, Kosmos' capacity building initiatives focused on offering opportunities for young people to develop technology skills. After listening to the interests and needs of communities, Kosmos built two information technology (IT) centers in the Western Region in collaboration with the Ghana Education Service, district assemblies, and traditional councils. The objective is to help community members, particularly young people, develop their IT skills and use the acquired skills for their studies, including passing the Basic Education Certificate Examination.

The two technology centers were constructed in the Nzema East Municipality and the Jomoro District, and will serve fourteen local schools. Kosmos had previously equipped the pre-existing technology center in the village of Nsein with equipment to serve a cluster for eight schools. As part of our plan for the sustainability and day-to-day management of the centers, Kosmos is providing training for support staff in 2016.

### Social Investments

Kosmos contributed approximately \$1 million dollars in 2015 to the Jubilee Unit and TEN Development social investment programs, which focus largely on vocational training. These initiatives are overseen by a team of representatives from Jubilee joint venture companies, including Kosmos.

Independent of Jubilee and TEN programs, Kosmos invested \$461,000 in social programs in 2015. Our projects are carefully designed in collaboration with community-level stakeholders to ensure their long-term sustainability.

Kosmos' partnership with Safe Water Network in a three-phased project to bring clean drinking water to 28,000 people in 20 communities in the Western Region grew out of this spirit of collaboration. The first two phases were completed and commissioned in 2014. The third phase was completed in 2015. The project proved so successful

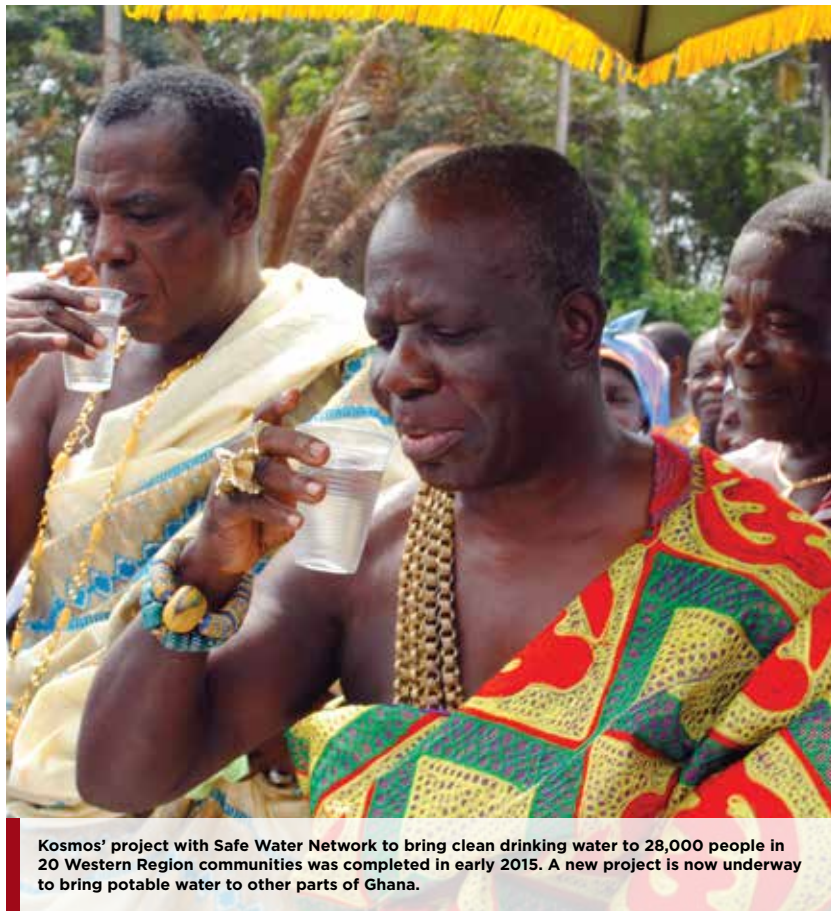


**Kosmos provided improved fish smoking ovens to two communities in the Western Region, which enable local women to improve the quality of their product and limit spoilage. This initiative has helped the women prevent post-harvest losses and sustain year-round income.**

- and garnered such a positive community response - that Kosmos decided to expand water projects to other parts of the country. This time, we partnered with Water Health Ghana to provide clean drinking water to Kwabenya (Greater Accra), Amanase (Eastern Region), and Nyanaanor (Central Region). The new community water stations will be completed in 2016, supplying approximately 39,000 people with clean drinking water.

Because oil and gas production might last 25 years or more, Kosmos takes a practical and long-term view of its relationship with the fishing community in Ghana, focusing on collaboration that addresses issues and solves problems. Since 2012, Kosmos has implemented a multi-year fisheries livelihood support project in the Western Region designed to enhance the value chain for the fish smoking business. The Ekpu processing facility in the Jomoro district was completed and handed over in 2015. More than 130 fish processors in Jomoro benefitted directly from the improved fish smoking ovens, as well as 172 fish processors at Ankobra in the Ellembele district. In addition to providing the smoking ovens, Kosmos arranged for training for local fishmongers in the areas of bookkeeping and marketing to help them improve profits from the increase in smoked fish inventory.

In a similar collaboration with local communities, Kosmos developed the Teacher's Resource Center as a multi-use space for local teachers to receive training, hold workshops, and work together to develop teaching aids for schools in the Beyin and Atuabo areas. An existing building near a school in Beyin was renovated to house the center. The Teacher's Resource Center will initially focus on instructional methods to improve literacy among the local population. A steering committee of education and community leaders will oversee the center's daily operations.



**Kosmos' project with Safe Water Network to bring clean drinking water to 28,000 people in 20 Western Region communities was completed in early 2015. A new project is now underway to bring potable water to other parts of Ghana.**



## THE KOSMOS INNOVATION CENTER

After more than ten years of helping to develop the oil and gas industry, we launched the Kosmos Innovation Center (KIC) in 2016 to help Ghana build a brighter future by encouraging the use of innovation and technology to apply commercial solutions to some of the country's key challenges.

The KIC begins its work by choosing an area of focus from one of Ghana's many different economic sectors. For its initial engagement, the KIC is turning its attention to agriculture – the largest sector in Ghana's economy – where it will pursue and nurture the development of market-based solutions that address various development challenges.

The KIC will focus on the nexus between information and communications technology (ICT) and agriculture, with the goal of inspiring entrepreneurs to transform Ghana's agriculture sector.

To achieve results that drive change, the KIC uses a three-part approach: Collaboration, Incubation, and Acceleration.

### > Collaboration – Fostering Partnerships to Tackle Challenges Together

Through workshops, conferences, and other events, the KIC brings together the best and brightest minds from a range of fields, such as business, technology, finance, academia, and other specialists and practitioners to talk through the challenges in improving Ghana's agricultural sector. These carefully selected individuals share their knowledge, inspire each other, and work together to develop practical solutions to the most pressing problems.

### > Incubation – Nurturing Promising Start-up Companies

Through formal competitions focused on innovation, the KIC challenges young entrepreneurs to use technology to develop commercially viable solutions to development challenges within the agricultural sector. At the end of the competition, selected entrepreneurs receive seed funding, technical assistance, and mentorship to help them turn their ideas into reality. The Meltwater Entrepreneurial School of Technology (MEST) is the KIC's key partner in exciting and inspiring budding entrepreneurs to use technology to transform Ghana's agricultural economy.

### > Acceleration – Investing in Small Business Development

Through capital investment and technical assistance, the KIC is accelerating the development of promising small businesses with the potential to provide private sector solutions to market problems. After a stringent screening process, selected companies will receive a range of support aimed at helping them grow their business.



For more information on the Kosmos Innovation Center, please visit [www.kosmosinnovationcenter.com](http://www.kosmosinnovationcenter.com).



**Entrepreneurs-In-Training at the Meltwater Entrepreneurial School of Technology (MEST), like the group pictured above, receive comprehensive training across the skill sets required to build successful technology businesses. This includes computer programming, software development, product management, finance, marketing, sales and leadership best practices. MEST is a key partner of the Kosmos Innovation Center.**



# SENEGAL

Kosmos has an operating interest in two exploration blocks offshore Senegal – Cayar Offshore Profond and Saint Louis Offshore Profond. The license areas are adjacent to, and on trend with, our blocks offshore neighboring Mauritania. We began drilling the Guembeul-1 exploration well in late 2015 and received results from the well in 2016. Located approximately five kilometers south of the basin-opening Tortue-1 gas discovery offshore Mauritania, Guembeul-1 made a significant discovery and demonstrated reservoir continuity as well as static pressure communication with Tortue-1, suggesting a single, large gas accumulation.

