





FROM AFRICA TO THE AMERICAS, KOSMOS ENERGY OPERATES IN MANY NATIONS. WHEREVER WE ARE, KOSMOS IS COMMITTED TO DEVELOPING PEOPLE, INCREASING ECONOMIC OPPORTUNITIES AND IMPROVING LIVES. WE WORK WITH GOVERNMENTS, CIVIL SOCIETY ORGANIZATIONS AND OTHER GROUPS TO HELP BUILD A BETTER FUTURE FOR ALL.



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# About Kosmos Energy

Kosmos is a full-cycle deepwater independent oil and gas exploration and production company focused along the Atlantic Margins. Our key assets include production offshore Ghana, Equatorial Guinea and U.S. Gulf of Mexico, as well as a world-class gas development offshore Mauritania and Senegal. We also maintain a sustainable exploration program balanced between proven basin infrastructure-led exploration (Equatorial Guinea and U.S. Gulf of Mexico), emerging basins (Mauritania, Senegal and Suriname) and frontier basins (Côte d'Ivoire, Namibia and São Tomé and Príncipe).

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. Kosmos Energy is listed on the New York Stock Exchange and London Stock Exchange, traded under the ticker symbol KOS. For additional information, visit our website [www.kosmosenergy.com](http://www.kosmosenergy.com).



# A Conversation with Andy Inglis,

KOSMOS ENERGY'S CHAIRMAN AND CHIEF EXECUTIVE OFFICER

## Chairman and Chief Executive Officer Andy Inglis talks about Kosmos Energy's commitment to corporate responsibility and how the company pursues continuous improvement.

**Q Kosmos Energy's business and footprint have evolved significantly over the last several years. Has your approach to corporate responsibility changed with it?**

**A** The pace of change has been significant. We recently completed two major acquisitions in Equatorial Guinea and the U.S. Gulf of Mexico that included exploration opportunities and production assets, creating powerful new pathways for growth. Today's Kosmos creates value for shareholders and stakeholders through a portfolio filled with infrastructure-led and basin-opening exploration opportunities along the Atlantic Margin, a pipeline

of world-scale development projects, and a diversified and growing production base. Our commitment to corporate responsibility is stronger than ever. Rapid growth and opportunity only reinforce my ambition for Kosmos to stay on the front edge of corporate responsibility. We cannot achieve our goal of being the leading deepwater company in the Atlantic Margin unless we deliver on this objective. When we enter a country, we expect to operate there for many years. We aim to be a long-term partner, deeply committed to helping our host nations create a brighter future because we know our future success is fully connected to theirs. "Country and company" remains our touchstone to

ensure we make mutually beneficial decisions that strengthen the trust we create by operating in the right way.

**Q How does Kosmos build the trust you mention? Is Kosmos actually different from other companies?**

**A** We work very hard to align our business with a country's development and socio-economic priorities. It's about creating a shared agenda by forging authentic relationships which then leads to mutually beneficial results for both country and company. It requires transparency, respect, delivering on commitments, and being honest about what you can't deliver.

Our difference lies in the strength of the relationships we forge at all levels and our willingness to look beyond the oil and gas industry to the direct and indirect benefits it can bring. Our work with Mauritania and Senegal to get to a final investment decision on the Greater Tortue Ahmeyim liquefied natural gas (LNG) project is a good example. With the support of both President Abdel Aziz and President Sall, we formed a Working Group comprised of representatives from the national oil companies, the ministries of energy, and Kosmos; a novel approach for our industry. Its purpose was to drive transparency and create a forum to discuss and solve problems together, rather than the foreign oil company dictating how the project should proceed, simply adhering to the requirements of our license agreements.

For about three years, the group met monthly, rotating between Nouakchott, Dakar, and Paris. In the beginning, the meetings were friendly, but very formal. The Mauritians and Senegalese didn't know if they could trust us. We responded with complete transparency, telling them up front what our economic returns needed to be for an investment of this size and we actually gave them our economic model. We also showed them exactly what we were deliberating on from a technical perspective and asked them to weigh in. Soon, a bond began to form as the Mauritians and

Senegalese realized we were listening to their concerns, acting on their suggestions, putting the countries' interests at the heart of our approach for the good of the project. In addition, I dedicated a significant amount of my own time to cementing relationships with both Presidents to ensure the benefits created by our industry accrue to the countries.

**Q After several years of excellent and improving safety performance, Kosmos finished 2018 with a Total Recordable Incident Rate of 1.99 and a Lost Time Incident Rate (LTIR) of 0.5, against global targets of less than 1.1 and 0.5, respectively. While these figures still compare well against industry benchmarks, what are you doing to improve performance?**

**A** Nothing is more important than the safety of our

employees and contractors. In 2018, we saw several incidents occur on third-party marine vessels that support our seismic and drilling activities. In response, we are actively working with our contractors on a "One Team, One Goal" campaign to communicate our expectations and improve their safety performance. This needs to be a relentless campaign with no room for complacency. Our objective at all times is to be incident- and injury-free, which requires employees and contractors to maintain a "safety first" mindset.

**Q Many in oil and gas deny that climate change is a threat to the planet and to the industry. What is Kosmos' position?**

**A** We recognize that the world faces a serious challenge from climate change influenced by human activity, and believe



Kosmos Chairman and CEO Andy Inglis with Mauritania's Minister of Energy Mohamed Abdel Vetah following a meeting to discuss progress on the Greater Tortue Ahmeyim LNG project.



the Paris Agreement reached within the United Nations Framework Convention on Climate Change in 2015 is a crucial step in global efforts to address climate change. We understand that achieving the internationally accepted target of limiting mean global temperature rises to well below 2°C requires significant and sustained reductions in greenhouse gas emissions.

In addition, around 1 billion people (roughly 13% of the world's population) still lack access to electricity, and global energy needs are expected to increase by 25% by 2040<sup>1</sup>. The International Energy Agency (IEA) estimates that demand growth will require more than \$2 trillion of investment in new energy supply per year. This will be particularly driven by emerging economies such as those in which Kosmos focuses much of its investment.

Tackling this challenge – reducing greenhouse gas emissions while enabling social progress through satisfying growing energy demand – requires action from all parts of society: governments, civil society and the private sector, and companies like Kosmos must grab hold of the opportunities and challenges that the global energy transition presents to our business. We intend to set out a full climate change strategy next year to ensure that Kosmos is taking the right steps.

**Q What are those steps? How does Kosmos plan to reduce its carbon footprint as a business? Does Kosmos have a role to play in the energy transition?**

**A** At this time, our direct greenhouse gas emissions arise primarily from exploration activities such as use of drillships, seismic vessels and support vessels, and our offices and logistics bases. We don't operate production platforms or floating production and storage vessels.

We publish our emissions and other environment data annually in our corporate responsibility report. In response to investors, and to continue our transparency in all areas, we aim to report for the first time to the CDP (formerly the Carbon Disclosure Project) in 2019.

Regarding the energy transition, we believe natural gas has an important role to play as a bridge to renewables. In 2015 and 2016, Kosmos discovered significant natural gas reserves offshore Mauritania and Senegal, opening a major new natural gas province in which we are now partnered with BP. Expanding use of natural gas globally is widely regarded as critical to reducing CO<sub>2</sub> emissions, given that it produces about half as much CO<sub>2</sub> as coal when burned for power, and therefore offers a cleaner alternative to coal for power generation.

The IEA expects demand for natural gas to increase by 45%

by 2040 in its New Policies Scenario and positions it as the largest fuel in the global energy mix by that year under its Sustainable Development Scenario.

We are now working with our partner BP and the Governments of Mauritania and Senegal to develop the resources we have discovered at the Greater Tortue Ahmeyim field into an efficient, competitive natural gas project – both for export in the form of liquefied natural gas (LNG) and to provide a less carbon intensive source of energy for the economies of Mauritania and Senegal.

**Q What is Kosmos doing to safeguard some of the more environmentally sensitive areas where it works – places like São Tomé and Príncipe, which is known for its biodiversity?**

**A** When it comes to protecting the environment, we work to the same high standards no matter where we operate. It's about having experienced, well-trained people doing the work. It's about having the right processes in place to prevent incidents from happening, and also having the right procedures to respond in the unlikely event of an incident. And finally, it's about engaging international experts and non-governmental organizations (NGOs) in environmental protection to ensure that we're deploying best practices everywhere.



Kosmos Chairman and CEO Andy Inglis reinforces the company's commitment to safety during a visit to a drillship.

In São Tomé and Príncipe, we have also built productive working relationships with local and international stakeholders who have helped us understand the islands' unique environmental sensitivities. This has helped us refine our seismic acquisition programs and informed our environmental and social impact assessments ahead of drilling activities. As a result, we have implemented special measures and established programs to protect whales and turtles around and on the islands.

**Q With stakeholders calling for more transparency in the oil and gas business, how does Kosmos plan to stay a world leader in this area?**

**A** Kosmos has set a standard for transparent behavior. We believe Kosmos is the only oil and gas company in the world to publish all of its contracts with host governments and we are the first U.S. oil and

gas company to disclose project-level payments to governments despite not being legally obligated to do so at the time. Although these practices separate us from many companies, we continue to see demand from stakeholders who want to better understand how the oil and gas industry works.

The transparency challenge includes not just providing access to data, but also improving understanding of it and ensuring stakeholders have the knowledge needed to hold governments and industry to account. In response, we have stepped up our efforts to engage civil society and the media, hosting workshops across our portfolio of countries – in Ghana, Mauritania, Senegal, and Suriname. This has proved effective in promoting transparency, building relationships, and deepening trust.

We also strongly support the work of the Extractive Industries Transparency Initiative (EITI), advocating for the adoption of EITI by our

host governments. When we operate in countries that are not yet members of the EITI, we actively promote the EITI and the transparent management of any revenues from natural resources.

**Q Your flagship social investment program, Kosmos Innovation Center, has received accolades and expanded into new countries. What differentiates it from other entrepreneurship programs?**

**A** By nurturing the next generation of entrepreneurs and facilitating innovation in sectors beyond oil and gas, the Kosmos Innovation Center (KIC) contributes to the creation of healthier and more diverse economies in our host nations. The KIC is now active in Ghana, Mauritania, Senegal, and Côte d'Ivoire. In each country, we empower young entrepreneurs to turn their ideas into viable, self-sustaining businesses and we work with promising small businesses to help them scale and reach their full potential.

KIC programs are different from others because we don't just run competitions or provide seed funding. Local Kosmos staff and private sector experts work alongside the businesses so that the young people we engage develop a full range of commercial and leadership skills they can use later in life – regardless of whether their start-ups ultimately succeed or fail.

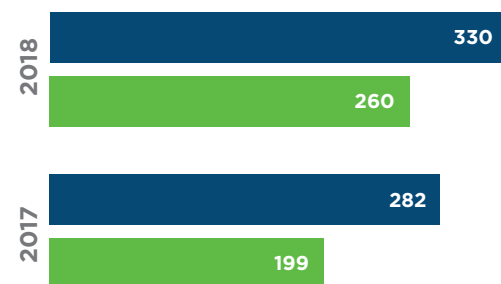
# Company Overview

## FINANCIAL HIGHLIGHTS

Year Ended (in thousands, except volume data)	2018	2017	2016
Revenues and other income	\$ 902,369	\$ 636,836	\$ 385,355
Net income (loss)	(93,991)	(222,792)	(283,780)
Net cash provided by operating activities	260,491	236,617	52,077
EBITDAX	752,039	540,117	405,300
Capital expenditures	385,434	57,432	644,510
Total Assets	4,088,189	3,192,603	3,341,465
Total long-term debt	2,120,547	1,282,797	1,321,874
Total shareholders' equity	941,478	897,112	1,081,199
Sales volumes (million barrels of oil equivalent) <sup>1</sup>	18.5	11.2	6.8
Total proved reserves (million barrels of oil equivalent) <sup>2</sup>	167	110	77
Crude oil (million barrels) <sup>2</sup>	151	100	74
Natural gas (billion cubic feet) <sup>2</sup>	99	61	15

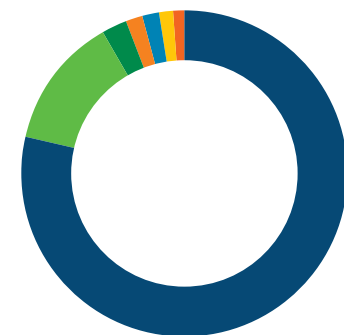
1. Includes our share of sales volumes from our Equatorial Guinea equity method investment.  
 2. Includes our share of reserves from our Equatorial Guinea equity method investment.

### TOTAL EMPLOYEES



● Total Employees  
 ● U.S. Employees

### 2018 EMPLOYEE DISTRIBUTION



● United States: 78.75%  
 ● Ghana: 13.00%  
 ● São Tomé and Príncipe: 2.50%  
 ● Mauritania: 1.75%  
 ● Senegal: 1.50%  
 ● United Kingdom: 1.50%  
 ● Suriname: 1.00%

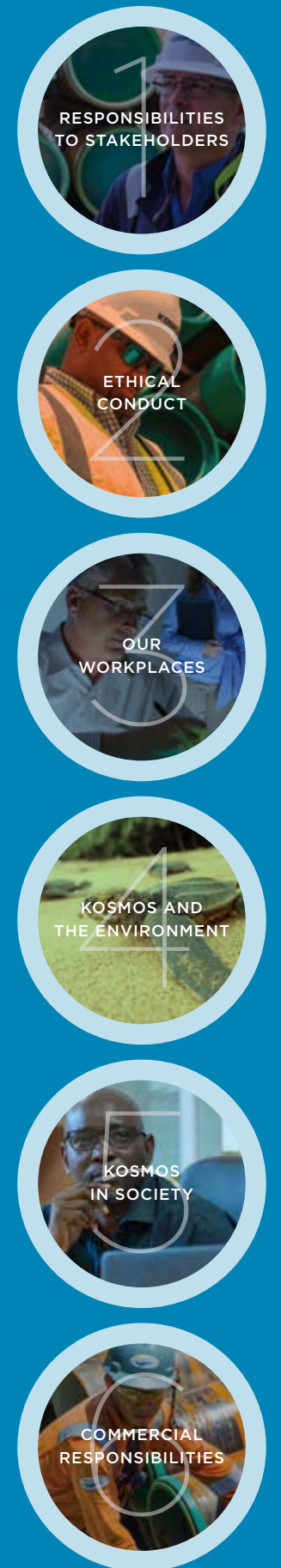
# Kosmos Energy Business Principles

Kosmos Energy was founded with the goal of creating value for all of our stakeholders: investors, employees, and the governments and citizens of our host countries. We recognize that creating steady, long-term returns can only be achieved 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 have always guided our actions. The Business Principles are also informed by what our stakeholders have told us about their expectations of a responsible company.

We define how we conduct our business and the standards to which we hold ourselves accountable through the Business Principles. The Business Principles are supported by more detailed policies, procedures, and management systems which are referenced in this report and on our website.