## MANAGING OUR FOOTPRINT

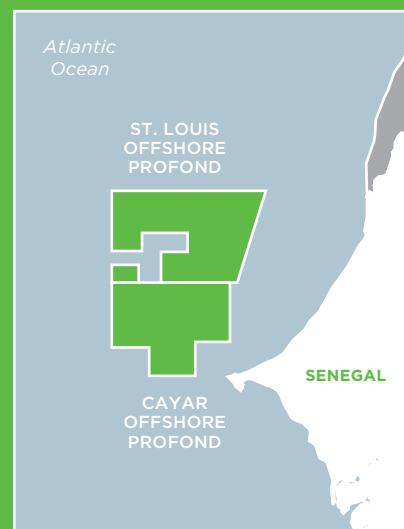
Kosmos opened its office in Dakar in September 2014 to support the upcoming drilling program and establish a visible presence in the country. Previously, Kosmos had spent more than a year working almost exclusively in fishing communities onshore from our license areas to introduce the company, begin building productive relationships, and prepare for both seismic surveys and drilling activities.

Our small, but capable team in Dakar is comprised mostly of Senegalese nationals. We provide development

opportunities to our Senegalese staff through special assignments to build technical skills.

## ENGAGEMENT AND LISTENING

Our Dakar-based community liaison officer has continued to maintain relationships with local communities, municipal authorities, and civil society in the coastal communities stretching from Dakar to Saint Louis. These communities are familiar with Kosmos from communications related to our seismic campaigns as well as early outreach associated with our Environmental and Social Impact Assessment completed prior



to drilling. We regularly visit coastal communities to communicate on our seismic and drilling activities and any results. We have found that these communities are well informed, and are often dependent on fishing as their livelihood. Kosmos also maintains a grievance mechanism for our Senegal operations. We had one use of our grievance mechanism regarding our drilling operations in 2015, from an individual who had additional questions about our upcoming drilling plans. The questions were answered in a manner satisfactory to the individual.

As part of our commitment to furthering transparency and good governance wherever we operate, Kosmos developed and sponsored a workshop on the oil and gas industry and transparency in partnership with the Senegal EITI Committee. We brought independent international experts to Dakar to present at the workshop, and attendees included civil society, parliamentarians, and industry representatives. We recognize that a lack of information is often the source of uncertainty, suspicion, and even conflict in the extractive industries, and therefore we have planned a series of workshops and events tailored to different stakeholders in Senegal in



The environmental and social impact assessment completed in Senegal in 2015 included consultation with more than 1,000 people in coastal communities such as Guet Ndar.

the coming year. We also engage regularly with individual civil society organizations in Senegal to keep them up to date on our operations and provide an opportunity for feedback.

### POSITIVE IMPACTS

As our presence in Senegal grows and our activities increase, we intend for our operations to contribute to social and economic development. To support this objective, we employ a dedicated Senegalese procurement officer who works with suppliers to source goods and services locally, whenever possible.



Four young fishermen from Potou, which was among the coastal communities visited during our pre-drilling environmental and social impact assessment.

“In Senegal, Kosmos has been quite proactive regarding transparency: they recently approached the EITI National Committee and assisted with the organisation of an orientation workshop to explain the complexity of oil and gas activity and development to stakeholders. We encourage this sort of good practice around transparency and hope that these actions will inspire other actors.”

CHEIKH TIDIANE TOURE  
EITI Secretariat for Senegal

In addition to giving local businesses the chance to participate in our supply chain, we also look for opportunities to make social investments. In 2015 we conducted a detailed review of social investment opportunities and potential partners in Senegal to inform our approach. This included extensive engagement with NGOs, civil society and government bodies to understand concerns and identify development priorities.

Based on information gathered from fishermen and their families during the consultation process for the ESIA, Kosmos worked with seven artisanal fishing associations known as the Conseils Locaux de Pêche Artisanale to develop a novel and sustainable program that improves safety and protects livelihoods.

Kosmos provided global positioning systems, solar lamps that illuminate night fishing and serve as distress

beacons, and life vests to the fishing associations. The associations are now selling the equipment to their members at a subsidized price. The revenue generated can then be used by the associations to:

- ▶ invest in more equipment thereby creating a virtuous cycle of safety consciousness
- ▶ invest in the fishing associations' social funds, which provide a safety net for fishermen and their families who have suffered work-related accidents resulting in disability or loss of their equipment, and
- ▶ invest in capacity building programs for association members who seek to improve their livelihoods.

Decisions regarding the use and disbursement of funds are made locally by the multi-stakeholder group that manages the associations.



**Kosmos provided GPS systems, like the one pictured above, as well as other safety gear to fishing associations in northern Senegal.**

Our expanded social investment program in Senegal in the coming years will continue to emphasize coastal and fishing communities.



**A fisherman from Lompoul wears one of the life vests donated by Kosmos to his artisanal fishing association.**

## ENVIRONMENTAL AND SOCIAL IMPACT ASSESSMENT IN SENEGAL

Kosmos conducts a thorough environmental and social impact assessment (ESIA) prior to engaging in any drilling or seismic operations. ESIA's review operational plans, establish a social and environmental baseline, and assess the potential environmental and social impacts of a proposed project, as well as develop appropriate mitigation approaches and management tools. Once completed, the ESIA is submitted to the host government for review, feedback, and approval.



In 2015, Kosmos partnered with international experts and a Senegalese company, Tropica Environmental Consultants, to prepare the ESIA for our proposed exploratory drilling operations offshore Senegal. The process and final assessment report help us better

understand potential social and environmental impacts of the project as well as public concerns, which leads to more informed impact management plans and project planning.

The ESIA process included extensive public consultations. Kosmos and the ESIA team initiated public consultations early in the process to identify stakeholders' questions and concerns. Approximately 500 people were informed and consulted during 32 meetings in the first quarter of 2015. An additional 500 people were consulted during the regulatory public hearings organized in the third quarter of 2015 by the Ministry of Environment.

The Senegalese public asked questions and shared concerns during the consultations. We received feedback about fishing, environmental protection, and potential interference of the drillship with other maritime vessels. The assessment found that no impacts on artisanal fisheries are expected from the routine operations of the exploration program, but there is a potential for interaction between support vessels and pirogues (small fishing boats). To mitigate this, both the rig and support vessels are equipped with radar scanner systems that will pick up another marine vessel in the area even if the vessel does not have signal/communication systems on board. Further, the support vessels established a navigation routing plan from the shore base to the rig that minimized risks of interference with populated fishing areas. While it is true that negative impacts to marine fauna could occur from routine operations, the magnitude and extent of these impacts were almost uniformly negligible or low, and very localized. Implementation of proposed mitigation measures further reduced the potential for environmental impacts.

During the ESIA consultations, community members regularly inquired about benefits to the local population and job creation. Exploration drilling creates little immediate benefit, and this was explained during the consultation meetings. In the event of exploration success, Kosmos works with the government to determine ways that benefits can flow to local people. However, even during the exploration phase, Kosmos is committed to creating economic opportunity both through its core business and its social investment programs. We are committed to optimizing the participation of capable local suppliers so as to increase the linkages between Kosmos' business and the Senegalese economy. Further, Kosmos has developed a social investment plan that takes into consideration local needs and development priorities.

Throughout the ESIA process, we engaged a range of stakeholders in order to gain support for the drilling project. The ESIA team spent considerable time building relationships with key regulators, agencies, ministries, and coastal fishing communities. Each of these constituencies participated in the ESIA process (through consultations, reviews of materials, or facilitating meetings) and ultimately supported the outcome and Kosmos' plan of activities.

The results of the ESIA are incorporated into a comprehensive Environmental and Social Management Plan for Kosmos' drilling operations in Senegal. Comprehensive impact assessment prior to exploration drilling is a crucial step for Kosmos everywhere we operate, and we continue to learn and improve our processes with each ESIA we conduct.



# MAURITANIA

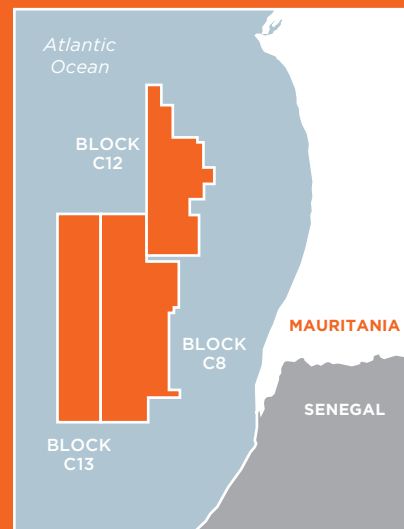
In 2015, Kosmos drilled two successful exploration wells offshore Mauritania, opening one of the largest new petroleum systems discovered in the last 15 years anywhere in the world. The first exploration well, Tortue-1, made a significant and play-opening discovery of natural gas. It turned out to be the industry's second largest find of the year. A few months later, Kosmos drilled the Marsouin-1 exploration well, which made a major, play-extending gas discovery. Kosmos currently holds exploration licenses for three blocks offshore Mauritania - C8, C12 and C13 - covering approximately 27,000 square kilometers.