The Business Principles reflect our values across six areas: Responsibilities to Stakeholders, Ethical Conduct, Our Workplaces, the Environment, Society, and Commercial Relationships. Although the Business Principles are our standard, the actions we take to adhere to them change as we evolve as a company.







1  
BUSINESS PRINCIPLE

# Responsibilities to Stakeholders

**S**trong and supportive partnerships underpin our business and create value. Our stakeholders are interested or potentially affected parties, including shareholders, employees, governments, citizens of our host countries, communities, business partners and suppliers, and civil society. We believe we have a unique corporate responsibility with respect to each of these groups:

**SHAREHOLDERS**

We aim to create attractive returns and manage our business risks. Kosmos Energy’s board of directors focuses on building a successful, long-term future for the company and maintaining good corporate governance. At the end of 2018, the board was comprised of 6 members, including 4 independent directors. The board of directors has 4 standing committees: audit; nominating and corporate governance; compensation; and health, safety and environment.

**EMPLOYEES**

We aim to provide a stimulating and rewarding work environment through a culture that promotes entrepreneurial thinking, facilitates teamwork, and embraces ethical behavior. Directors, officers, and employees are required to comply with all aspects of the Business Principles and our Code of Conduct in their work activities and in representing the company.

**HOST GOVERNMENTS**

We seek to collaborate with host governments and contribute to national development. Our goal with host governments is to develop a shared agenda based on mutual trust and respect. We begin engaging with host governments at the time of licensing to ensure alignment with national priorities and industry needs. Kosmos aims to become a partner of choice. We are open about our business dealings with governments because transparency builds

trust and accountability. We believe Kosmos is the only oil and gas company in the world to publish all of its contracts with host governments and we are the first U.S. oil and gas company to disclose project-level payments to governments. The “Performance Data” on page 65 of this report lists the payments we made to governments in 2018.

**COMMUNITIES**

We believe in engaging local communities in a manner that creates economic and social opportunity and respects human rights. Investing in community relationships ahead of drilling operations, during development projects, and during production operations is a key part of our approach. Our Stakeholder Engagement and Community Development Policy explains the standards to which we hold ourselves accountable when interacting with communities. We have published this policy on our website at: <http://www.kosmosenergy.com/society-and-communities/>.

**BUSINESS PARTNERS AND SUPPLIERS**

We 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. We are committed to maintaining effective systems and procedures to prevent inhumane treatment and forced labor from taking place within our operations or our supply chain. Our employees and contractors are prohibited from engaging in improper payments and misusing confidential information to indulge in, or help 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 role civil society plays in holding governments and companies accountable. We are always open to having meaningful dialogue with civil society about the challenges inherent in exploring for oil and gas. Sometimes we will disagree, but we believe listening and engaging in debate deepens our understanding of the issues. We seek non-governmental organizations (NGOs) as valued partners in our social investment programs. Our relationships with civil society in the

countries and communities where we work 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 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.

.....  
**WE AIM TO PROVIDE A STIMULATING AND REWARDING WORK ENVIRONMENT THROUGH A CULTURE THAT PROMOTES ENTREPRENEURIAL THINKING, FACILITATES TEAMWORK, AND EMBRACES ETHICAL BEHAVIOR.**  
 .....



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.





**2**  
BUSINESS  
PRINCIPLE

# Ethical Conduct

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.

Kosmos regularly evaluates its anti-corruption measures and performance. All Kosmos employees and key contractors are required to attend anti-corruption training, and certify annually that they have read, understood, and complied with our Anti-Corruption Compliance Policy. To further ensure comprehension, employees are given a test to verify their understanding of the 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 third parties with copies of our Business Principles and Anti-Corruption Compliance Policy, we routinely conduct in-country training for key contractors and suppliers on compliance and supplement in-person training with online training modules.

Kosmos conducts an annual internal audit of the company's compliance with its business ethics policies and periodically conducts audits on third parties. We maintain and respond to a Whistleblower Hotline as a vehicle for employees, third parties and others to report anonymously, without risk of retaliation, potential violations of any Kosmos policy.

As part of its commitment to transparency, Kosmos aspires to go beyond a box-checking exercise by making information publicly available and increasing our engagement with stakeholders

at every level to ensure they have the depth of knowledge needed to hold governments and industry accountable for managing oil and gas revenues appropriately.

In 2014, we made a policy decision to disclose payments to governments at the project level, as laid out in the European Union Accounting Directive, which is designed to improve corporate accounting practices and transparency. We believe this type of disclosure is beneficial to investors, civil society, and local communities, and reflects evolving international expectations. Kosmos was the first U.S. oil and gas company to disclose project-level payments to governments despite not being legally obligated to do so at the time. Following our secondary listing on the London Stock Exchange in 2017, Kosmos is now required to report under U.K. regulations.

**KOSMOS WAS THE FIRST U.S. OIL AND GAS COMPANY TO DISCLOSE PROJECT-LEVEL PAYMENTS TO GOVERNMENTS DESPITE NOT BEING LEGALLY OBLIGATED TO DO SO.**

We believe our approach to transparency helps us better manage social and political issues, establishing Kosmos as a partner of choice and mitigating barriers to growth.



**BUSINESS PRINCIPLE IN ACTION:**

# TRANSPARENCY AND DISCLOSURES IN AN EVOLVING REGULATORY ENVIRONMENT

Kosmos aspires to be a leader in transparency and anticorruption. We have set a high standard for transparent behavior by disclosing the terms of our petroleum agreements and reporting payments made to our host governments – including specific entities – at the project level and in aggregate. We are open about our business dealings with host governments because transparency builds trust and accountability. All of our petroleum agreements with host governments are available on our website at [www.kosmosenergy.com](http://www.kosmosenergy.com). The “Performance Data” on page 65 of this report lists the payments we made to governments in 2018.

Kosmos has met with stakeholders around the world who want to better understand how the oil and gas industry works. To that end, we have organized and facilitated workshops in nearly every country where we operate to deepen the knowledge of various government

agencies, parliamentarians, civil society organizations, and media outlets working to promote good governance and transparency in the oil and gas sector.

We strongly support the work of 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 any discrepancies are identified and investigated by an independent expert.

We have been a Supporting Company of the EITI since 2012. Kosmos has operations in six countries that have implemented or are in the process of implementing the EITI: Côte d’Ivoire, Ghana, Mauritania, São Tomé and Príncipe, Senegal, and Suriname. In these countries, we engage with the EITI through feedback and dialogue in the multi-stakeholder groups. Kosmos is a member of the EITI steering committee in Ghana, Mauritania, Suriname, and as of 2018, in São Tomé and Príncipe as well.

We play an active role in the EITI process in other countries. We advocate for the adoption of EITI by our host governments. When we operate in countries that are not yet members of the EITI, we actively promote the EITI and the transparent management of any revenues from natural resources.



A Kosmos employee leads a capacity building workshop for Senegalese stakeholders on the oil and gas value chain in partnership with the Natural Resource Governance Institute (NRGI).





# Our Workplaces

**K**osmos aims to be a world-class 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. Kosmos ended 2018 with 380 employees worldwide. We incorporate the ideas and experiences new employees bring while retaining our distinctive culture and upholding our Business Principles.

Kosmos focuses on recruiting, retaining, and developing a diverse and capable workforce that embraces our Business Principles and entrepreneurial culture. We are an equal opportunity employer and do not tolerate discrimination, harassment, or intimidation of any kind. Employees are respected and encouraged to contribute their ideas. We base all work-related decisions, including recruitment and advancement, on qualifications, merit and performance.

We seek to hire and develop local employees for our international operations. We are proud that in Cote d'Ivoire, Ghana, Mauritania, and Senegal, 100 percent of our employees are citizens of those countries. In São Tomé and Príncipe, and Suriname, more than 90 percent of our employees are nationals. This level of local employment is a long-term target for Kosmos in all 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, São Tomé and Príncipe, Senegal, and Suriname have rotated through our U.S. headquarters on special assignments or for training. These development opportunities have enabled them to assume greater responsibility and handle increasingly complex work. We augment our internal programs with external development opportunities through our Education Reimbursement Policy.

**KOSMOS FOCUSES ON RECRUITING, RETAINING, AND DEVELOPING A DIVERSE AND CAPABLE WORKFORCE THAT EMBRACES OUR BUSINESS PRINCIPLES AND ENTREPRENEURIAL CULTURE.**

We recognize fundamental labor rights and require contractors to adhere to international labor standards and local laws. We do not permit child, forced, or bonded labor at our operations or among our suppliers. For more information, please see Kosmos' statement in compliance with the UK Modern Slavery Act of 2015 located on the homepage of our website.

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 employee-led committees on Wellness and Community Philanthropy.







- Generation of mitigation or management measures and actions
- Significance of impacts and evaluation of residual impacts
- Documentation of the assessment process

Kosmos' ESIA's may also include records of public consultation and supporting technical documentation.

Conducted offshore, our seismic acquisition activities also provide unique insight into the presence of marine life, including marine mammals, sea turtles, and sea birds. Where possible, we share this data with scientists and local marine research institutes. In recent years, we have contributed data for papers on Clymene dolphins in the Eastern Tropical Atlantic, whale and dolphin occurrence offshore Ireland and São Tomé and Príncipe, and sea turtle populations offshore Morocco. In addition, Kosmos has also supported other marine biodiversity and conservation initiatives in Mauritania and São Tomé and Príncipe.

**KOSMOS VALUES THE NATURAL AREAS WHERE IT DOES BUSINESS, BOTH LAND AND SEA, AND STRIVES TO PREVENT OR MINIMIZE POTENTIAL ADVERSE IMPACTS ON THE ENVIRONMENT.**

We plan for an effective and timely response to emergencies that could impact personnel, the environment, local communities, or our assets. In 2018, we continued our regular program of conducting crisis simulation drills with internal and external stakeholders to help us improve our ability to respond in the unlikely event of an emergency. These simulations are created and

**K**osmos values the natural areas where it does business, both land and sea, and strives to prevent or minimize potential adverse impacts on the environment. Our Health, Safety, and Environmental (HSE) management system, known as The Standard, is reviewed and updated as needed. 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.

Prior to seismic acquisition or drilling operations, Kosmos completes environmental and social impact assessments (ESIA) as standard practice. The process used satisfies International Finance Corporation (IFC) guidelines, as well as those reflected in the Equator Principles.

ESIA's generally consist of the following key process elements:

- Initial screening of the project and scoping of the assessment process
- Examination of alternatives
- Stakeholder identification (focusing on those directly affected) and gathering of environmental and social baseline data
- Impact identification, prediction, and analysis



adapted to reflect the evolving nature of our business activities. Our local leadership teams and HSE advisors are mentored through these exercises to 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 it uses. Our Well Integrity Management System governs well design and how wells are drilled, completed, and tested. We believe in safe and efficient operations that are consistent with strong well governance procedures and internationally recommended best practices.

We finished 2018 with a Total Recordable Incident Rate (TRIR) of 1.99 and a Lost Time Incident Rate (LTIR) of 0.5, against our global targets of less than 1.1 and 0.5, respectively. We had zero fines and zero spills. Our 2019 performance



As part of our Environmental and Social Impact Assessments, we evaluate potential effects on sea birds such as those photographed here in Mauritania's Diawling National Park.

targets are a TRIR and LTIR of less than 1.1 and 0.5, respectively, zero spills, and zero fines/penalties. We aim to be an injury-free workplace no matter where in the world we operate and recognize that each individual needs to play a role in this

effort - through safety vigilance, awareness of surroundings, and focusing on the task at hand. In 2018, we continued to require personal and occupational safety training for all employees to reinforce our safety culture.



São Tomé and Príncipe are rich in biodiversity, including many endemic species. In 2018, Kosmos initiated several social and environmental projects to ensure benefits reach both islands.



BUSINESS PRINCIPLE IN ACTION:

# TAKING A CLOSER LOOK AT CLIMATE CHANGE

**We recognize the challenge.**

Kosmos recognizes that the world is facing a serious challenge from climate change influenced by human activity.

We welcome the Paris Agreement reached within the United Nations Framework Convention on Climate Change in 2015 and see it as a crucial step in global efforts to address climate change. We understand that achieving the internationally accepted target of limiting mean global temperature rises to well below 2°C will require significant and sustained reductions in greenhouse gas emissions.

In addition, around 1 billion people (roughly 13% of the world's population) still lack access to electricity, and global energy needs are expected to increase by 25% by 2040<sup>2</sup>. This will be particularly driven by emerging economies such as those in which Kosmos focuses much of its investment. The International Energy Agency (IEA) estimates that demand growth will require more than \$2 trillion of investment in new energy supply per year.

Tackling this challenge – reducing greenhouse gas emissions while meeting growing energy demand – will require actions from all parts of society: governments, civil society and the private sector, and companies like Kosmos must consider the opportunities and challenges that the global energy transition may present to our business.

**We are looking at how climate change may affect us long term.**

In 2017, Kosmos conducted a review of our approach to climate change and the external policy and stakeholder environment. In the review, we:

- Benchmarked Kosmos' approach on climate against a set of industry peers
- Analyzed stakeholder attitudes, including emerging investor expectations around climate change reporting and initiatives such as the Task Force for Climate-Related Financial Disclosures (TCFD)
- Examined the wider policy environment and climate-change risks and opportunities for our business

The review's findings were presented and discussed in Kosmos' Health, Safety and Environment Management and Board Committees.

We continue to monitor developments on climate on an ongoing basis, including through engaging in leading industry associations such as the International Association of Oil and Gas Producers (IOGP) and IPIECA, the global oil and gas industry association for environmental and social issues. We will continue to consider and integrate key developments as needed into our business strategy.

**We do what we can within the constraints of our own business.**

Kosmos operates to high environmental standards and we continually consider opportunities for efficiencies within our business.

At this time, Kosmos does not operate production platforms or vessels. Our direct greenhouse gas emissions arise primarily from exploration activities such as use of an exploration drilling rig, seismic vessels and support vessels, and our offices and logistics bases.

We report these emissions in our annual sustainability report and report key environmental data to IOGP annually. At the request of investors, we aim to report for the first time to the CDP (formerly the Carbon Disclosure Project) in 2019. We also follow developments in operational best practices and climate change, including through IOGP and IPIECA.

In 2015 and 2016 Kosmos discovered significant natural gas reserves offshore Mauritania and Senegal, opening a major new natural gas province in which we are now partnered with BP. Expanding use of natural gas globally is widely regarded as critical to reducing CO2 emissions, given that it produces about half as much CO2 as coal when burned for power, and therefore offers a cleaner alternative to coal for power generation.

The IEA expects demand for natural gas to increase by 45% by 2040 in its New Policies Scenario and positions it as the largest fuel in the global energy mix by that year under its Sustainable Development Scenario.

We are now working with our partner BP and the Governments of Mauritania and Senegal to develop the resources we have discovered into an efficient, competitive natural gas project – both for export in the form of Liquid Natural Gas (LNG) and to provide a cheaper, cleaner source of energy for the economies of Mauritania and Senegal.

**We are also looking beyond our business.**

Finally, Kosmos is looking for contributions we can make to the dual energy challenge beyond our direct operations.



Sediment Trapping Units installed along the coast of Suriname promote sediment deposition and create conditions for halting and reversing erosion, including by creating a habitat for new mangrove juveniles.

Several of our social investment projects are focused on supporting local communities with sustainable energy access and adaptation to environmental change. For example:

- In Suriname, Kosmos partnered with Conservation International and Anton de Kom University to build Sediment Trapping Units (STUs) to help reverse coastal erosion in the *Weg naar See* coastal area. The structures promote sediment deposition and create conditions for halting and reversing erosion, including by creating a habitat for new mangrove juveniles. The next step is to quantify and document the effectiveness of the STUs and potentially extend the project to other coastal areas of Suriname.
- In Mauritania, Kosmos and BP built solar-power installations that deliver a sustainable source of electricity to over 2,000 people in the rural region of Ndiago who were not connected to the grid. This new access

to reliable power improved quality of life by improving health and indoor air quality; increasing connectivity through mobile device charging and



Solar power installations in Mauritania have helped bring reliable and sustainable electricity to communities near Ndiago.

better access to radio and television; and facilitating greater productivity in economic activities.

- In Senegal, we launched a multi-faceted project to tackle environmental challenges and improve quality of life for fishermen in Saint Louis. This included reforesting over 10 hectares of coastal land with mangrove and filao trees to help tackle erosion; sinking 410 artificial reefs in the Marine Protected Area; and providing two biogas facilities as an alternative source of fuel for women fish processors. Between them the reforestation and biogas elements of this project are estimated to sequester around 130 tons of CO2 per year according to our implementing partner NGO, *Le Partenariat*.





# Kosmos in Society

**K**osmos aims to be a trusted partner, good corporate citizen, and catalyst for positive change. While governments have the principal responsibility for ensuring citizens benefit from oil and gas development, we recognize that Kosmos also has a role to play. We are more likely to have a sustainable business if we work with a range of stakeholders, 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 consult with potentially impacted communities and create well-informed operating plans. These assessments help us develop a baseline of socioeconomic conditions before activities begin, understand and mitigate any potential adverse impacts from the activities, and collect information that enables future operations to benefit workers, communities, and local businesses.

.....

### KOSMOS HAS A DEEP COMMITMENT TO RESPECTING AND PROMOTING HUMAN RIGHTS.

.....

Upon establishing a country office to oversee our operations, we complete an assessment to identify social investment opportunities and potential partners from the community. Our approach to social investment aims to align community, government, and company priorities.

Kosmos has a deep commitment to respecting and promoting 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 have conducted human rights training sessions for employees and incorporated human rights into our social impact

assessments to understand our 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. In addition, we have trained employees and contractors 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 the past, we have hired third party experts to conduct labor rights risk assessments of our operations to better understand our risks during exploration, as well as risks that could arise with oil or gas discoveries. We believe adopting a proactive approach to human rights is good risk management and the right thing to do.

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 also use private security providers for certain of our office operations. We have conducted security assessments and training sessions for these private contractors 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. We are participating in the Voluntary Principles process with the Government of Ghana, which is the first country in Africa to join the Voluntary Principles Initiative. Since BP is the operator of the Greater Tortue Ahmeyim gas project offshore Mauritania and Senegal, we are engaging with BP in implementation of the Voluntary Principles as the field is developed.



# Commercial Responsibilities

**A**t Kosmos, we see our interactions with local business partners as another way to contribute to the countries in which we operate. In fact, in the event of exploration success, oil and gas development can be an important engine of economic development.

.....

### WE SEE OUR INTERACTIONS WITH LOCAL BUSINESS PARTNERS AS ANOTHER WAY TO CONTRIBUTE TO THE COUNTRIES IN WHICH WE OPERATE.

.....

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.



provide the necessary training or certification to elevate them to the standard. This is frequently the case, as we operate in several countries with nascent oil and gas industries. We periodically organize contractor forums to provide training and reinforce our HSE-related expectations. Local and multinational contractors attend these sessions in order to further commit themselves to working within our standards.

It is critical that our suppliers and contractors fully understand their contractual obligations regarding anti-corruption provisions. Our local procurement or compliance professionals offer one-on-one sessions with our suppliers to explain our requirements under our policies, the U.S. Foreign Corrupt Practices Act of 1977, the UK Bribery Act of 2010, and other relevant local legislation. During this process, we often identify areas for additional training within our local supply chain.

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.

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 standards, we often work to



# A Full-Cycle E&P Company

The map below shows where Kosmos operates and the type of work we are doing in each country. Our social investments and capacity building programs increase the longer we operate in a country, though the standards to which we hold ourselves for these activities remain high from the beginning. Colored circles on the map refer to the type of work being done, as listed to the right.



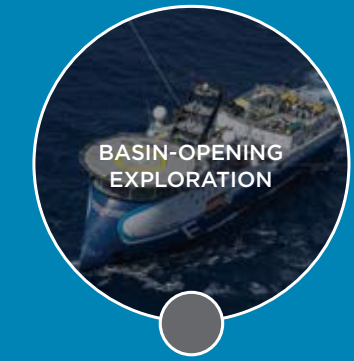
PRODUCTION  
OPTIMIZATION



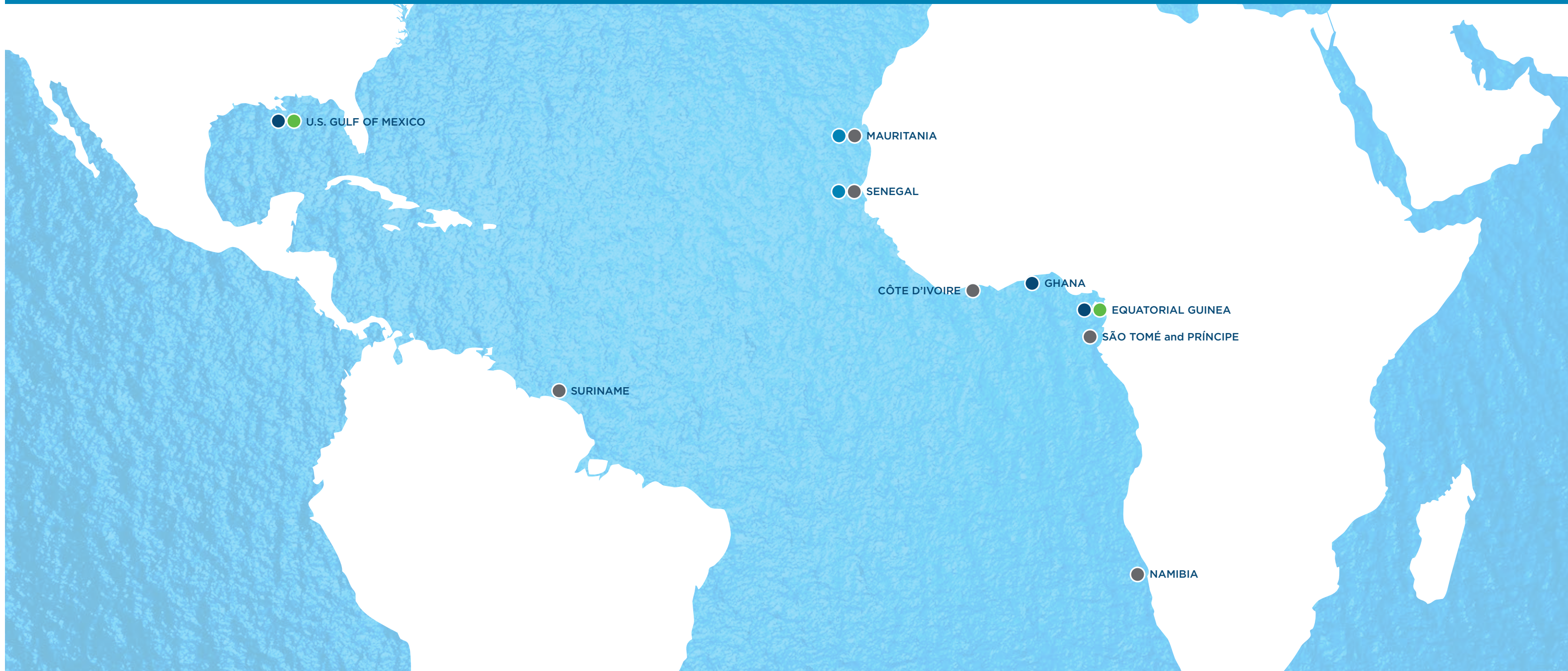
INFRASTRUCTURE-  
LED EXPLORATION



DEVELOPMENT  
OF WORLD-SCALE  
DISCOVERIES



BASIN-OPENING  
EXPLORATION



U.S. GULF OF MEXICO

MAURITANIA

SENEGAL

CÔTE D'IVOIRE

GHANA

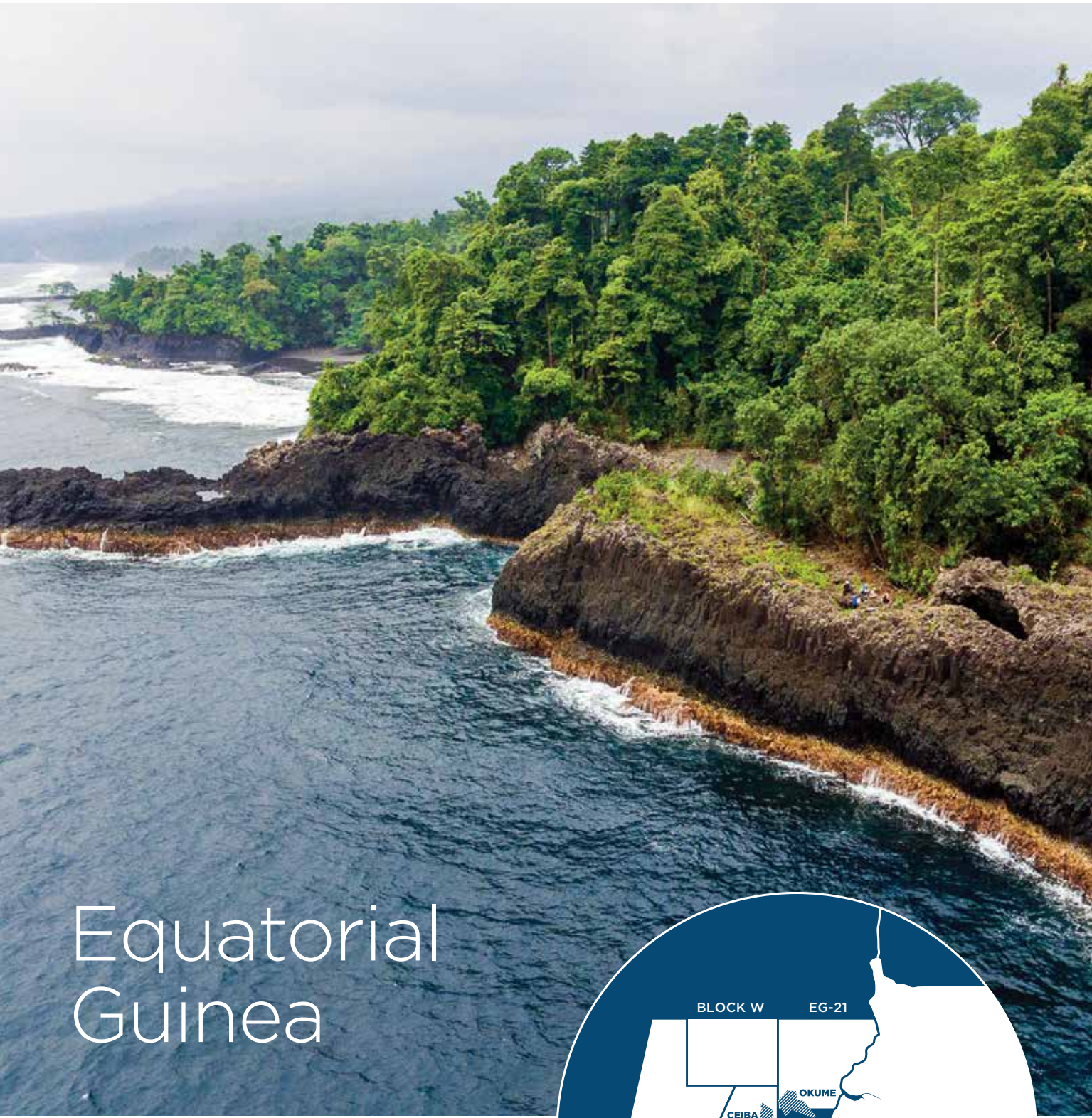
EQUATORIAL GUINEA

SÃO TOMÉ and PRÍNCIPE

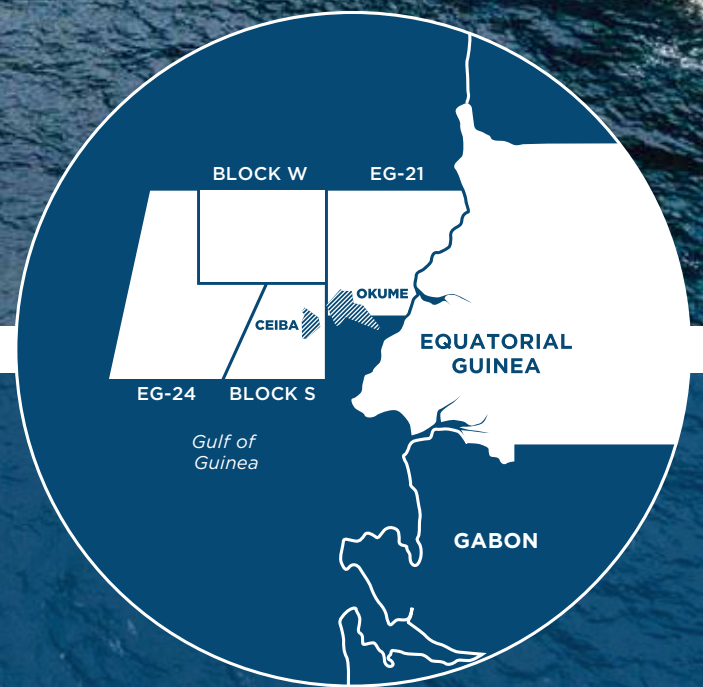
SURINAME

NAMIBIA





# Equatorial Guinea



- PRODUCTION OPTIMIZATION
- INFRASTRUCTURE-LED EXPLORATION
- DEVELOPMENT OF WORLD-SCALE DISCOVERIES
- BASIN-OPENING EXPLORATION

In 2017, Kosmos and its partner Trident Energy acquired Hess Corporation’s interests in the oil-producing Ceiba and Okume fields (Block G) and signed three new exploration licenses for offshore blocks W, S, and EG-21. Kosmos has also since acquired offshore block EG-24. The national oil company, GEPetrol, also owns interests in the fields and blocks.

**K**osmos is the operator of blocks W, S, EG-21, and EG-24. A joint venture company, Kosmos Trident Equatorial Guinea Incorporated (KTEGI), was the operator of the Ceiba and Okume production assets throughout 2018, leveraging the distinct expertise of each company, combining Kosmos’ exploration and subsurface expertise with Trident’s operational capabilities. At year-end 2018, the joint venture was ended and Kosmos now retains a direct 40% interest in Block G.