## MANAGING OUR FOOTPRINT

Consistent with our support for local content initiatives, the Kosmos office in Nouakchott is currently staffed by ten employees who are all Mauritanian nationals. We have invested in the professional development of several of these employees by exposing them to our other countries of operation, such as Senegal, to share knowledge and learn first-hand about supporting drilling operations. In addition, some employees have attended conferences and training programs around the world.

## Human Rights

Kosmos works hard to apply the United Nations Guiding Principles on Business and Human Rights in every country where we work. The nature and size of our operational footprint during exploration drilling offshore Mauritania means that our exposure to potential human rights risks is currently limited. Nonetheless, in 2015 we conducted a labor rights risk assessment using a third party expert. Based on the results, we are mitigating risks and determining next steps, particularly around additional training for our contractors and suppliers beyond that which we have already provided.



**“Kosmos Energy Mauritania’s employment practices, especially recruitment and training, reflect some of the values that matter the most to Kosmos Energy. We’ve tried to attract local hires with the best technical skills, even if this means sometimes disregarding a candidate’s English language skills. Employees who do not yet speak English are enrolled in an intensive language course upon hire. By doing this, we have given employment opportunities to local people who might otherwise have been overlooked by a foreign company. I am proud of the work we have done to build local competencies in Mauritania.”**



**FATIMA BOYE**  
Human Resources &  
Administration Manager  
Kosmos Energy Mauritania

### Safety and Environmental Performance

Kosmos is proud of its safety record in Mauritania, having worked more than 1,000,000 man hours with no

incidents as of December 31, 2015. We regularly hold training courses on safety for our employees and contractors to ensure high standards and empower individuals to report near misses or stop any work that they are uncomfortable performing.

### ENGAGEMENT AND LISTENING

Consistent with our standard practice, Kosmos engaged early with fishing communities onshore from our license areas stretching from the southern coastal region of Ndiago to coastal communities near Nouakchott. We first met with local representatives as part of an Environmental Impact Assessment to introduce the company, highlight our commitment to good practices, explain our planned drilling activities, and provide information on our grievance mechanism.

In 2015, we completed two voluntary Social Impact Assessments to supplement the data gathered and impacts measured as part of the Environmental Impact Assessment. We met with, among others, fisherman’s associations, women’s groups, the local Diawling Park Authority, and local religious,

business, and government leaders. Each meeting ended with an invitation to continue the dialogue on our activities, as well as a commitment to keep stakeholders informed of our plans.

We believe that the best way to promote economic stability and fight corruption is through cooperation and transparent engagement with a range of stakeholder groups. In Mauritania, Kosmos’ Country Manager serves as a member of the Extractive Industry Transparency Initiative (EITI) Steering Committee. The EITI has been a valuable forum for engagement on revenue transparency and anti-corruption initiatives in Mauritania.

In response to local media inquiries about our natural gas discoveries offshore Mauritania, we organized a training workshop for the Mauritanian journalists. The workshop focused on the oil and gas industry and how to interpret industry news releases. Due to positive feedback, we plan to hold additional workshops for local media in 2016.



**A fisherman unfurls his sail in an area near Diawling National Park along the coast of southern Mauritania. Kosmos regularly engages with the Diawling National Park as part of our ESIs and social investments.**

## POSITIVE IMPACTS

With our first successful exploration well, we were able to take a long-term look at the positive impacts we can have in Mauritania. While we pursue development of the country's natural gas resource, we aim to enhance national capacity in the oil and gas industry and its related fields.

In Mauritania, our capacity building initiatives have focused on specific oil- and gas-related skills, as well as skills that are transferable across a range of industries. For example, we enhanced government capacity in data analysis and interpretation by providing supplementary training to Société Mauritanienne Des Hydrocarbures et de Patrimoine Minier (SMHPM), the national oil company and our government partner, and donating several computer workstations.

Similarly, for the last two years, Kosmos has provided English language training for students at Centre de Formation et de Perfectionnement Professionnels (CFPP), the largest vocational training center in Nouakchott. We learned from a needs assessment that the students were often being excluded from job applicant pools for which they were qualified because they did not have sufficient language skills. In mid-2015, during a review of our English language program, we discovered that the students could benefit from learning basic management and entrepreneurship skills. To meet this need, we partnered with the International Labor Organization office in Mauritania to pilot an employability skills training program to the students in the English classes for the 2015-2016 cycle.



**Students display their graduation certificates from the English language training program.**



**A work crew leader at the Port of Nouakchott supervises the movement of drilling pipe inside the Kosmos shore base.**

Developing and training our local suppliers is another way that we are able to contribute to national capacity. In 2015, we conducted a local content assessment of our activities in Mauritania, reviewing both current and future supply and demand. We were able to identify several supplier groups that would benefit from job skills training, English lessons, and knowledge sharing. We also identified areas for improvement in our supplier communication and engagement processes.

Kosmos is also a supporter of Mauritania's Biodiversity Oil and Gas Program (BGP), a multi-stakeholder initiative supported by the Ministry of Environment and Ministry of Energy. The BGP Program aims to improve marine biodiversity protection, regulatory capacity, and social equity amongst marine resource users. Kosmos has participated in BGP stakeholder dialogues, as well as served as an industry resource for the program. Additionally, in 2015, we sponsored a multi-week marine research survey through BGP to increase knowledge and data about biodiversity in the waters offshore Mauritania. For

more information on this innovative public-private partnership, please visit <http://bit.ly/24E90MC>.

While many of our social programs are based in Nouakchott and support national development, we believe it is also important to benefit coastal communities in the Ndiago region, which is directly onshore from our license areas. Because there was little demographic and economic information available on the Ndiago region when we entered Mauritania in 2013, we began our work in the area by conducting a community needs assessment. Through the assessment, we learned that fishing is a key economic driver, and that there were community concerns about the safety of the fishermen and their vessels, as well as the safety of those engaged in fish processing. After consulting with representatives of the community, we provided safety gear and fish processing equipment to local social funds managed by fishing associations in the region, to be disbursed in Ndiago to reduce health risks and improve working conditions.



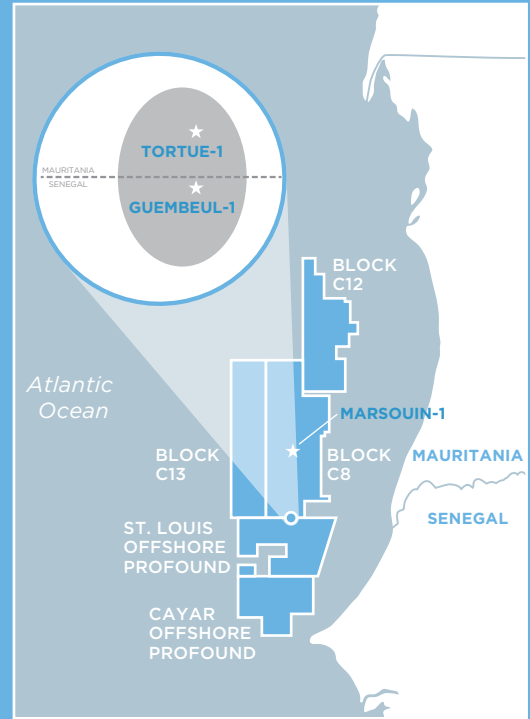
## UNLOCKING MAURITANIA AND SENEGAL'S FULL HYDROCARBON POTENTIAL

In Mauritania and Senegal, our 2016 program is centered on the efficient appraisal of the Tortue discovery, drilling one of three independent oil tests, and acquiring additional seismic to better define the prospectivity of the remaining oil potential.

With a series of successful exploration and appraisal wells on the West Tortue structure, we have discovered a significant amount of natural gas and believe we have opened one of the largest new petroleum systems anywhere in the world over the last 15 years. Given better-than-expected results and growing confidence in our understanding of the basin, we believe we have de-risked sufficient resource to underpin a world-scale LNG project.

Kosmos is now working toward commercialization by developing a project concept that delivers competitive gas in the current market environment. In addition, we are facilitating an intergovernmental cooperation agreement between Mauritania and Senegal to enable early development of the cross-border Tortue field. In early 2016, we entered into a Memorandum of Understanding (MOU) with Société des Pétroles du Sénégal (Petrosen) and Société Mauritanienne Des Hydrocarbures et de Patrimoine Minier (SMHPM), the national oil companies of Senegal and Mauritania, which sets out the principles on which a formal agreement will be based.