**KOSMOS-TRIDENT**  
EQUATORIAL GUINEA, INC.

### HUMAN RIGHTS DUE DILIGENCE AND TRAINING

In keeping with regular practice, Kosmos engaged a third-party expert to conduct human rights due diligence for our anticipated in-country activities ahead of entering Equatorial Guinea. The report stressed the importance of community engagement, as well as policy implementation and monitoring.

From the beginning of our investment, KTEGI adopted the Kosmos Business Principles, Anti-Corruption Policy, and Code of Conduct.

In 2018, we conducted training for all employees on implementation of these policies, including human rights training for all KTEGI staff, with an emphasis on labor rights, the supply chain, community

engagement, and grievance mechanisms. We have conducted similar training in other countries where we operate. For more information on our supply chain policies, please see page 19.

We also established an employee whistleblower mechanism and conducted company-wide training on the aim, accessibility, and confidentiality of the mechanism. The mechanism has been extended to key contractors so their employees can also use it to report confidentially any concerns related to our operations.

Finally, as is our practice, we conducted a security risk assessment for our operations in Equatorial Guinea, integrating the Voluntary Principles on Security and Human Rights.

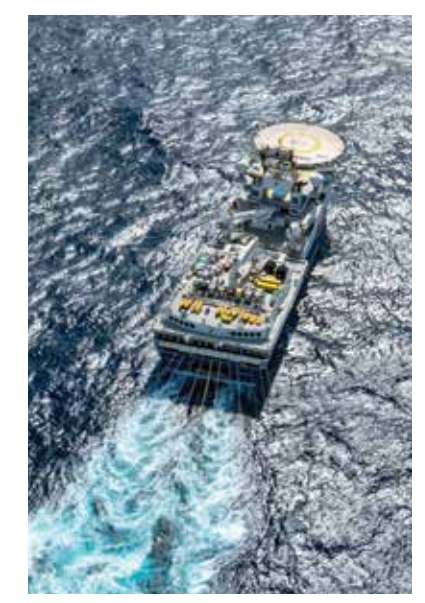
### COMMUNITY ENGAGEMENT

In 2018, Kosmos completed a 3D seismic survey across blocks W, S EG-21, and EG-24. Before the survey began, we conducted a thorough Environmental Impact Assessment (EIA) and engaged with fishing communities to provide information on the purpose of the survey, the vessel that would be conducting the work and the importance of safety around it, and to hear about any concerns regarding our planned activities. The EIA process included public meetings in the districts of Bata and Mbini, which were attended by more than 150 fishing community representatives.

Kosmos established a community grievance mechanism so that members of the community could contact the company or the seismic

vessel with any concerns once operations began. We also trained and hired four Equatoguineans to work as Fishing Liaison Officers (FLOs) on board the seismic vessel to engage with any fishing boats encountered offshore. Eleven government representatives were also trained in offshore safety to be able to participate in, and observe, the survey.

During the seismic survey, Marine Mammal Observers (MMOs) on the vessel noted the presence of Humpback whales in the vicinity. The extent of the presence of whales was unexpected, and after extensive discussions with the onboard MMOs regarding how to respond to the situation, the decision was made to restrict certain operations to daylight hours and expand the mitigation zone, followed by a move to a different part of the planned survey area away from the whales. In the end,





due to the unexpected whale activity, Kosmos decided not to conduct seismic activities over the part of the planned survey area where whales appeared to be most active.

As a result of this experience, Kosmos plans to:

- Engage MMOs early in the seismic planning process to consider possible scenarios and pre-determine adaptive mitigation prior to the start of operations
- Revise EIA methodology to account for the absence of information, as gaps in data are common, incorporating where possible relevant information about sensitive species from adjacent countries

- Implement an external technical review process for all future seismic EIAs, and
- Engage, where possible, local NGOs and subject matter experts to capture as much region-specific and unpublished information as possible and incorporate this into the EIA baseline.

Kosmos is currently evaluating and interpreting the seismic data to determine potential locations for future exploration drilling. We intend to test a prospect in Block S in the second half of 2019. If successful, we expect to conduct an accelerated tie-back development to the Ceiba FPSO.



#### SOCIAL INVESTMENT

Kosmos began implementing a social investment program in 2018. While we grew familiarity and understanding of the local context, our strategy was to continue Hess Corporation's social investment programs largely focused on education and health.

The largest social investment project, the Program for Educational Development of Equatorial Guinea (PRODEGE), established by the government of Equatorial Guinea and Hess Corporation, is now a public-private partnership among Kosmos, Trident and the government.



During PRODEGE's first five years, the program trained two thirds of the country's primary teachers in instructional skills, established model primary schools, modernized the education information system, and strengthened the institutional capacity of the Ministry of Education and Science. In total more than \$100 million will have been invested in education through the PRODEGE program from its inception in 2006 through 2019.

In the second half of 2019, PRODEGE will transition to full government ownership, to be run by a new, independent government agency responsible for ensuring the program's sustainability and



Primary school children across Equatorial Guinea benefit from the training provided to teachers as part of the Program for Educational Development of Equatorial Guinea (PRODEGE).



Kosmos' work offshore Equatorial Guinea focuses on infrastructure-led exploration in which new discoveries can be brought into production quickly through existing facilities.

ongoing positive impacts for Equatorial Guinea.

Kosmos also initiated an annual social investment program for exploration blocks W, S and EG-21, which focused on bringing benefits to coastal communities. This included drilling and installing solar-powered water wells in the communities of Handje and Nume, as well as an electric water well in Rio Campo. Access to clean drinking water remains a challenge for many rural communities in Equatorial Guinea, and the three water wells Kosmos installed in 2018 will benefit an estimated 1,300 people. In 2018, Kosmos also funded renovations to the CORAFRICA primary school in Bata, benefitting over 400 children that attend the school, as well as their teachers.

After starting to lead our own social investment program, Kosmos noticed that oil and gas operators in Equatorial Guinea were often working in similar areas of social development and suspected that there may be opportunities for stronger coordination and

collaboration on social projects, to improve outcomes and enhance delivery for the benefit of the people of Equatorial Guinea.

We therefore set up an industry group, bringing together the corporate social responsibility teams of all operators in the country to share lessons learned and coordinate on projects. Two initial meetings of this group were held in 2018 and we expect the process to continue in 2019 and beyond.

In addition, KTEGI conducted its own social investment program, which in 2018 included further clean water initiatives, the construction of a primary school in a rural community in the Anisok region, support to a school for deaf children in the city of Bata, and support for the Bioko Marine Turtles Program. The latter is a partnership with Purdue University in the United States that conducts research and activities to improve sea turtle conservation on the island of Bioko. The project includes a broad outreach program to teach Equatoguinean school children on the importance of

marine conservation, as well as support for women's micro-enterprises, creating and selling jewelry made from recycled local materials to improve livelihoods, which creates an alternative source of income and deters turtle poaching.

#### NATIONAL CONTENT

Local content and nationalization is a key priority for Kosmos and the government in Equatorial Guinea.

There were approximately 78 employees in the KTEGI office in Bata at the end of 2018, 58% of whom were Equatoguineans. Kosmos and its partners are working on a training and nationalization plan to increase this over time.

Related to Kosmos' exploration work in 2018, four local representatives and eleven government representatives were provided with offshore training to work on or observe the seismic survey. Kosmos works with local vendors wherever possible, and generated more than \$300,000 of business with Equatoguinean firms in 2018 just through exploration activities related to Blocks W, S, EG-21, and EG-24. We believe this investment indirectly created several dozen local jobs.

Kosmos expects to open an office in Malabo in 2019 and create its own small team of employees in Equatorial Guinea, led by the industry's first Equatoguinean country manager.

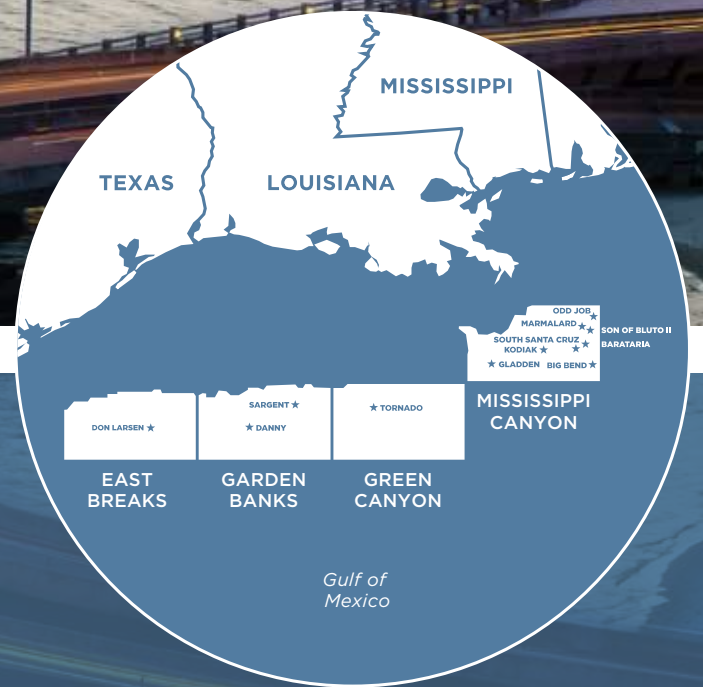
#### TRANSPARENCY

In 2018, Kosmos engaged with the government of Equatorial Guinea, as well as national and international stakeholders on issues related to transparency, including the potential application by the government to re-join the Extractive Industries Transparency Initiative. Kosmos is supportive of this initiative and the dialogue that informs the process.





# U.S. Gulf of Mexico



- PRODUCTION OPTIMIZATION
- INFRASTRUCTURE-LED EXPLORATION
- DEVELOPMENT OF WORLD-SCALE DISCOVERIES
- BASIN-OPENING EXPLORATION

In late 2018, Kosmos entered the U.S. Gulf of Mexico through the acquisition of Deep Gulf Energy, a leading Gulf of Mexico operator. In the transaction, Kosmos acquired interests in 12 producing fields across the East Breaks, Garden Banks, Green Canyon and Mississippi Canyon areas, as well as a portfolio of exploration prospects suitable for both infrastructure-led and frontier exploration.

**K**osmos now has two locations in the U.S. The company's corporate headquarters, with approximately 210 employees, remains in Dallas. Our Gulf of Mexico business unit is managed from Houston, which is home to approximately 50 employees.

In 2019, Kosmos plans to continue infill drilling on existing fields in the U.S. Gulf of Mexico, drilling infrastructure-led exploration targets, and progressing the development of previous discoveries via subsea tieback to existing infrastructure.

As part of our new operations in the Gulf of Mexico, we are beginning a process of stakeholder outreach to establish relationships in the areas onshore from our operations. While in the early stages of planning, this outreach is expected to include stakeholders at the state and local levels in states along the U.S. Gulf Coast, particularly Texas and Louisiana.

Similarly, in 2019, we will be taking a fresh look at our social investment approach in the Gulf of Mexico in light of our larger operational footprint.

### POSITIVE IMPACTS

In 2018, Kosmos continued to support its primary social investment partners in the Dallas-Fort Worth area through a combination of multi-year engagements and one-time support. Our U.S.-focused social investment at the corporate level has historically centered on

improving the quality of STEM education and building cross-cultural understanding.

### Capacity Building in STEM Education

Each day at Kosmos, we use the fundamentals of science, technology, engineering, and math (STEM) to do our jobs. We interpret seismic data 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 helping to meet the world's energy needs and how we create value for our shareholders.

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 school teachers develop their ability to train and inspire young people in the STEM disciplines.



The Kosmos Energy STEM Teacher Institute is an innovative program offered through the Perot Museum 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



The Kosmos Energy STEM Teacher Institute at the Perot Museum of Nature and Science benefited about 4,800 students during the 2017-2018 school year, with participating teachers reporting increased confidence and creativity in teaching the STEM disciplines.



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

The program 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.

Kosmos employees – engineers, geologists, and geophysicists – have served as guest speakers on science related topics, including the practical application of scientific principles in business. This has been a successful way to simultaneously build capacity of local educators while providing a

way for our employees to engage in their community.

The program reached about 4,800 students during the 2017-2018 school year, with participating teachers reporting increased confidence and creativity in teaching the STEM disciplines.

#### **Building Cross-Cultural Understanding**

In 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. 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.

Kosmos' partnership with DMA is an extension of our desire to engage with the communities where we live and work, and foster appreciation for the art and culture of these communities. The partnership between the museum and the company provides

\$800,000 of support over five years 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.

In 2017, the DMA opened The Keir Collection of Islamic Art Gallery in a newly redesigned gallery space that increased the number of works on view from the collection, as well as retained several important masterworks that were on view in the first exhibition. The 2015-2016 exhibition, *Spirit and Matter: Masterpieces from the Keir Collection of Islamic Art*, showcased more than 50 masterworks from the collection marking the first time many of the featured works had been on display in North America. More than 115,000 people visited the exhibition.

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.



Sword ornament in the form of a lion / Ghana, Nsuta, Asante peoples / c. mid-20th century / The Power of Gold: Asante Royal Regalia from Ghana on loan to the Dallas Museum of Art

When this knowledge is shared, it becomes a catalyst for deeper understanding and greater trust among societies.

The people of Dallas 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. By supporting the display of the Keir Collection – and the scholarship and knowledge it has and will continue to generate – we are proud to play a role in increasing the understanding of people everywhere.

In 2018, our work with DMA expanded to include sponsorship of a unique Ghana-focused exhibition. Spanning three centuries, *The Power of Gold: Asante Royal Regalia from Ghana* showcased more than 250 objects from a range of museums as well as the DMA's own collection. It featured crowns, sword ornaments, furniture, textiles, jewelry made of wood, silk, brass, iron and gold, and other items. Importantly,

*The Power of Gold* was the first exhibition on this subject matter at an American museum in more than 30 years. Kosmos underwrote the educational programming and community outreach associated with the exhibition.



#### **Employee-Driven Philanthropy**

In addition to working with large corporate partners like the DMA and Perot Museum, Kosmos supports smaller organizations and initiatives as a way to make the Dallas-Fort Worth area a better place to live and work.

As there are more requests for donations than the company can fulfill, opportunities are reviewed and sanctioned by an employee-run philanthropy committee that evaluates each request in the context of company guidelines,

corporate focus areas and priorities, geographic relevance, and available budget.

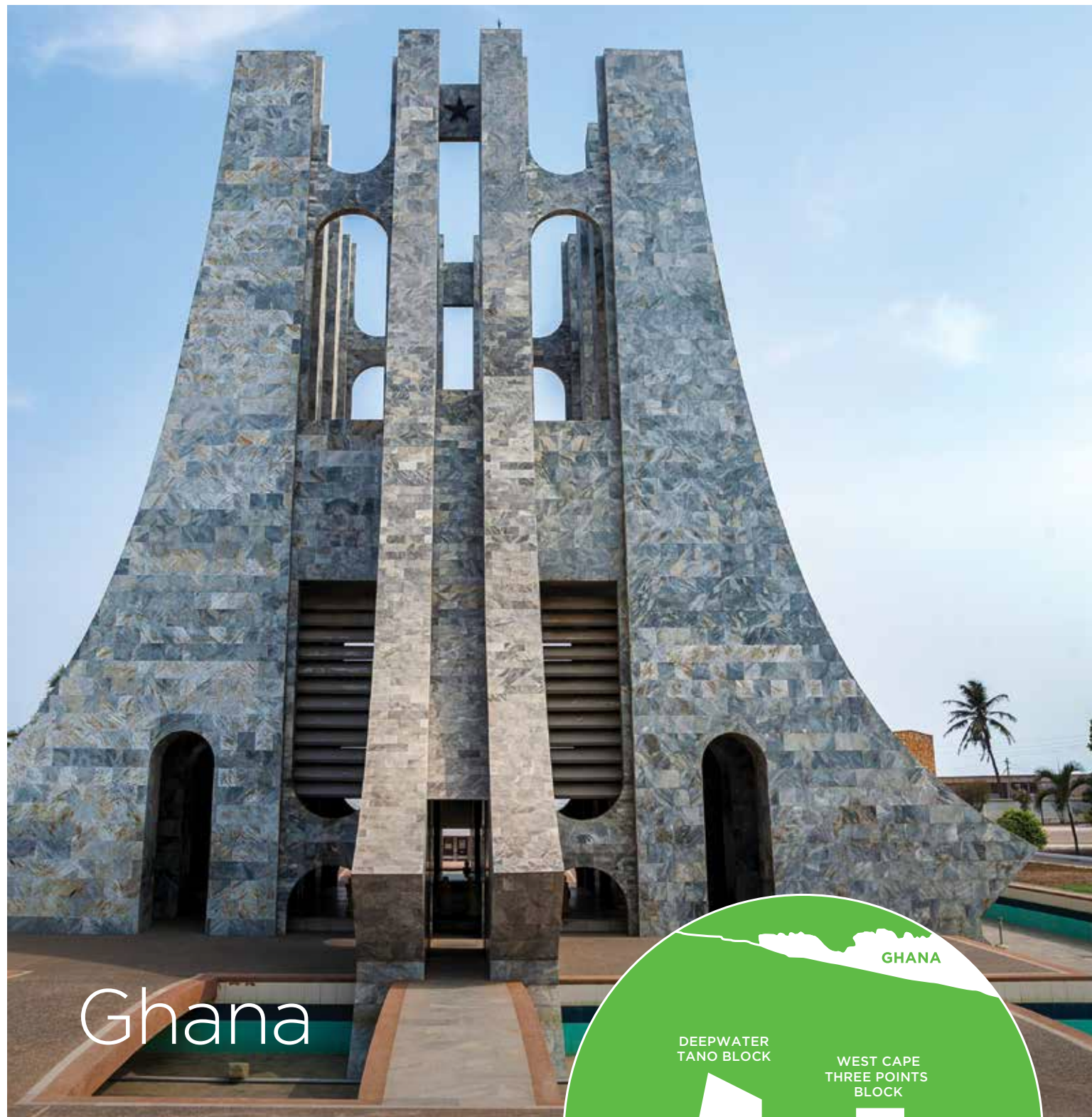
In 2018, we donated more than \$110,000 to a range of organizations serving the greater Dallas-Fort Worth area, including:

- Buckner International, a nonprofit that provides support services to families in distress, vulnerable children, and aging adults.
- Literacy Achieves, an organization that works to equip non-English speaking adults and their young children with English literacy and life skills to promote self-sufficiency. Literacy Achieves serves Vickery Meadows, a neighborhood near our Dallas headquarters.
- Jill Stone Elementary School, a school in the Vickery Meadows neighborhood. Kosmos provided care boxes to families in need.
- Aberg Center for Literacy, an East Dallas organization which provides English literacy courses and prepares people for the General Education Development (GED) tests that provide certification of high school-level academic skills.
- Salvation Army Angel Tree Program, an initiative that provides clothing, toys, and daily essentials to children and aging adults in Dallas who usually go without Christmas gifts. Our employees serve as anonymous donors who adopt these children and aging adults in an expanding Christmas tradition that makes the season brighter for both the gift giver and receiver.
- Habitat for Humanity, a nonprofit organization that helps people in our community build or improve a place they can call home. The company supports Habitat for Humanity through both donations and in-kind contributions like a day of service in which our employees volunteer their time.

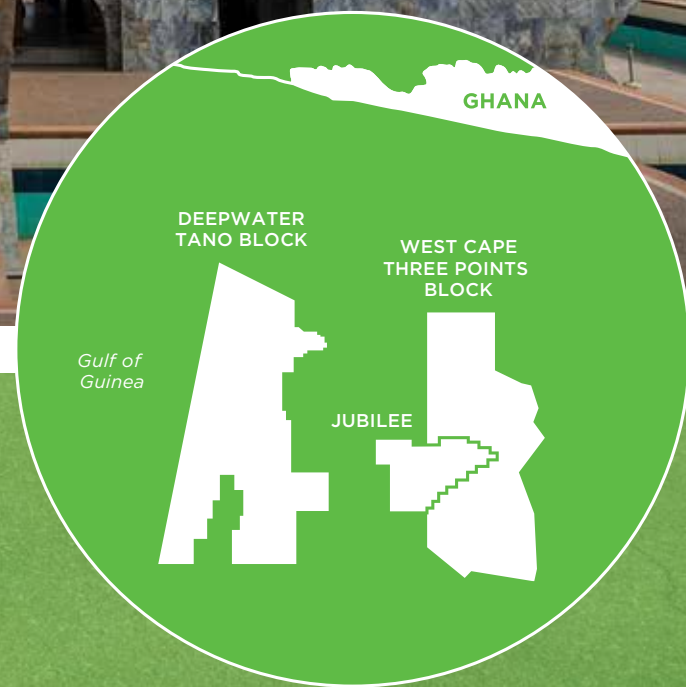


Kosmos' partnership with DMA is an extension of our desire to engage with the communities where we live and work, and foster appreciation for the art and culture of these communities.





Ghana



- PRODUCTION OPTIMIZATION
- INFRASTRUCTURE-LED EXPLORATION
- DEVELOPMENT OF WORLD-SCALE DISCOVERIES
- BASIN-OPENING EXPLORATION

Kosmos opened a significant new hydrocarbon province, the Tano Basin, with the discovery of the Jubilee Field offshore Ghana in 2007. The Jubilee Field straddles both the West Cape Three Points and Deepwater Tano blocks. Success at Jubilee was the result of the company's identification of a previously overlooked exploration play concept.

Kosmos served as Technical Operator for development at Jubilee. The Jubilee Field development was designed in a phased approach to bring first production on quickly and to apply early findings to follow-on phases. First production came in late 2010, just three and a half years from the initial discovery, an industry-leading timeframe in deepwater developments.

The success at Jubilee de-risked additional opportunities, and Kosmos and its partners have made a number of additional oil and gas-condensate discoveries. Kosmos and partners discovered the significant Tweneboa gas-condensate accumulation in 2009, followed by the Enyenra oil field in 2010. Further drilling success resulted in the discovery of oil at the Ntomme field in 2012. Production from Tweneboa, Enyenra, and Ntomme (TEN) began in 2016.

Kosmos is now a non-operating co-venturer of the Jubilee Unit and the TEN fields, comprised of Tullow Oil, Anadarko Petroleum, PetroSA, and Ghana National Petroleum

Company (GNPC). Tullow Oil is the operator of the Jubilee Unit and TEN fields, meaning it oversees operations related to oil and gas production. Although Kosmos does not oversee day-to-day operations of the Jubilee Unit and TEN fields, we take an active role in stakeholder engagement, secondment of top national talent, social investment programs, and other activities to help ensure Ghanaians receive benefits from hydrocarbon production.

**MANAGING OUR FOOTPRINT**

In 2018, gross volumes from the Jubilee and TEN fields averaged approximately 78,000 bopd and 64,500 bopd, respectively. The Jubilee and TEN fields also continue to supply natural gas to the Ghana National Gas Company's onshore processing facility at Atuabo and onward flow to the Aboadze power plant for fuel to generate electricity. Kosmos continues to advocate for a national plan to expand Ghana's gas infrastructure to meet the country's domestic power needs

in a cost efficient and sustainable way, which emphasizes domestic gas utilization first.

**Prioritizing Safety and the Environment**

Our active monitoring of safety and environmental compliance in Ghana contributed to strong HSE performance in 2018. There were no environmental incidents or Lost Time Incidents (LTIs) for any of Kosmos' operations in Ghana in 2018, continuing our record of zero LTIs since 2012. We continued to invest in safety training throughout the year, which helped sustain performance gains achieved in prior years. Tullow Oil, as operator, reports on the safety and environmental performance for Jubilee and TEN operations.

Our staff in Ghana receives behavioral safety training each year in addition to annual training on Kosmos' Health, Safety, and Environment policies and standards. These trainings are mandatory. We believe they contribute to our strong safety record in Ghana.



The FPSO John Evans Atta Mills produces oil at the Tweneboa, Enyenra, and Ntomme (TEN) fields.



### Grievance Mechanism

Although we did not operate any drilling activities in Ghana in 2018, we continued to maintain our community-level grievance mechanism in the Western Region. Our formal grievance mechanism provides a communication channel for members of the community to raise concerns about our operations or submit complaints.

We visit the Western Region to remind communities of the grievance mechanism, how it works, and how it can be accessed. Through continuous engagement, we empower community leaders to assist those people with grievances to navigate the system. We received and resolved four grievances in 2018 related to legacy social investment projects.

To supplement our formal grievance mechanism, we have stationed a Community Liaison Officer (CLO) in a Kosmos-branded office in the Western Region. We distribute contact numbers and e-mail addresses for the CLO as well as directions to the local community office. The CLO is an important part of our approach to managing grievances, in that he solicits and responds to feedback from community members. The Kosmos CLO also works in close collaboration with the CLOs from our co-venturer Tullow, so that we are fully up to date with Tullow-led operations in the Jubilee and TEN fields.



In 2015, Kosmos reached a major milestone by employing a 100 percent Ghanaian staff - an achievement that we have maintained ever since.

### ENGAGEMENT AND LISTENING

As a long-term partner in Ghana, Kosmos regularly engages with a wide range of stakeholders, including local communities, suppliers, civil society, media, and academia. We communicate regularly with these stakeholders to understand their concerns about our industry and its impact on the country. We share information that improves mutual understanding of the role of the oil and gas industry.

### Outreach to Local Communities

The area directly onshore from the Jubilee and TEN fields includes the six coastal districts of the Western Region, where we have centered much of our local community engagement. In the Western Region, our key stakeholders are the fourteen traditional councils within the six coastal districts, the Fish Processors' Associations of Ankobra and Ekpu Communities, as well as communities we have historically supported through social investment projects.

We join community meetings held by the Jubilee and TEN fields' operator. We use these sessions to provide updates on offshore operations, environmental monitoring and compliance, canoe incursions and fishermen interactions, the Voluntary

Principles on Business and Human Rights, social investments, and our environmental and social impact management plans.

### Voluntary Principles on Security and Human Rights

In 2018, the Government of Ghana finalized its National Action Plan for implementation of the Voluntary Principles on Security and Human Rights. Kosmos supported this process by participating as an industry representative in national dialogues to discuss key issues regarding implementation. The dialogues covered issues such as onshore and offshore risks associated with increased activities in the oil and gas sector, the status of the Ghana government's anti-small scale illegal mining initiative, and goals related to public security training and private security licensing reform.

Kosmos uses private security personnel to provide security for our employees and office operations in Ghana. Security for the Jubilee and TEN fields' operations is the responsibility of the operator. We have trained all Kosmos Energy Ghana security personnel on the Voluntary Principles on Security and Human Rights per our corporate policies and in support of Ghana's work on the Voluntary Principles.

For more information on the Voluntary Principles on Security and Human Rights in Ghana, please see the country's website dedicated to their implementation: [www.ghanavps.org](http://www.ghanavps.org).



### Working in Partnership with Civil Society and Business

Kosmos maintains regular contact with civil society organizations in Ghana such as the African Centre for Energy Policy (ACEP), the Natural Resource Governance Institute (NRGI), and the Ghana Extractive Industries Transparency Initiative (GHEITI). GHEITI is an important forum that Kosmos uses to engage on issues of revenue transparency and anti-corruption. We are a private sector member of the GHEITI multi-stakeholder group, which oversees the public reconciling of payments and receipts between government and extractive companies. Ghana recently completed its seventh oil and gas reporting cycle. Kosmos has been a part of the process in Ghana since its inception.

In 2018, Kosmos supported and participated in the Ghana Gas Forum, the country's leading independent natural gas policy event, which brings together stakeholders from business, government and civil society to discuss the potential of Ghana's emerging gas industry. The output of the forum was presented to the government for potential inclusion in the National Gas Master Plan.

In addition, Kosmos was the only oil and gas company to support and participate in the annual New Year School and Conference at the University of Ghana, Legon. Organized by the School of Continuing and Distance Education, the event convened experts in various fields to debate issues related to Ghana's development, focusing on the role of the private sector in job creation.

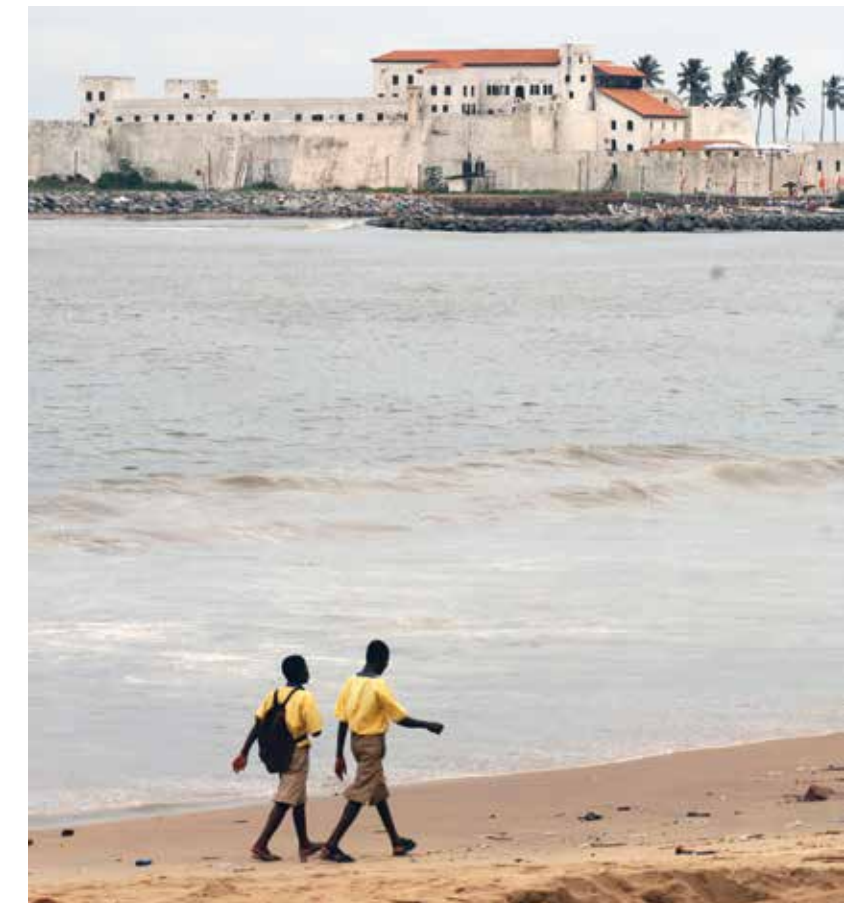
Editors and journalists are important stakeholders in Ghana, as they regularly write about domestic oil and gas activities and their work often shapes public understanding. In 2018, we again sponsored the annual Ghana Journalist Awards, a forum that encourages professionalism and innovation in news reporting across Ghana.