Beyond commercializing Tortue, our focus in Mauritania and Senegal remains on fully unlocking this new and promising hydrocarbon province. Based on our well results and seismic data, we believe the basin has potential for both significant gas and oil resources.





# MOROCCO

In 2015, Kosmos held licenses to explore three blocks offshore Morocco: Essaouira, Fom Assaka, and Tarhazoute. Over the years, we have conducted several 3D seismic surveys and drilled one exploration well in the Fom Assaka block, which encountered hydrocarbons but not in commercially viable quantities.

## MANAGING OUR FOOTPRINT

As the oil and gas industry develops in Morocco, Kosmos has helped set the standard for how the industry conducts business in the country. Since opening its shore base in Agadir in 2013, Kosmos has played a leadership role in the consortium of oil and gas companies using the facility. Through investments in infrastructure and worker training, Kosmos collaborated with the authorities to enhance the facilities. Further, our safety training programs for port employees helped contribute to zero injuries being sustained during work on our operations out of Port of Agadir.

## ENGAGEMENT AND LISTENING

We have worked closely over the years with the Office National des Hydrocarbures et des Mines (ONHYM) and other government stakeholders to increase awareness of international best practices regarding the management of hydrocarbon resources. By building capacity early, we believe the potential benefits of resource development will be managed more effectively. Through workshops on a range of topics – such as transparency, resource governance models, and stakeholder engagement – we have helped to promote sustainable development.



**POSITIVE IMPACTS**

Since entering Morocco, Kosmos has focused its social investment on programs that encourage entrepreneurship and skill-building with the goal of supporting economic development.

Kosmos has established multi-year partnerships with the following organizations in Morocco:

- > **AMIDEAST** A leading non-profit organization engaged in international education, training and development activities, AMIDEAST provided soft-skills training and English and French language classes to more than 100 unemployed college graduates in Agadir who have advanced degrees but lacked the skills needed to find jobs. In addition to receiving 870 hours of total training, the students benefited from workshops on entrepreneurship, company visits, and simulations in which students developed and executed businesses plans over the course of a day. We are continuing programs with AMIDEAST in 2016.
- > **INJAZ Al-Maghrib** INJAZ Al-Maghrib is a non-profit focused on delivering a broad base of entrepreneurship training opportunities to Moroccan youth by partnering with the private sector. Kosmos has supported INJAZ Al-Maghrib’s work in linking middle and high school students with the business world for three consecutive years.

**THE MOROCCO CENTER OF EXCELLENCE IN SOCIAL RESPONSIBILITY**

Recognizing that combining resources can lead to greater impact, Kosmos has partnered with Chevron Morocco Ltd. to establish the Morocco Center of Excellence in Social Responsibility. Known as the Center of Excellence, the organization serves as an economic development and corporate social responsibility resource for private companies, ONHYM, and social development organizations. One of the first major projects of the Center of Excellence in 2015 was developing the capacity of ONHYM and its staff to formally implement Corporate Social Responsibility (CSR) practices and policies. This training encouraged ONHYM to develop its own CSR strategy and better oversee the CSR activities of companies working in Morocco. The Center of Excellence is run with support from Mercy Corps, an international non-governmental organization.

The Millennium Challenge Corporation (MCC) began working with two women’s fishing cooperatives in two coastal communities, Sidi Abed and Sidi Ifni, under their first Compact with Morocco. After MCC’s project with the women’s cooperatives ended in 2013, Kosmos began supporting the cooperatives to promote cooperative development, product quality, hygiene and safety, and entrepreneurship for over 200 women members. In order to build on this work in the coming years, we have entered into a partnership with the Center of Excellence and Mercy Corps to work with unemployed youth and women’s cooperatives to create jobs and strengthen cooperatives in coastal communities, starting with the Sidi Ifni and Sidi Abed areas in 2016 and then expanding to other coastal communities.



- > **Enactus** For several years Kosmos has supported Enactus in its mission to connect students, academics and business leaders through entrepreneurial-based projects. In 2016, Kosmos is

sponsoring Enactus to expand its program to Agadir, benefiting over 900 students.

- > **Corps Africa** Kosmos has supported Corps Africa in Morocco for three years. Corps Africa matches African youth volunteers with communities throughout their home country to design projects that address poverty at local levels. The program enhances the skills of young development practitioners in Morocco. In 2015, Kosmos sponsored a Moroccan volunteer in the rural town of Gafifat near Agadir. The volunteer worked with a local association to equip a multimedia hall with computers, books, a projector, whiteboard and the internet. This project gave people in Gafifat a chance to develop their IT skills in a way that had been previously unavailable to them.



Since entering Morocco in 2011, Kosmos has focused its social investment on programs, such as Enactus, that encourage entrepreneurship.



# WESTERN SAHARA

Kosmos completed its first exploration well offshore Western Sahara in early 2015. The well encountered hydrocarbons, but the discovery was non-commercial. Kosmos' goal in the coming years will be to find a reservoir of commercial size and quality. For complete information on our activities offshore Western Sahara, visit [www.kosmosinwesternsahara.com](http://www.kosmosinwesternsahara.com)

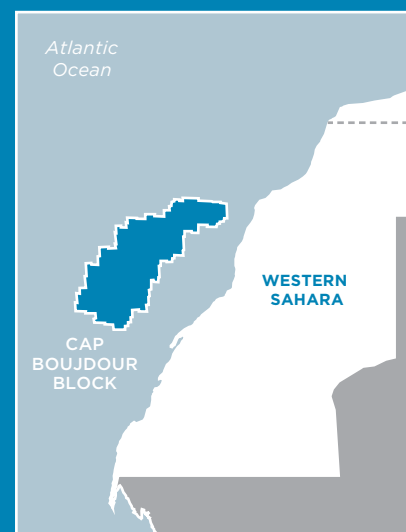
Kosmos and the Office National des Hydrocarbures et des Mines (ONHYM), on behalf of the Government of Morocco, have signed a Joint Declaration of Principles committing that the people of Western Sahara will benefit in an effective and equitable manner from any potential hydrocarbon development and will be consulted in the process. This achievement has been recognized by many stakeholders as a positive and significant step forward.

We view the 2002 U.N. Legal Opinion as our touchstone as it remains relevant and specifically applicable on the matter of investment in Western Sahara. In our view, economic development of the territory can

and should proceed in parallel with the U.N. mediation process without adversely affecting its progress or outcome.

## MANAGING OUR FOOTPRINT

Kosmos completed the first well in the Cap Boujdour contract area safely and without incident. Our Environmental Management Plan was based on the Environmental Impact Assessment (EIA) that Kosmos conducted prior to drilling. The EIA for the Cap Boujdour contract area, including the Al-Khayr well, was completed by a well-known international firm and was prepared in a manner consistent with good industry practice, and in compliance with Morocco's environmental legislation. Kosmos organized several



## EMPLOYEE PERSPECTIVE: SETH LUXENBERG

To continue the dialogue with people of the territory, Kosmos hired a Community Relations Coordinator in 2014, prior to drilling, to engage with community members on oil and gas exploration and the future of the region. He has been able to hold free and frank conversations in a politically challenging context. In addition, he led the implementation of a mechanism to respond to operational and political grievances.



“My ongoing dialogue with the people of Western Sahara has revealed the importance that this group places on the preservation and enjoyment of their culture. With that in mind, Kosmos sponsored two events in 2015 to promote local culture. The first festival combined traditional poetry, singing and games. The second event was a camel race, as camels are an important part of the culture. In addition, Kosmos has provided sporting equipment to local associations allowing boys and girls to expand their participation in organized soccer, basketball, handball, and volleyball.”

SETH LUXENBERG  
Community Relations  
Coordinator

workshops to share the findings with community members and highlight the actions taken to minimize potential environmental impacts.

In addition to minimizing environmental impacts, Kosmos looks to maximize our economic contribution to the local economy. This commitment led to the decision to support offshore crew change operations from the port of Dakhla, a city in Western Sahara, rather than using existing facilities in Morocco or Spain. Kosmos invested in new infrastructure at the Dakhla airport, using a local company for the construction. Another contribution to local content was the use of Dakhla's port as the base for re-supplying the drillship, and local hotels and restaurants for crew changes.