### Independent Advisory Council

Kosmos created an independent advisory council comprised of

respected Ghanaian business leaders in 2014 to demonstrate our long-term commitment to the development of Ghana. The advisory council guides the company and serves as a sounding board as we work to support Ghana's socio-economic needs and management of oil and gas resources. The six advisory council members provide key insights that influence our business and above-ground approach.

Members of the council were selected based on their business knowledge, diverse points of view, and history of success leading companies in Ghana. The advisory council has even taken an active role in the Kosmos Innovation Center by volunteering as guest lecturers and business mentors. There is natural alignment between Kosmos and Ghana when it comes to creating a well-managed and increasingly productive petroleum sector.





### Government Engagement

Kosmos regularly engages with the government of Ghana to keep them informed of our activities and with the goal of ensuring that our activities contribute to national development. As part of our government engagement efforts in 2018, we provided all 250 members of the Ghanaian parliament with copies of our Business Principles and annual reports. We presented our approach to transparency including publishing our contracts and payments to governments, anti-corruption policy, and ongoing support of the Extractive Industries Transparency Initiative. We also explained the work of the Kosmos Innovation Center in supporting young Ghanaian entrepreneurs and small- and medium-sized enterprises.

Kosmos is a firm believer in creating the right environment for Ghana to achieve the government's Sustainable Development Goals. In June 2018, we were one of the few private sector companies invited to participate in an interactive session on Ghana's development with His Excellency Nana Addo Dankwa Akufo-Addo, President of the Republic of Ghana. In addition, in November 2018, we were invited to participate in the Royal Dialogue on the Sustainable Development Goals with His Majesty Otumfou Osei Tutu II, which resulted in the Kumasi Declaration on the Sustainable Development Goals.

### POSITIVE IMPACTS

Kosmos is committed to playing its part in creating positive development outcomes for host countries from our oil and gas discoveries. Our largest office outside the U.S. is in Ghana, where sourcing goods and services locally and hiring Ghanaian employees is an important way that we contribute to national development. Kosmos has worked hard to build a network of local suppliers, and provided training and capacity building ourselves to bring them to international industry standards.

We are committed to supporting personal and professional development for all our employees through tailored training programs, rotations through our other global offices, and attendance at workshops and conferences. In 2015, Kosmos achieved a major milestone by employing a 100 percent Ghanaian staff – a number that we have now maintained for the fourth consecutive year.

In 2018, we also contracted six national service personnel to work in finance, supply chain, human resources, office administration, corporate affairs and commercial departments. It is our hope that the training and experience they receive while working at Kosmos helps prepare them for their future careers.

### Social Investment Projects

We continue to support social investment in Ghana through Kosmos-initiated programs, as well as those led by the operator

of the Jubilee and TEN fields. In 2018, Kosmos-initiated programs focused our social investment on youth entrepreneurship through the Kosmos Innovation Center, clean drinking water, and small community-level projects. Page 36 of this report describes the Kosmos Innovation Center in detail.

Each year, we contribute to the Jubilee Unit and TEN Development social investment programs. These initiatives are overseen by a team of representatives from the Jubilee Unit co-venturers, including Kosmos. In 2018, the Jubilee and TEN social investment projects focused on three themes: local agribusiness and enterprise development, environmental stewardship, and education in science, technology, engineering and mathematics (STEM). These projects are carefully designed in collaboration with community stakeholders to ensure their long-term sustainability.



The Kosmos Innovation Center (KIC) invests in young entrepreneurs and small businesses. We empower entrepreneurs to turn their ideas into viable, self-sustaining businesses and we work alongside promising small businesses to help them scale and reach their full potential.

### Clean Drinking Water for Ghanaians

Kosmos has supported clean drinking water projects in Ghana for the last seven years. We first worked with the Safe Water Network to build water filtration systems for over 28,000 people from twenty villages in the Western Region. The project received such a positive community response that Kosmos decided to expand its support of water projects to other parts of the country.

Working with Water Health Ghana, a subsidiary of Water Health International, in 2017, we expanded the program to ten new communities outside our operational area, providing clean drinking water for nearly 130,000 Ghanaians.

The overall program includes construction of water purification facilities, training of operators from local communities, and implementation of a monitoring program to ensure sustainability. Each new water facility is governed

by a board of community members who oversee the project. Water Health Ghana works in partnership with these boards to determine the appropriate usage fees and management of the water purification service. In addition, the organization provides sanitation and hygiene education to further improve health outcomes for the villagers using the new clean water systems. We continued our support of the Water Health Ghana program in 2018, when the program installed water purification facilities and conducted management training for an additional ten communities.

At the end of 2018, we fulfilled our commitment with all water projects, bringing safe drinking water to more than 300,000 people in 43 different communities spanning five regions in Ghana.



Kosmos has supported clean drinking water projects for many years. Partnering with Safe Water Network and Water Health Ghana, Kosmos has helped to bring potable water to more than 300,000 people in 43 different towns and villages across five regions in Ghana.



# Kosmos Innovation Center

The Kosmos Innovation Center (KIC) invests in young entrepreneurs and small businesses. We empower entrepreneurs to turn their ideas into viable, self-sustaining businesses and we work alongside promising small businesses to help them scale and reach their full potential.

## ENTREPRENEURSHIP IS IN OUR DNA.

Founded in 2003 by a small team of explorers, Kosmos Energy was once a start-up too. Now a successful, publicly-traded company, we know what it's like to see an opportunity, pursue a dream, and grow a business. By nurturing the next generation of entrepreneurs and facilitating innovation in sectors beyond oil and gas, we are contributing to the creation of healthier and more diverse economies.

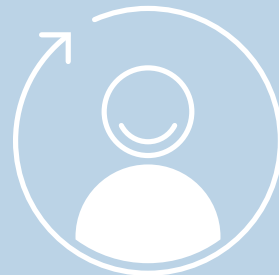
## HOW WE WORK

The Kosmos Innovation Center works in three ways:



### INSPIRE

We light a fire in young people by training them to see opportunities that others miss, giving them the confidence to view themselves as entrepreneurs instead of employees and job creators instead of job seekers. We do it by delivering a best-in-class leadership and entrepreneurship program.



### INVEST

We provide a full life-cycle of support to the most promising entrepreneurs, start-ups, and small businesses. We do it through tailored coaching, skills building, expert mentorship, seed funding, and facilitating connections within and across industries.



### TRANSFORM

We position young entrepreneurs to tackle tough problems in key sectors and channel their talent into innovative, private sector-led solutions. We do this through the KIC's distinctive focus on commercial solutions and local knowledge.

EACH KOSMOS INNOVATION CENTER PROGRAM IS DRIVEN BY LOCAL STAFF AND PRIVATE SECTOR EXPERTS, RESULTING IN A DISTINCTIVE FOCUS ON COMMERCIAL SOLUTIONS AND LOCAL KNOWLEDGE. OUR CUSTOMIZED, BEST-IN-CLASS BUSINESS SUPPORT PROGRAMS FEATURE A MIX OF SKILLS TRAINING, MENTORSHIP AND SEED FUNDING.

## KOSMOS INNOVATION CENTER

POWERED BY **KOSMOS** ENERGY

# GHANA - OUR FLAGSHIP INITIATIVE

KIC Ghana started in 2016. Our programs focus on empowering young men and women to drive innovation in agriculture, the country's largest employer, and training them to lead sustainable, successful businesses.

## AgriTech Challenge

The AgriTech Challenge is an annual competition that identifies young people who are interested in becoming entrepreneurs and provides them with business and leadership training, mentorship, and a network of support. We encourage them through coaching and market research tours across Ghana to take a fresh look at the agriculture value chain to identify new areas of business opportunity. The goal is to show them what's possible - personally and professionally - if they're willing to put in the effort.

Business training and mentorship is delivered at key stages in the program and as part of a life-cycle of development and support. Individual competitors join together to establish teams which then participate in a series of pitch and elimination events, during which they present their ideas to a panel of judges. Seed funding is offered to the final high-potential

teams who go on to enter a dedicated incubator program. The AgriTech Challenge has identified, nurtured, and funded some of the most promising youth-driven agritech startups in Ghana today.

## KIC Start-Up Incubator

When our young entrepreneurs take the next step and form promising businesses, the KIC is there to help them refine their ideas, establish their companies, and overcome barriers to growth. This multi-year process involves more focused business training, specialized coaching, and potential access to seed funding from KIC or other entities willing to invest start-up or growth capital.

The Meltwater Entrepreneurial School of Technology (MEST) has been our partner in delivering the incubator program. Operating out of the MEST Incubator facility in Accra, this full-time program focuses on mentoring and nurturing promising start-up companies through training and investment.

KIC is now working to open its own dedicated start-up hub in Accra in the summer of 2019.

## Business Booster

In 2017, the Business Booster program was launched to accelerate the growth of small and medium enterprises (SMEs) in the agriculture sector. After a rigorous screening process, agribusinesses are selected for two week-long 'Boot Camps' which offer mentorship and coaching to help participants refine their business plans, mitigate financial and operational constraints, rapidly prototype new products and services, and prepare to meet potential investors.

The Business Booster program facilitates links with local and international investors, fostering relationships between businesses, like-minded entrepreneurs, and across industries.





## MAURITANIA INNOVATION CHALLENGE

In 2018, we expanded the activities of the KIC into Mauritania with the first annual Mauritania Innovation Challenge.

The Mauritania Innovation Challenge provides the opportunity for young people to develop the confidence and skills they need to become entrepreneurs through a series of classroom modules and competitive pitch competitions. The Mauritania Innovation Challenge takes entrepreneurs on a proven eight-step journey to develop a market-ready product or service.

The program starts with guided classroom learning through the first three foundational teaching elements corresponding with the first half of the business development journey. Participants

receive structured, one-to-one mentoring from an assigned coach, testing their learning following the classes, and receiving personalized guidance on developing a business concept and planning for the first pitch event. Participants are guided through the early and fragile stages of business growth, learning everything about defining a business problem, creating a value proposition and understanding and identifying a target audience. Participants are expected to engage in their own field research and planning to fully inform themselves about their chosen market and business proposition.

The businesses that pass the first pitch go on to the second round of intensive support to develop their business plan and to ready their product for launch. Following a further period of product testing,



refinement and pitch practice, the remaining participants are ready for the second and final pitch.

At the end of the program, participants pitch to a panel of judges and stakeholders in Nouakchott. Here, they present their new business ideas and proposals. The most promising ideas receive further technical assistance and potential seed funding to continue their growth journey.

In 2018, we received more than 170 applications for the program. Following a rigorous review of the online application process and individual interviews, Kosmos selected the most promising 25 businesses to participate. After several months of individual coaching and training in entrepreneurship, the field of participants was narrowed to 12 businesses which then competed to win admission into a year-long KIC incubation program, as well as initial seed funding to help them launch their businesses.

The winners developed innovative business ideas in a range of areas, including construction materials, solid waste removal, electronic money transfer, food delivery, office space, and distance education.

Kosmos is providing seed funding to four of the companies, with Banque Mauritanienne pour le Commerce International, a large Mauritanian bank, and SEPCO, a waste management company, supporting two other businesses.



## SENEGAL START-UP ACCELERATOR

Launched in 2018, the Senegal Start-Up Accelerator provides entrepreneurs who have innovative ideas for the agricultural sector with the skills they need to turn their ideas into reality. In partnership with Reach for Change, an international nonprofit focused on social entrepreneurship, the KIC is helping fledgling businesses in the country test and iterate their solutions to develop a sustainable business model.

The program starts with a week-long selection process where potential candidates are thoroughly introduced to the program and the program leaders to their business ideas. With this depth of understanding, ten

entrepreneurs are selected to move forward in the process. These ten finalists then undergo an intensive boot camp with business experts and then pitch for their place in the accelerator. Five entrepreneurs go forward to take part in the six-month program. Participants are guided through the early stages of business growth, learning everything from how to develop customer profiles and how to carry out competitor analysis, to how to make a product roadmap and develop a sustainable revenue model for their business. Six months later, the aim is to launch five new businesses with the potential to help transform the agricultural industry in Senegal.



## STIMULATING THE SPIRIT OF ENTREPRENEURSHIP IN CÔTE D'IVOIRE

In 2018, we expanded the activities of the Kosmos Innovation Center (KIC) into Côte d'Ivoire with the launch of a comprehensive business accelerator program called Stimulating the Spirit of Entrepreneurship in Côte d'Ivoire. The accelerator aims to help

young Ivorian entrepreneurs and small enterprises develop their businesses sustainably and unlock economic prosperity in the country's coastal and other regions. The program was developed in partnership with the Direction Générale des Hydrocarbures (DGH) and is being delivered by TechnoServe, an international nonprofit that promotes business solutions to poverty in the developing world by linking people to information, capital, and markets.

Through the accelerator program, small enterprises led by women and men are learning how to overcome barriers to growth and how to build competitive businesses that generate wealth for fellow Ivorians through improved sales and new job creation. More

than 300 entrepreneurs in coastal communities have been selected to take part in the program. Over the course of four months, participants receive intensive business and managerial support training, financial consultancy, and one-to-one mentorship.

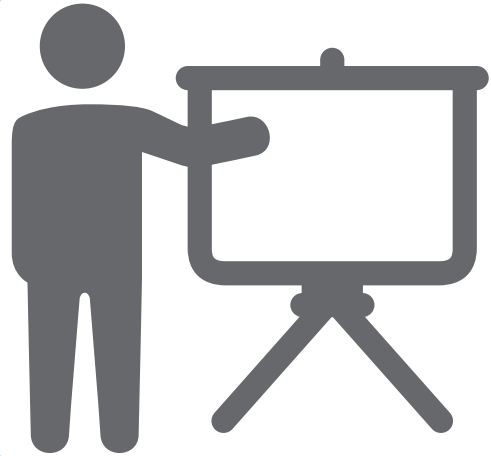
After the four-month incubation period, all 300 entrepreneurs present their work to a jury. Around 180 will progress through this stage, and receive five months of additional support to help implement their business growth plan. Further training and mentoring is provided, as well as support for accessing financial institutions and funding.

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





# KOSMOS INNOVATION CENTER IMPACT



## ENTREPRENEURS TRAINED

KIC and its partners have trained more than 500 entrepreneurs since March 2016



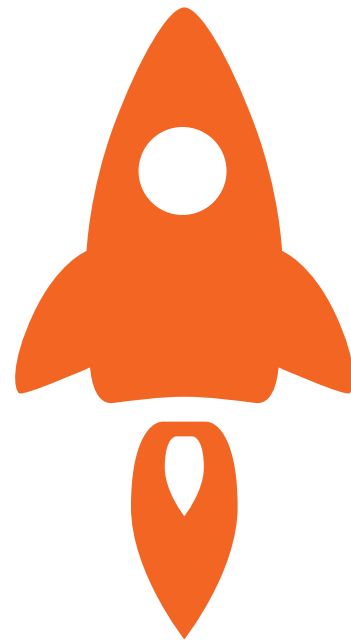
## CAPITAL FROM EXTERNAL INVESTORS

KIC startups have raised over \$1,000,000 in seed funding from other private and donor funders



## SEED FUNDING INVESTED

Kosmos has provided more than \$300,000 in seed funding to startups



## STARTUPS FORMED

The KIC has helped to launch more than a dozen new startups

# KOSMOS INNOVATION CENTER SUCCESS STORIES



## TROTRO TRACTOR

The "Uber for tractors," TroTro Tractor is revolutionizing Ghanaian farmers' access to modern agricultural equipment.



## PROFISH

ProFish brings advanced logistics and cold storage techniques to the fishing industry, ensuring fresh and timely distribution of products to customers.



## GROWTH FACTOR

The company's unique nvoicia platform pays small businesses 80% of the value of invoices within 48 hours, solving cash flow issues caused by late payments.



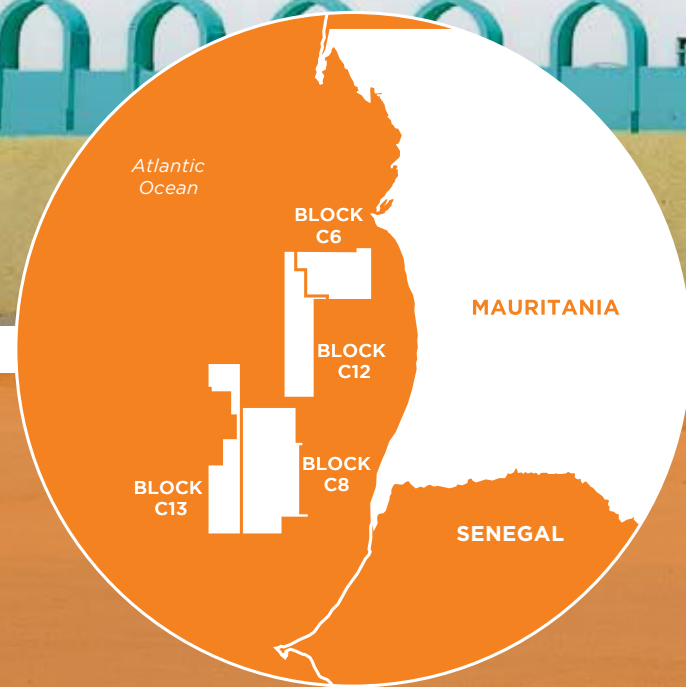
## SOIL SOLUTIONS

Soil Solutions has designed soil testing kits to provide farmers the information needed to cultivate the most viable and profitable crops for their fields' soil composition.





Mauritania



- PRODUCTION OPTIMIZATION
- INFRASTRUCTURE-LED EXPLORATION
- DEVELOPMENT OF WORLD-SCALE DISCOVERIES
- BASIN-OPENING EXPLORATION

Since discovering large deposits of natural gas offshore Mauritania in 2015, Kosmos has pursued a development strategy for this resource aimed at bringing benefits to the country as quickly and efficiently as possible. The benefits are expected to include revenue from the export of liquefied natural gas (LNG), the economic impact of reliable power generated from a plentiful and low-cost source of energy, and the significant follow-on benefits of industrial development.

In December 2018, Kosmos and BP completed a 34-month effort to write and obtain approval of the Greater Tortue Ahmeyim (GTA) Environmental and Social Impact Assessment (ESIA) and associated Environmental Management Plan. There were numerous public consultations and inquiries conducted in both Mauritania and Senegal (more than 3,000 people participated) and it is believed to be the first time that both countries, with different regulatory requirements, approved a single study of a private-sector project.

Following approval of the ESIA, Kosmos and BP announced a final investment decision (FID) for Phase 1 of the GTA project. The GTA project will produce gas from a deepwater subsea system and mid-water

FPSO to a floating liquefied natural gas (FLNG) facility at a nearshore hub located on the Mauritania and Senegal maritime border.

The FLNG facility for Phase 1 is designed to provide approximately 2.5 million tons per annum on average. Production is expected to begin in the first half of 2022. Subsequent phases, which are now being planned, are expected to increase output to around 10 MTPA.

Kosmos and BP estimate that there is 50-100 trillion cubic feet (Tcf) of gas in place offshore Mauritania and Senegal, enough to eventually support three 10 MTPA LNG hubs – at Tortue on the maritime border, at Bir Allah to the north in Mauritania, and at Yakaar-Teranga to the south in Senegal.

**MANAGING OUR FOOTPRINT**

Kosmos has been supporting BP in its role as operator in managing the footprint of all activities in Mauritania. Most notably, this includes preparations for entering the construction phase of the GTA project. As part of the transfer of operatorship, most Kosmos employees transitioned to BP at the end of 2017. Since then, we have hired a new Mauritanian country manager and support staff to maintain our employment of 100% Mauritanian nationals in our Nouakchott office.

**ENGAGEMENT AND LISTENING**

Our gas discoveries offshore Mauritania mean that we expect to have a presence in the country for many years to come. We want to be a welcome investor, both to our host governments and local communities. To achieve this goal, we build relationships with stakeholders through engagement and listening on all topics: the environment, transparency, our operations, capacity building and social investment projects, health and safety, and socioeconomic impacts.

We are pleased to support the government of Mauritania's commitments to transparency. The Mauritanian Hydrocarbon Code of 2011 requires companies to publicly disclose the payments they make to government. In 2017, Kosmos served as a private sector member of Mauritania's EITI National Committee.



The first phase of the Greater Tortue Ahmeyim gas project is expected to take just seven years from discovery to first production, an industry-leading timeline.





#### POSITIVE IMPACTS

Since entering Mauritania in 2012, Kosmos has supported a range of social investment projects designed to:

- Bring electricity to communities near Ndiago through the installation of solar energy infrastructure
- Improve the livelihoods of small-scale fish processing businesses in Ndiago
- Protect the environment in Diawling National Park
- Support research and increase knowledge of marine biodiversity offshore Mauritania
- Support a graduate degree program in Mauritania on managing the impact of the extractives sector
- Teach English to vocational school students to improve their employability, and
- Provide meals to needy families during Ramadan.

In 2017, these projects were transitioned to BP as they assumed operatorship of the exploration blocks and GTA project.

In 2018, Kosmos and BP signed a Memorandum of Understanding for the construction and initial operation of a Distance Learning Center to improve learning capabilities in Mauritania's oil and gas industry. Once complete, the



In the Mauritania Innovation Challenge, participants pitch their business ideas to a panel of judges and stakeholders in Nouakchott. The most promising ideas receive further technical assistance and potential seed funding to continue their growth journey.

center will enable the Mauritanian Ministry of Petroleum, Energy and Mines to use the latest technology to host courses taught by experts from around the world. This will provide Mauritians with the opportunity to develop specialized skills without having to either travel abroad or bring specialized instructors to Mauritania. The Center will ultimately be turned over to the Ministry of Petroleum, Energy and Mines who will assume responsibility for its sustainability.

#### *Kosmos Innovation Center Expands into Mauritania*

In 2018, we expanded the activities of the Kosmos Innovation Center (KIC) into Mauritania with the first annual Mauritania Innovation Challenge, an initiative modeled on a successful program implemented by the KIC in Ghana. Like Ghana, Mauritania faces high youth unemployment but has many talented entrepreneurs and provides significant opportunities for motivated business leaders with the skills to start their own companies.

The Mauritania Innovation Challenge is a competition in which young entrepreneurs pitch their business ideas to a panel of expert judges who then invite a sub-set of the participants to enroll in a KIC program offering business skills and leadership training, including coaching and mentoring, as well as support to develop prototypes of their products.



The Mauritania Innovation Challenge provides the opportunity for young people to develop the confidence and skills they need to become entrepreneurs through a series of classroom modules and competitive pitch competitions. The Mauritania Innovation Challenge takes entrepreneurs on a proven eight-step journey to develop a market-ready product or service.

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Kosmos is providing seed funding to four of the companies, with Banque Mauritanienne pour le Commerce International, a large Mauritanian bank, and SEPCO, a waste management company, supporting two other businesses.

In addition to running the Mauritania Innovation Challenge, we also supported the broader development of Mauritania's entrepreneurial

ecosystem by bringing together experts and decision-makers in the public and private sectors. In December 2018, we hosted a workshop in Nouakchott for policy makers, financial institutions, incubators, academics, small businesses, and international development agencies to discuss how to best encourage and support the next generation of Mauritanian entrepreneurs. The event identified a number of suggestions to help entrepreneurs, such as:

- Establishing dedicated financing instruments and mechanisms
- Fostering collaboration between microfinance institutions and commercial banks
- Creating a credit bureau to alleviate the information asymmetry between entrepreneurs and financial institutions with the establishment of a credit scoring system
- Improving the capacity of existing incubators and other entrepreneur technical support organizations
- Improving the technical support capabilities of micro-finance institutions

- Developing incubators in local universities
- Facilitating access to public tenders by micro-, small- and medium-sized enterprises, and
- Developing incentives for integrating young entrepreneurs in the supply and distribution chains of large enterprises.

Our work to promote entrepreneurship also includes supporting events organized by key partners, including the World Bank. In 2018, we sponsored the World Bank's "Entrepreneurship Marathon" by awarding a \$5,000 prize for the "best innovation" in their contest for promising start-ups.

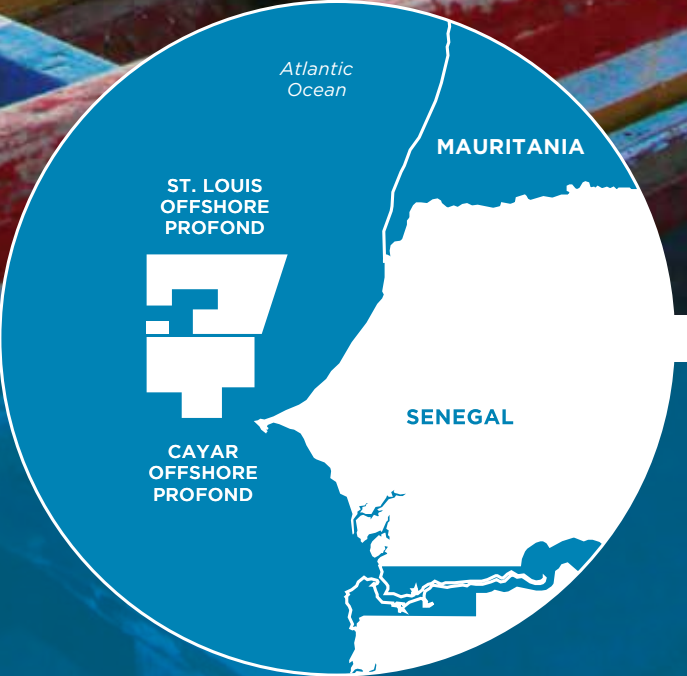
#### *Supporting Communities in Need*

In addition to our work in entrepreneurship, we also continued to support communities in need by distributing food kits to 100 disadvantaged families during Ramadan, as well as donating clothing to Institut Marie Diallo, a nonprofit in Nouakchott that cares for orphaned, abandoned, and abused children.





# Senegal



- PRODUCTION OPTIMIZATION
- INFRASTRUCTURE-LED EXPLORATION
- DEVELOPMENT OF WORLD-SCALE DISCOVERIES
- BASIN-OPENING EXPLORATION

Since discovering large deposits of natural gas offshore Senegal in 2016, Kosmos has pursued a development strategy for this resource aimed at bringing benefits to the country as quickly and efficiently as possible. The benefits are expected to include revenue from the export of liquefied natural gas (LNG), the economic impact of reliable power generated from a plentiful and low-cost source of energy, and the significant follow-on benefits of industrial development.

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### MANAGING OUR FOOTPRINT

Kosmos opened its office in Dakar in September 2014 to support our drilling program and to establish a visible presence in the country. Kosmos spent more than a year working 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.

Since those early days, we have built a team in Dakar comprised predominantly of Senegalese nationals. We have provided

development opportunities to our Senegalese staff through training workshops and special assignments to enhance their capabilities.

In mid-2017, when BP took over operatorship of Cayar Offshore Profond and Saint Louis Offshore Profond blocks, many of our national staff transitioned to work for BP. We currently have a team of four employees in our office in Dakar to continue above-ground activities, such as social investment, and to support the operations that BP leads as the operator.



Kosmos employees in Senegal support the Greater Tortue Ahmeyim gas project by working alongside BP in local communities in northern Senegal.



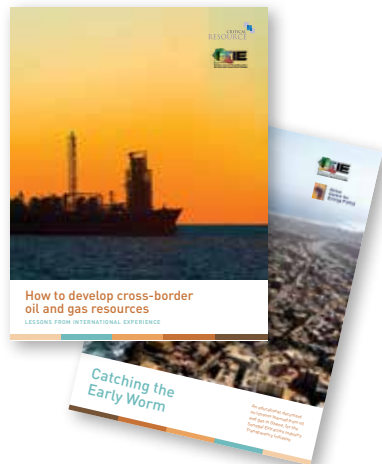


Kosmos sent two people from Senegalese civil society to a Natural Resource Governance Institute (NRGI) summer school on resource governance at the University of Central Africa in Cameroon.

#### ENGAGEMENT AND LISTENING

Kosmos led or participated in workshops and conferences in Senegal in 2018 on transparency and good governance of natural resources.

We continued our regular engagement with the EITI, supporting the dissemination of the 2017 EITI report by presenting at a workshop in Saint Louis. We also sponsored and presented at an EITI Africa conference on beneficial ownership transparency held in Dakar following the EITI's annual Board meeting which was also held in Dakar.



At the request of EITI's Senegal chapter, we sponsored and contributed to the development of two public educational documents on topics of interest related to oil and gas: *How to Develop Cross-border Oil and Gas Resources: Lessons Learned from International Experience* and *Catching the Early Worm: An Educational Document on Lessons Learned from Oil and Gas in Ghana for the Senegal Extractive Industry Transparency Initiative*.

These documents are now being used by the EITI in capacity building programs to help improve understanding of the oil and gas industry. *Catching the Early Worm* was written by the Africa Centre for Energy Policy (ACEP), a prominent Ghanaian civil society organization. In November 2018, Kosmos funded the authors of the report to travel from Accra to Dakar to present and discuss their work with the Senegal EITI Multi-Stakeholder Group.