Managing our footprint includes both managing our operational impacts as well as any potential human rights risks associated with conducting business in Western Sahara. Our Business Principles and Human Rights Policy articulate our commitment to protecting and promoting human rights. We see the U.N. Guiding Principles on Business and Human Rights as the

authoritative body of principles to benchmark our work and we assess human rights and conflict risks on an ongoing basis. We continue to engage with stakeholders inside and outside of Western Sahara to ensure we have a holistic appreciation of the risks and challenges, and a proactive approach to managing them. We

have worked with Conseil National des Droits de l'Homme (CNDH) and the Government of Morocco on issues related to security and human rights.

## ENGAGEMENT AND LISTENING

In 2014, Kosmos conducted a Social Impact Assessment (SIA) in Dakhla and worked in 2015 to implement



To maximize the local economic benefits of our drilling activities, Kosmos supported its crew change operations from the Western Sahara city of Dakhla.



**On a visit to Western Sahara, Senior Vice President Bill Hayes meets with participants of the AMIDEAST vocational training program to discuss their future plans and offer career advice.**

the assessment's recommendations to minimize negative social impacts. During numerous community consultations, the participants emphasized the importance of protecting the environment, sharing the sea with the local fishing industry, and their expectation that any future hiring or sourcing give preference to local people and companies. Following these discussions, we reevaluated our operational needs, and were able to identify and create additional jobs in Dakhla. In addition, Kosmos commissioned a leading global consulting company to complete an early-stage oil and gas supply chain analysis, which included a field mission to Western Sahara and locations within Morocco. This study has contributed to our understanding of the region so that we can maximize local employment and supply chain opportunities in the future.

### POSITIVE IMPACTS

Over the past few years, Kosmos has conducted two separate needs assessments to inform our social investments in Western Sahara. One of the major conclusions of the assessments was that unemployment is a major challenge facing the region. This finding led to creation of a vocational training program in partnership with AMIDEAST to give 80 unemployed college graduates the skills required by the job market, including foreign languages, finance, computers and job-searching techniques. An additional 28 beneficiaries received training in entrepreneurship. As of the time of publication, 51 percent of the program participants in Dakhla are employed.

A needs assessment in Boujdour revealed that seven local schools lacked hygienic and gender-

segregated bathroom facilities. This was contributing to an above-average incidence of skin and eye disease among students, as well as lower attendance rates among female students. With the help of High Atlas Foundation, a nonprofit organization that establishes community development projects in rural areas, Kosmos provided seven schools in Boujdour with clean drinking water facilities and new, gender-segregated bathrooms. Kosmos also worked with the Ministry of Health to provide health education at the schools to increase student awareness of sanitation practices, disease prevention, and personal hygiene. In total, more than 4,750 students directly benefited from the project.

# MEASURING SUCCESS IN CAMEROON

When Kosmos made the difficult decision to exit Cameroon in 2013, we recognized the importance of keeping our promises to the communities near the on-shore drilling site and continued to fund a social investment project in collaboration with local and international partners.

With funding from Kosmos, Plan International and its local partner, Reach Out, implemented a Potable Water and Water, Sanitation, and Hygiene (WASH) Education project in Bamusso Council from June 2014 to May 2015. The project sought to improve access to water at the Government High School (GHS) Mbongo and Mbongo Village, and to increase awareness and adoption of appropriate sanitation practices. While the project initially set out to serve 19 communities, it ended up reaching 26 communities.

Kosmos actively monitored the project's implementation and continues to take a keen interest in its sustainability and effectiveness. Kosmos commissioned a post-project evaluation from Plan International in December 2015 to assess the performance and outcomes of the project by examining WASH knowledge and practices, and health outcomes on beneficiaries. Specifically, the study investigated the conditions of water sources and the level of access to safe and dependable drinking water; the status, availability, and use of sanitation facilities; household hygiene conditions and practices; and the prevalence of waterborne diseases and diseases of fecal origin in the project communities.

The table below highlights some of the key findings:

The evaluation findings show that encouraging health and WASH outcomes were achieved in a relatively short implementation period. Indicators such as the practice of handwashing before preparing food and after using toilets showed marked increase from the baseline. The evaluation team also observed improved sanitation facilities and conditions within households.

The water system constructed in Mbongo was well received by community members and local authorities. The system is reliably providing potable water to students and teachers at GHS Mbongo and other centers benefitting from the stand pipes installed. The WASH campaign in the project communities that involved WASH Ambassadors and chiefs, and the activities led by teachers and WASH clubs at the schools proved engaging and promising to further cement the educational messages and foster lasting impact.

A community-based Water Management Committee has been trained to properly maintain and manage the facilities. As agreed at the beginning of the project, financial support to sustain the infrastructure and programming is being collected through mandatory fees paid by the parents of students enrolled at GHS Mbongo. Parents are contributing 500 Central African CFA Francs per year for each child, or less than \$1 at current exchange rates.

This project's rigorous measurement and evaluation component and sustainability serves as a model for Kosmos' future work across our geographical footprint.

Indicator	Baseline Value <sup>1</sup>	Endline Value <sup>2</sup>
<b>ACCESS TO DRINKABLE WATER</b>		
Proportion of household members who report the distance to water source being 500 meters or less	31.5%	51.7%
Proportion of household members who report water points are maintained	60.4%	67.3%
Students and teachers' access to functional water source at GHS Mbongo	-	100%
Students and teachers' access to potable water at GHS Mbongo	-	100%
<b>WASH KNOWLEDGE AND PRACTICE</b>		
Percentage of household members who report always practicing handwashing with soap and water before preparing food	10%	66.2%
Percentage of household members who report always practicing handwashing with soap and water after using toilet	8%	67.3%
<b>FACILITIES WITHIN HOUSEHOLDS AND COMMUNITIES</b>		
Proportion of households with toilets or latrines	51.1%	75.2%
Proportion of households that do not share toilets or latrines with other households	31.6%	44.1%

1. Sample size of 250  
2. Sample size of 367



# SURINAME

Kosmos continues to mature prospects for exploration drilling offshore Suriname, which represents our portfolio expansion into South America. In 2015, Kosmos held a 50 percent working interest in Block 42 and Block 45. Kosmos plans to acquire additional 3D seismic offshore Suriname this year. Our blocks in Suriname, held since 2012, give us the opportunity to explore the Upper Cretaceous stratigraphic play along the northeast margin of the continent.

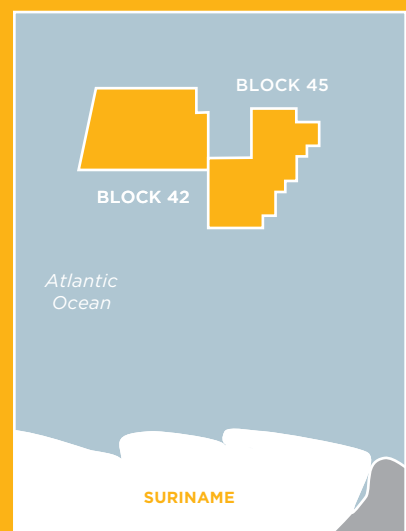
## MANAGING OUR FOOTPRINT

Kosmos established an office in Paramaribo in 2012 in order to develop relationships and engage with stakeholders in the years preceding exploration drilling. Investing in communities and stakeholder relationships early – prior to exploration drilling – is a key part of Kosmos' strategy in every country where we operate. Our Suriname office currently has four employees, three of which are Surinamese nationals.

We aim to give all our employees the opportunity to make a substantial impact and grow personally and professionally. For example, our HSE Officer in Suriname has been

seconded to our operations in Ghana, Mauritania and Morocco to learn more about supporting exploration drilling activities. Our employees have also attended workshops, conferences, and training tailored to their specific career goals.

Suriname's state oil company, Staatsolie Maatschappij Suriname N.V., is a key partner for Kosmos in all our activities in Suriname, including in our corporate responsibility activities. One of the activities with Staatsolie we take great pride in is being part of the development of the Suriname





National Oil Spill Contingency Plan (NOSCP). The plan is in the final stage to be signed by the President of Suriname. We worked with Staatsolie, the National Coordination Centre for Disaster Relief, environmental agencies, other operators and other key stakeholders to help develop the Suriname National Oil Spill Contingency Plan.

## ENGAGEMENT AND LISTENING

Kosmos is committed to transparency and active promotion of the Extractive Industries Transparency Initiative (EITI), including in countries such as Suriname that are not yet members of the EITI. We are pleased that Suriname has recently indicated its intention to submit an application to join the EITI in the near future. In 2015, Kosmos supported a workshop in Paramaribo on natural resource revenue governance and the key points of the EITI process, bringing together government, civil society, and industry representatives. We plan to continue to support transparency initiatives in Suriname in 2016.

As part of our Environmental and Social Impact Assessment process in Suriname, we have engaged with coastal communities in the districts of Paramaribo, Saramacca, Coronie, and Nickerie. These communities have told us that they deeply value the coastal environment and wish to be kept updated on our activities as well as any job opportunities that could arise from an oil or gas discovery.

**“I have managed the financials and accounting for our Suriname operations for the past three years. As Kosmos continues to build up operations in Suriname, it has been great to have our team engaged in giving back to the community through our social investment projects. We work closely with local institutions on developing sustainable projects, such as enhancements to technical education for youth.”**



**SHARAN TJON KWIE SEM**  
Senior Accountant  
Kosmos Energy Suriname



**A process engineering student at the NATIN School in Paramaribo conducts an experiment on the properties of water, using equipment provided by Kosmos.**

## POSITIVE IMPACTS

Kosmos' social investment programs in Suriname in 2015 focused on scientific education and environmental awareness, as these are two areas of great importance to a range of stakeholders, such as local communities, civil society, and the Surinamese government. Kosmos worked closely with the Geology Department at the Anton de Kom University of Suriname, the nation's only university, to understand their needs in terms of hands-on education, which resulted in Kosmos providing new equipment for the University's geology lab. Students will now be able to conduct more advanced laboratory experiments and research on campus. In addition to our investment in university-level students, Kosmos also provided engineering education equipment for the Commewijne Lower Technical School. Our hope is that these projects will lead to additional interest in, and preparation for, careers in the extractive sectors in Suriname.

### Protecting the Environment

The mangrove is a sea plant that grows abundantly along Suriname's coastline, and is critical to preserving the local habitat and avoiding coastal erosion. In 2015, Kosmos invested in programs that support mangrove growth and local education around the important role mangroves play in the coastal Surinamese ecosystem. Our first mangrove project was supporting the development and furnishing

of equipment and displays for the Mangrove Education Center in the district of Coronie, which is a partnership between the Ministry of Physical Planning, Land, and Forest Management, the Staatsolie Foundation, United Nations Development Programme (UNDP) and the Global Environment Facility (GEF). In 2016, we plan to continue our support of local mangrove projects through partnerships around technical assistance for mangrove specialists, as well as sediment and growth monitoring.

**“The collaboration of the Technical Vocational Education and Training (TVET) department of the Ministry of Education, Science and Culture, with Kosmos Energy is a good example in Suriname where the government and the private sector are working together to develop a skilled work force and support economic growth in Suriname. Our cooperation has also contributed to the government's policy goal of reducing unemployment. Over the past four years, the projects implemented by the TVET department and Kosmos Energy have benefited Paramaribo and the districts of Commewijne and Saramacca.”**

### MR. ASHOKKOEMAR RAMBALI

Assistant Permanent-Secretary for Technical Vocational Education and Training (TVET), Ministry of Education, Science and Culture

# PROMOTING TRANSPARENCY

In our host countries, natural resources, such as oil and gas, belong to a country's citizens. Extraction of these resources can lead to economic growth and social advancement. However, corruption in many resource-rich countries has prevented citizens from fully realizing the benefits of oil and gas development.

At Kosmos, we believe resource revenues are more likely to be managed in the best interests of a country's citizens if payments and receipts are documented in a transparent manner. In 2012, we declared our support for the Extractive Industries Transparency Initiative (EITI), a leading global standard that strengthens governance by promoting transparency and accountability in the oil, gas, and mining sectors. The EITI requires participating governments to establish a multi-stakeholder steering group comprised of representatives of governments, business, and civil society to oversee a process in which companies declare material payments to government, and the government declares all material receipts from extractive companies. These figures are reconciled, and discrepancies identified and investigated by an independent expert.

Since joining EITI, we have taken a number of steps to demonstrate our commitment to being a leader in transparency.

## PETROLEUM AGREEMENTS AND PRODUCTION SHARING CONTRACTS

In our view, transparency begins with openly sharing the terms of our business dealings with host governments so that a more informed national dialogue can take place in the countries where we work. To this end, we have voluntarily published all of our contracts with host governments on our website and file these documents with the U.S. Securities and Exchange Commission (U.S. SEC) as part of our routine disclosures. Citizens and civil society organizations can read these contracts for themselves to better understand each party's obligations and to promote accountability.

## PAYMENTS TO GOVERNMENTS

Since 2012, we have been voluntarily publishing our payments to governments on our website and in this report. We originally reported our payments in aggregate, as well as by payment type, such as taxes, training, and surface

rentals. In 2014, we made a policy decision to disclose payments to governments at the project level, as described in the European Union Accounting Directive, an initiative that aims to improve corporate accounting practices and transparency. We believe this method of disclosure is beneficial to investors, civil society, and local communities, and reflects evolving international standards. At the time of this report's publication, Kosmos remained the only U.S.-based oil and gas company to disclose project-level payments to governments.

## PUBLIC ADVOCACY

In addition to reporting annually on our payments to governments, we play an active role in promoting transparency in the countries where we work.

► In **Ghana**, we are an active member of the EITI multi-stakeholder group, which oversees the public reconciling of payments and receipts between government and extractive companies. In 2015,



Kosmos hosted a delegation from Suriname at the annual EITI Global Conference in Lima, Peru. At the event, Suriname committed to submitting an application to join the initiative. Suriname Country Manager Tom Fauria and Senior Vice President of External Affairs Reg Manhas are pictured here with the delegation and a senior representative from EITI.



When a 24-person delegation from Senegal – comprised of EITI committee members, parliamentarians, and civil society groups – visited Accra to learn about Ghana’s experience embracing transparency, Kosmos hosted the group at its office.

Ghana completed its fourth EITI oil and gas reporting cycle and Kosmos has been a part of the process since the beginning.

- In **Mauritania**, our country manager is a member of the EITI National Committee and has worked to ensure the nation continues to embrace transparency as its oil and gas sector develops. Mauritania has been EITI compliant since 2012, with reports for nine total fiscal years published to-date.
- In **Senegal**, an EITI candidate country since 2013, we have collaborated with the local chapter of EITI to facilitate workshops for civil society on the role they can play in helping improve transparency and accountability when it comes to managing resource revenues. When a 24-person delegation from Senegal – comprised of EITI committee members, parliamentarians, and civil society groups – visited their counterparts in Accra to learn about Ghana’s experience

embracing transparency, Kosmos hosted the group at its office and participated in the productive discussion.

- In **Suriname**, we have continued discussions with government stakeholders regarding the benefits of EITI implementation, and are pleased that during the 2016 EITI Global Conference the government of Suriname announced that the country intends to apply for EITI candidature in the coming year.
- In the **United States**, in October 2015, Kosmos submitted a comment letter to the U.S. SEC as part of its rulemaking process for Section 1504 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, which proposes requiring U.S.-listed companies to disclose payments to U.S. and foreign governments as a standard part of their reporting to the U.S. SEC. In our comment letter to the U.S. SEC, we highlighted our commitment to transparency, including our project level

disclosure in accordance with the EU Accounting Directive. We stated that we believe that this type of disclosure is beneficial to investors, civil society, and local communities, and reflects evolving international expectations. The letter is available on our website, at [www.kosmosenergy.com](http://www.kosmosenergy.com).

#### GOOD BUSINESS PRACTICE

Kosmos’ multi-faceted commitment to transparency is based on the values articulated in our Business Principles and sound commercial practice. We believe publicly available information improves the discussion about the management and use of a country’s resources and increases accountability. The more successful our host countries become, the more valuable our assets will be. Being a responsible operator and a good corporate citizen in one country opens new opportunities in another.

# IPIECA/API/OGP CONTENT INDEX

Kosmos Energy's corporate responsibility reporting is informed by the IPIECA/API/OGP *Oil & Gas Industry Guidance on Voluntary Sustainability Reporting*. Also shown in the index below are the locations of information demonstrating our support for the Ten Principles of the United Nations Global Compact, both in this report and in other sources, such as our publicly available policies and on our website, [www.kosmosenergy.com](http://www.kosmosenergy.com).

Indicator Number	Indicator	Global Compact Principle	Where Reported	Page Number in 2015 CR Report
<b>ENVIRONMENTAL INDICATORS</b>				
<b>CLIMATE CHANGE AND ENERGY</b>				
E1	<b>Greenhouse gas emissions</b>	7, 8	CR Report: <i>Business Principles</i> CR Report: <i>Performance Data</i>	11 45
E2	<b>Energy use</b>		Not reported	
E3	<b>Alternative energy sources</b>		Not reported	
E4	<b>Flared gas</b>		Not reported	
<b>ECOSYSTEM SERVICES</b>				
E5	<b>Biodiversity and ecosystem services</b>	7, 8, 9	CR Report: <i>Business Principles</i> CR Report: <i>Operations Spotlights</i> CR Report: <i>Case Study</i>	11 30, 39 27
E6	<b>Fresh water</b>		CR Report: <i>Performance Data</i>	45
<b>LOCAL ENVIRONMENTAL IMPACT</b>				
E7	<b>Other air emissions</b>	7, 8	CR Report: <i>Performance Data</i>	45
E8	<b>Spills to the environment</b>	8	CR Report: <i>Business Principles</i> CR Report: <i>Performance Data</i>	11 45
E9	<b>Discharges to water</b>	8	CR Report: <i>Performance Data</i> Kosmos did not have any hydrocarbon discharges to water in 2015. Indicators E8 and E9 are combined in our Performance Data as "Hydrocarbon or Non-Aqueous Drilling Fluid Spills."	45
E10	<b>Waste</b>	8, 9	CR Report: <i>Performance Data</i> <b>THE STANDARD*</b>	45
<b>HEALTH AND SAFETY INDICATORS</b>				
<b>WORKFORCE PROTECTION</b>				
HS1	<b>Workforce participation</b>	1	CR Report: <i>Business Principles</i> CR Report: <i>Operations Spotlights</i> <a href="http://www.kosmosenergy.com">www.kosmosenergy.com</a> : <i>Health, Safety, Environment and Security</i> <b>THE STANDARD*</b>	10, 11, 13 19, 29, 32
HS2	<b>Workforce health</b>	1	<a href="http://www.kosmosenergy.com">www.kosmosenergy.com</a> : <i>Health and Safety</i> <b>THE STANDARD*</b>	
HS3	<b>Occupational injury and illness incidents</b>	1	CR Report: <i>Spotlights</i> CR Report: <i>Performance Data</i>	11 46
<b>PRODUCT HEALTH, SAFETY AND ENVIRONMENTAL RISK</b>				
HS4	<b>Product stewardship</b>		Not applicable Kosmos Energy's activities are limited to the exploration for and the production of oil and gas. We produce oil in Ghana only as a non-operator.	
<b>PROCESS SAFETY AND ASSET INTEGRITY</b>				
HS5	<b>Process safety</b>	7, 8, 9	<a href="http://www.kosmosenergy.com">www.kosmosenergy.com</a> : <i>Environment</i> <b>THE STANDARD*</b>	

Indicator Number	Indicator	Global Compact Principle	Where Reported	Page Number in 2015 CR Report
<b>SOCIAL AND ECONOMIC INDICATORS</b>				
<b>COMMUNITY AND SOCIETY</b>				
SE1	<b>Local community impacts and engagement</b>		CR Report: <i>Business Principles</i> CR Report: <i>Operations Spotlights</i> CR Report: <i>Case Study</i> <a href="http://www.kosmosenergy.com">www.kosmosenergy.com</a> : <i>Society and Communities</i> Kosmos Energy Stakeholder Engagement and Community Development Policy*	7, 12 19, 20, 24, 29, 32, 36, 39 27, 37
SE2	<b>Indigenous peoples</b>		Kosmos Energy Stakeholder Engagement and Community Development Policy*	
SE3	<b>Involuntary resettlement</b>		Not applicable	
SE4	<b>Social investment</b>		CR Report: <i>Business Principles</i> CR Report: <i>Operations Spotlights</i> CR Report: <i>Case Study</i> CR Report: <i>Performance Data</i> <a href="http://www.kosmosenergy.com">www.kosmosenergy.com</a> : <i>Society and Communities</i> Kosmos Energy Stakeholder Engagement and Community Development Policy*	7, 12 22, 26, 30, 33, 36, 39 14, 16, 37 47
<b>LOCAL CONTENT</b>				
SE5	<b>Local content practices</b>	6	CR Report: <i>Business Principles</i> CR Report: <i>Operations Spotlights</i> <a href="http://www.kosmosenergy.com">www.kosmosenergy.com</a> : <i>Our People</i> Kosmos Energy Stakeholder Engagement and Community Development Policy*	10, 13 21, 28, 30, 35
SE6	<b>Local hiring practices</b>	6	CR Report: <i>Business Principles</i> CR Report: <i>Operations Spotlights</i> CR Report: <i>Performance Data</i> <a href="http://www.kosmosenergy.com">www.kosmosenergy.com</a> : <i>Our People</i> Kosmos Energy Stakeholder Engagement and Community Development Policy*	10, 13 21, 28, 30, 35 46
SE7	<b>Local procurement and supplier development</b>		CR Report: <i>Business Principles</i> CR Report: <i>Operations Spotlights</i> Kosmos Energy Stakeholder Engagement and Community Development Policy*	8, 10, 13 19, 25, 28, 30

CONTINUED ON NEXT PAGE ►

# IPIECA/OGP/API CONTENT INDEX (CONTINUED)

Indicator Number	Indicator	Global Compact Principle	Where Reported	Page Number in 2015 CR Report
<b>SOCIAL AND ECONOMIC INDICATORS (continued)</b>				
<b>HUMAN RIGHTS</b>				
SE8	<b>Human rights due diligence</b>	1, 2, 4, 5	CR Report: <i>Business Principles</i> CR Report: <i>Operations Spotlights</i> <a href="http://www.kosmosenergy.com">www.kosmosenergy.com</a> : <i>Human Rights</i> Kosmos Energy Human Rights Policy*	7, 12 28
SE9	<b>Human rights and suppliers</b>	1, 2	CR Report: <i>Business Principles</i> CR Report: <i>Operations Spotlights</i> Kosmos Energy Human Rights Policy*	12 28
SE10	<b>Security and human rights</b>	1, 2	CR Report: <i>Business Principles</i> CR Report: <i>Operations Spotlights</i> <a href="http://www.kosmosenergy.com">www.kosmosenergy.com</a> : <i>Security</i> Kosmos Energy Human Rights Policy*	12 35
<b>BUSINESS ETHICS AND TRANSPARENCY</b>				
SE11	<b>Preventing corruption</b>	10	CR Report: <i>Business Principles</i> CR Report: <i>Operations Spotlights</i> CR Report: <i>Case Study</i> <a href="http://www.kosmosenergy.com">www.kosmosenergy.com</a> : <i>Business Ethics</i> Kosmos Energy Anti-Corruption Compliance Policy*	9 20, 25, 29, 39 40-41
SE12	<b>Preventing corruption involving business partners</b>	10	CR Report: <i>Business Principles</i> CR Report: <i>Case Study</i> <a href="http://www.kosmosenergy.com">www.kosmosenergy.com</a> : <i>Business Ethics</i> Kosmos Energy Anti-Corruption Compliance Policy*	9, 13 40-41
SE13	<b>Transparency of payments to host governments</b>	10	CR Report: <i>Business Principles</i> CR Report: <i>Performance Data</i> <a href="http://www.kosmosenergy.com">www.kosmosenergy.com</a> : <i>Transparency</i> Kosmos Energy Stakeholder Engagement and Community Development Policy*	7, 9 45
SE14	<b>Public advocacy and lobbying</b>	10	CR Report: <i>Business Principles</i>	8, 12
<b>LABOR PROTECTION</b>				
SE15	<b>Workforce diversity and inclusion</b>	1, 6	CR Report: <i>Business Principles</i> CR Report: <i>Performance Data</i> <a href="http://www.kosmosenergy.com">www.kosmosenergy.com</a> : <i>Our People</i> <a href="http://www.kosmosenergy.com">www.kosmosenergy.com</a> : <i>Careers</i>	7, 10 46
SE16	<b>Workforce engagement</b>		CR Report: <i>Business Principles</i> <a href="http://www.kosmosenergy.com">www.kosmosenergy.com</a> : <i>Our People</i> <a href="http://www.kosmosenergy.com">www.kosmosenergy.com</a> : <i>Careers</i>	10
SE17	<b>Workforce training and development</b>		CR Report: <i>Business Principles</i> CR Report: <i>Operations Spotlights</i> <a href="http://www.kosmosenergy.com">www.kosmosenergy.com</a> : <i>Our People</i>	10, 11 21, 29, 32, 38
SE18	<b>Non-retaliation and grievance system</b>	1, 2, 3, 6	CR Report: <i>Business Principles</i> CR Report: <i>Operations Spotlights</i> CR Report: <i>Performance Data</i> <a href="http://www.kosmosenergy.com">www.kosmosenergy.com</a> : <i>Business Ethics</i> Kosmos Energy Stakeholder Engagement and Community Development Policy*	9, 12 19, 25, 29, 35 47

# 2015 PERFORMANCE DATA

## ENVIRONMENT

The Environment data presented in this report is for Kosmos operated assets only. The data represents drilling rigs as well as seismic and support vessels. In 2015, Kosmos did not operate any additional drilling in Ghana. We drilled exploration wells offshore Mauritania, completed an exploration well offshore Western Sahara, and began exploration drilling offshore Senegal. Waste and air emissions are measured in tons, with greenhouse gas emissions measured in metric tons of CO2 equivalent.

	2013 Ghana	2014 Ghana	2014 Mauritania	2014 Morocco	2015 Mauritania	2015 Morocco	2015 Senegal
<b>Waste (tons)</b>							
Hazardous	65.02	7.93	318.03	338.53	184.00	92.00	10
Non-Hazardous	34.78	15.54	1,343.78	1,617.25	115.00	542.00	14.16
<b>TOTAL</b>	99.80	23.47	1,661.81	1,955.78	299.00	634.00	24.16
<b>Recycled/reused/treated</b>	21%	36%	15%	22%	27%	56%	34%
<b>Air Emissions (tons)</b>							
Carbon Dioxide (CO <sub>2</sub> )	2,384.04	1,572.27	19,019.73	31,525.16	35,225.94	12,591.45	17,914.02
Mono-Nitrogen Oxides (NO <sub>x</sub> )	2.28	29.18	432.25	702.89	654.20	233.28	332.52
Sulfur Oxides (SO <sub>x</sub> )	.18	3.79	16.96	18.88	44.18	15.39	13.97
Methane (CH <sub>4</sub> )	15.02	0.09	158.91	292.10	2.22	1.05	1.01
Volatile Organic Compounds (VOCs)	1.71	0.98	27.13	47.14	12.54	8.10	11.19
Greenhouse Gases (GHGs)	2,699.46	1,574.16	22,356.84	37,659.18	35,272.56	12,613.50	17,935.23
<b>Other</b>							
Fines and penalties	0	0	0	0	0	0	0
Freshwater use (m <sup>3</sup> )	N/R*	N/R	N/R	N/R	12,855.00	5,108.00	2,915.20
Hydrocarbon or Non-Aqueous Drilling Fluid Spills	0	0	0	0	0	0	0

\* N/R indicates metrics not reported in previous years. We report on new metrics as a result of materiality discussions, benchmarking, and improved reporting processes.

## PAYMENTS TO GOVERNMENTS (USD)<sup>1</sup>

The Payments to Governments data are reflective of direct payments made to government entities by Kosmos Energy on operated projects. Please see the footnotes below for further detail on the payments we made to our host country governments in 2015.

	Ghana	Ireland	Mauritania	Morocco <sup>7</sup>	São Tomé	Senegal	Suriname
Surface Rentals	18,000	92,000	54,000	—	—	184,000	—
Training <sup>2</sup>	—	—	900,000	—	—	1,200,000	—
Permitting Fees	134,000	—	—	—	—	—	—
Taxes <sup>3</sup>	1,418,000	—	180,000	1,752,000	—	—	258,000
Income Taxes <sup>4</sup>	11,730,000	—	—	—	—	—	—
Other <sup>5</sup>	—	103,000	—	—	100,000	—	—
<b>TOTAL</b>	13,300,000	195,000	1,134,000	1,752,000	100,000	1,384,000	258,000
<b>Royalties (in barrels of oil)<sup>6</sup></b>	450,382	—	—	—	—	—	—

1. Our project-level disclosures are available on our website at [www.kosmosenergy.com/responsibility/transparency.php](http://www.kosmosenergy.com/responsibility/transparency.php).

2. Represents payments made directly to government for satisfaction of training obligations per the Petroleum Sharing Contracts (PSCs). In addition to the numbers above, Kosmos made payments to third party training providers and/or national oil company employees in satisfaction of training obligations per the PSCs totaling \$150,000 for Morocco.

3. Primarily local payroll-related taxes and exclusive of withholding taxes remitted on behalf of vendors.

4. In addition to this, Kosmos Energy paid the U.S. government \$24.1 million in income tax payments during 2015.

5. Primarily relates to seismic data purchases from the government and fees associated with transfers of ownership interests

6. Royalties represent the production entitlement to the Government of Ghana paid in barrels of oil out of Kosmos' working interest share of production.

Based on the annual average of daily Brent prices in 2015, this is worth approximately \$23.6 million.

7. Not reflected in the numbers above are payments to the port authority in Morocco primarily for leased use of port facilities in the amount of \$500,000.

# 2015 PERFORMANCE DATA

## HUMAN RESOURCES

The data on our workforce is point-in-time as of December 31, 2015. We continue to focus on hiring and training local staff from the countries in which we work. The 'Local Employment' metric does not include employees in our U.S. office, and we define expatriates as employees in our local country offices who are living and working on a long term assignment in a country not of their origin. Turnover includes voluntary turnover in our U.S. office as well as in our global operations.

	2013	2014	2015			
<b>Employees and Hiring</b>						
Total Employees	248	234	256			
New Hires	43	31	54			
Turnover	8%	5%	7%			
<b>Total Employees by Country</b>						
United States	180	155	187			
Ghana	50	46	43			
Mauritania	1	5	5			
Morocco	13	24	16			
Senegal	0	0	1			
Suriname	4	4	4			
<b>Contractors</b>						
United States	N/R	54	28			
Ghana	N/R	2	0			
Mauritania	N/R	4	16			
Morocco	N/R	76	3			
Senegal	0	0	6			
Suriname	N/R	0	0			
<b>Local Employment (%)</b>						
Local	91%	88%	94%			
Expatriate	9%	12%	6%			
<b>Workforce Gender Distribution (%)</b>						
	Female	Male	Female	Male	Female	Male
United States	39%	61%	34%	66%	32%	68%
Ghana	31%	69%	27%	73%	28%	72%
Mauritania	N/R	N/R	60%	40%	60%	40%
Morocco	47%	53%	38%	62%	50%	50%
Suriname	N/R	N/R	25%	75%	25%	75%

## SAFETY

Kosmos reports safety data for our global operations, including both employees and contractors. The definitions of the safety data reported are consistent with those used by the International Association of Oil and Gas Producers (now IOGP and formerly known as OGP). Lost Time Injury Frequency represents the number of lost time injuries (fatalities and lost work day cases) per million work hours. Total Recordable Injury Rate refers to recordable injuries (fatalities, lost work day cases, restricted work day cases, and medical treatment cases) per million hours worked.

	2013	2014	2015
<b>Total Man Hours</b>	1,741,005	1,972,242	2,103,056
<b>Fatalities</b>	0	0	0
<b>Lost Time Injury Frequency</b>	0	0	0
<b>Total Recordable Injury Rate</b>	1.15	2.03	.95



## SOCIAL

We define Social Investment Spending as payments that will directly impact the constituents of social investment projects. Not reflected in the numbers below are indirect costs related to social investment, such as needs assessments and reimbursable expenses incurred by our in-country social investment personnel. All of the Social Investment Spending is for Kosmos-initiated projects, with the exception of the Jubilee Unit in Ghana, which represents our participating interest in social projects of the non-Kosmos operated Jubilee Unit and TEN development project.

We have grievance mechanisms in place in every region where we have drilling operations. The only use of our grievance mechanism in Senegal in 2015 was from an individual who had additional questions about our future drilling plans. The questions were answered in a manner satisfactory to the individual.

In Ghana, we received eight grievances total into our grievance mechanism in 2015. The two grievances that were resolved regarded implementation of some of our social investment projects in the Western Region. The remaining six unresolved grievances were general complaints to our Community Liaison Officers from fishermen regarding the oil and gas industry in general, such as lack of available industry jobs for youth and changes in fish catch. We continue engagement with the concerned parties in efforts to resolve these grievances with a mutually-agreeable solution.

	2013	2014	2015
<b>Social Investment Spending (USD)</b>			
Ghana	\$ 404,000	\$ 711,000	\$ 461,000
Jubilee Unit and TEN development project	4,739,000	1,509,000	1,040,000
Cameroon	185,000	168,000	36,000
Morocco	144,000	185,000	216,000
Western Sahara	N/A	95,000	90,000
Suriname	95,000	141,000	143,000
Mauritania	20,000	38,000	396,000
Ireland	N/A	89,000	169,000
Senegal	N/A	N/A	106,000
<b>TOTAL</b>	<b>\$ 5,587,000</b>	<b>\$ 2,936,000</b>	<b>\$ 2,657,000</b>
<b>Grievances Logged / Grievances Resolved</b>			
Ghana	0/0	8/5	8/2
Morocco	N/A	1/1	0/0
Western Sahara	N/A	0/0	0/0
Mauritania	N/A	0/0	0/0
Suriname	N/A	0/0	0/0
Senegal	N/A	N/A	1/1