For the third consecutive year, Kosmos sponsored members of Senegalese civil society to attend a Natural Resource Governance Institute (NRGI) summer school on resource governance at the University of Central Africa in Cameroon. Topics covered included oil and gas project lifecycles, revenue flows during different stages of the project, the causes and impacts of changes in oil price, contract transparency, corruption risks, and managing the environmental impacts of exploration and production.

In 2018, we also sponsored and participated in the third annual National Conference on Sustainable Development organized by the Ministry of the Environment. The event brought together government officials, industry, civil society and academia to discuss the sustainable development of oil and gas resources.

We continue to work in partnership with BP to continue these types of capacity building engagements with government, civil society, journalists and local communities in Senegal.

#### POSITIVE IMPACTS

Since entering Senegal in 2014, Kosmos has supported a range of social investment projects designed to:

- Improve quality of life in fishing communities
- Restore the environment and combat coastal erosion along the Langue de Barbarie
- Protect the environment and biodiversity in Djoudj National Bird Park
- Support a graduate degree program in Senegal on managing the impact of the extractives sector

In 2017, these projects were transitioned to BP as they assumed operatorship of the exploration blocks and GTA project.

#### Kosmos Innovation Center Expands into Senegal

In 2018, we expanded the activities of the Kosmos Innovation Center (KIC) into Senegal with the first annual Senegal Start-Up Accelerator, an initiative modeled on a successful program implemented by the KIC in Ghana. Like other countries, Senegal faces high youth unemployment but has many talented entrepreneurs and significant opportunities for motivated business leaders to start their own companies.

The Senegal Start-Up Accelerator, launched in partnership with Reach for Change, is helping young Senegalese entrepreneurs develop innovative solutions to challenges in the agricultural and environmental sector.

The program starts with a week-long selection process where potential candidates are thoroughly introduced to the program; and the program leaders to their business ideas. With this depth of understanding, ten people are selected to move forward in the process. These ten finalists undergo an intensive boot camp with business experts and then pitch for

their place in the accelerator. Five businesses move forward to take part in the six-month program.

Participants are guided through the early and fragile stages of business growth, learning everything from how to develop customer profiles and how to carry out competitor analysis, to how to make a product roadmap and develop a sustainable revenue model for their business. Six months later, the aim is to launch five new businesses with the potential to help transform the agricultural industry in Senegal.

#### Creating Local Opportunities

Kosmos and BP committed to a multi-million dollar investment in support of the newly created National Institute of Oil and Gas (INPG), designed to build national capacity for the emerging oil and gas industry in Senegal. The INPG was inaugurated by President Macky Sall and welcomed its first cohort of students for a specialized master's degree in oil and gas engineering in October 2018.

In addition to building the capacity of people who might work in the oil and gas sector, Kosmos and BP have taken steps to help established businesses become a part of the oil and gas supply chain.



Kosmos and BP both became founding members of Invest in Africa's Senegal chapter in 2018. Invest in Africa is a nonprofit enterprise specializing in helping small companies develop their businesses and improve their competitiveness by creating access to skills, markets and finance. In Senegal, Invest in Africa

will be working with leading oil and gas industry operators and tier-one service providers to help Senegalese businesses better understand the oil and gas sector and prepare to make the most of future opportunities in the industry. Invest in Africa plans to launch a number of programs in Senegal in 2019.

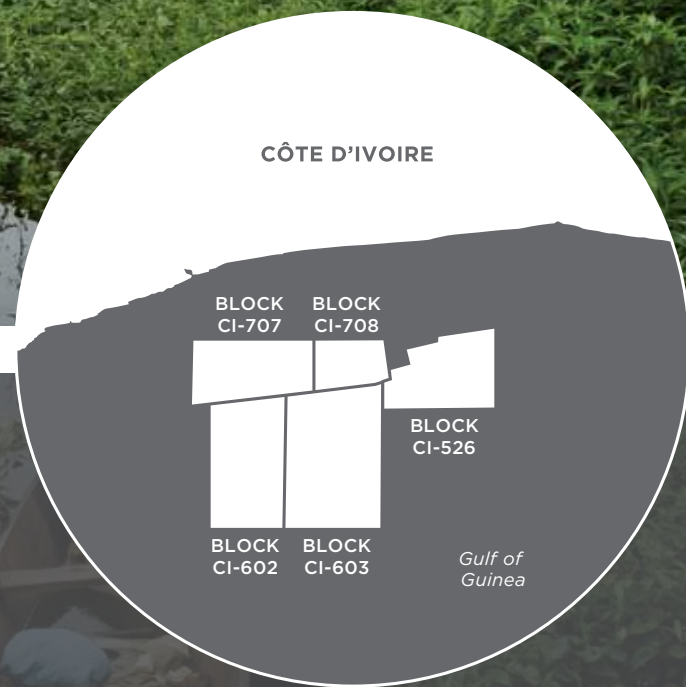


Young entrepreneurs with the Kosmos Innovation Center in Senegal learn about starting and growing businesses that use technology to address challenges in the agriculture and environmental sectors.





# Côte d'Ivoire



- PRODUCTION OPTIMIZATION
- INFRASTRUCTURE-LED EXPLORATION
- DEVELOPMENT OF WORLD-SCALE DISCOVERIES
- BASIN-OPENING EXPLORATION

In late 2017, Kosmos acquired five blocks offshore Côte d'Ivoire as part of an expansion of its exploration activities in the Gulf of Guinea. This area offshore Côte d'Ivoire is thought to be an extension of the Tano Basin in Ghana, which the Kosmos exploration team opened with the Jubilee oil discovery in 2007. Côte d'Ivoire's offshore area provides an opportunity for Kosmos and its partner BP to formulate a frontier basin exploration strategy and pursue new technical themes.

**K**osmos and BP each acquired an equal 45%-45% working interest in five contiguous blocks covering approximately 17,000 square kilometers. PETROCI, the national oil company of Côte d'Ivoire, has a 10% carried working interest in the blocks as well. Kosmos is the exploration operator and BP will be the development operator in the event of a commercial discovery.

A multi-client 3D seismic acquisition program covering approximately 12,000 square kilometers in Kosmos' blocks was completed in 2018. Together with BP, we are now analyzing and interpreting the data. If this work yields promising results in the form of prospects indicating the potential presence of oil and gas in commercial quantities, then the two companies will decide where to drill an exploration well in the future.

#### MANAGING OUR FOOTPRINT

In 2019, Kosmos began the process of opening an office in Côte d'Ivoire and started building a small team of employees in Abidjan, including a local national as country manager. Kosmos also worked to deepen its knowledge of the operating environment in Côte d'Ivoire and establish relationships with key stakeholders in government, industry, NGOs and civil society - including the Côte d'Ivoire Extractive Industries Transparency Initiative (EITI).

#### KOSMOS INNOVATION CENTER EXPANDS INTO CÔTE D'IVOIRE

In 2018, we expanded the activities of the Kosmos Innovation Center (KIC) into Côte d'Ivoire with the launch of a comprehensive business accelerator program called Stimulating the Spirit of Entrepreneurship in Côte d'Ivoire. The accelerator aims to help young Ivorian entrepreneurs and small enterprises develop their businesses sustainably and unlock economic prosperity in the country's coastal and other regions. The program was developed in partnership with the Direction Générale des Hydrocarbures (DGH) and is being delivered by TechnoServe, an international nonprofit that promotes business solutions to poverty in the developing world by linking people to information, capital and markets.

Through the accelerator program, small enterprises led by women

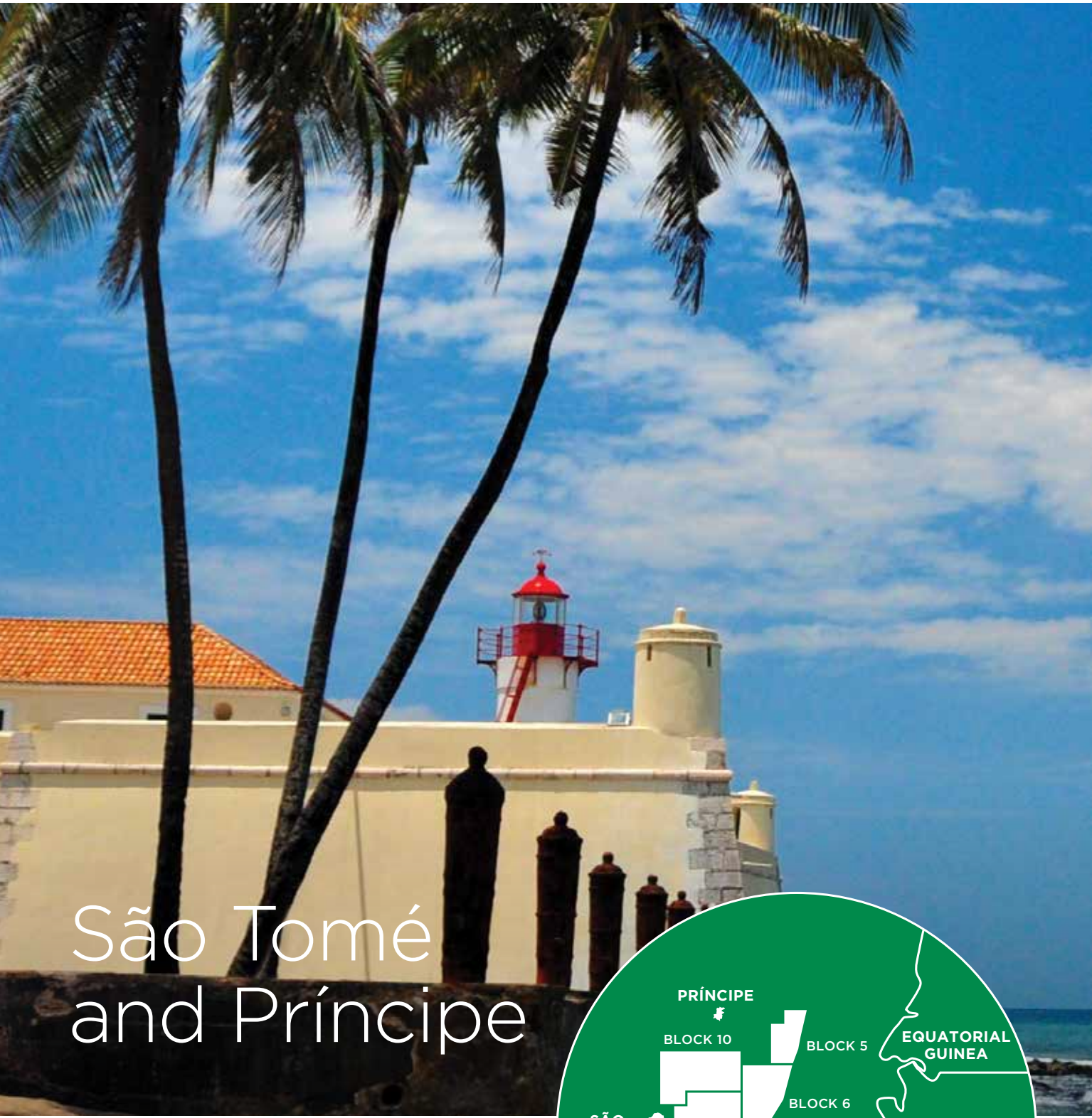
and men are learning how to overcome barriers to growth and how to build competitive businesses that generate wealth for fellow Ivoirians through improved sales and new job creation. More than 300 entrepreneurs in coastal communities have been selected to take part in the program. Over the course of four months, participants receive intensive business and managerial support training, financial consultancy, and one-to-one mentorship.

After the four-month incubation period, all 300 entrepreneurs present their work to a jury. Around 180 will progress through this stage, and receive five months of additional support to help implement their business growth plan. Further training and mentoring is provided, as well as support to access financial institutions and funding.

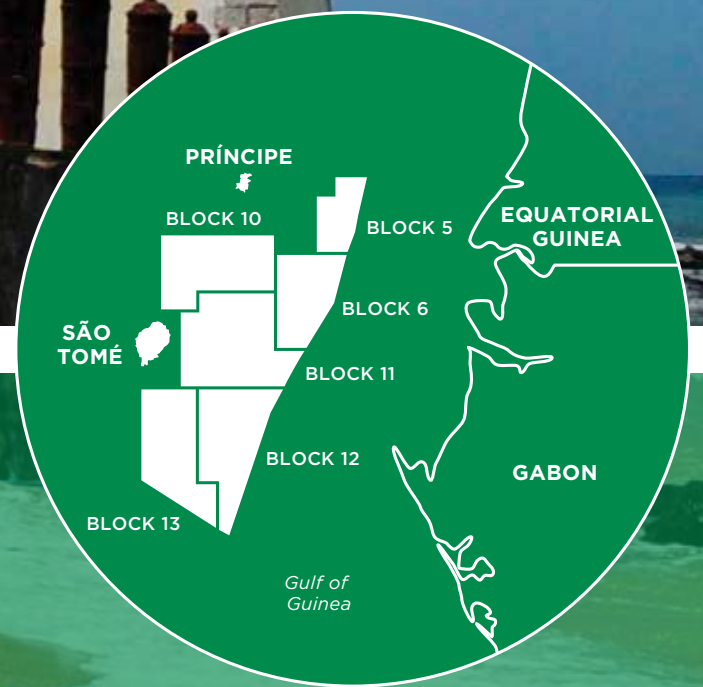


A participant in the new Kosmos Innovation Center program in Côte d'Ivoire brainstorms business strategy as part of her training.





# São Tomé and Príncipe



- PRODUCTION OPTIMIZATION
- INFRASTRUCTURE-LED EXPLORATION
- DEVELOPMENT OF WORLD-SCALE DISCOVERIES
- BASIN-OPENING EXPLORATION

Kosmos first entered São Tomé and Príncipe by acquiring acreage in four offshore blocks – 5, 6, 11 and 12 – in 2015 and 2016. In early 2018, Kosmos acquired two additional offshore blocks – 10 and 13. In total, these six blocks are located within the exclusive economic zone, cover an area of approximately 38,600 square kilometers and are adjacent to a proven petroleum system in Equatorial Guinea and Gabon.

Upon entering São Tomé and Príncipe in 2016, Kosmos established a local office on the island of São Tomé and appointed a country manager. We currently employ seven local staff members, working in areas such as accounting, finance, external affairs, HSE, and procurement.

Galp Energia, a Portuguese oil and gas company, holds a non-operated stake as a partner in blocks 5, 11, and 12, and an operated position in block 6. Equity in these four blocks is also shared with Equator Exploration and the Agencia Nacional do Petroleo de São Tomé e Príncipe (ANP-STP), on behalf of the government.

BP is our partner in blocks 10 and 13. The work program in these blocks will be phased to enable Kosmos and BP to develop a deeper understanding of the basin and create the best chance of exploration success. In the first four-year phase, Kosmos and BP will acquire seismic data and will analyze the data to decide on next steps with regard to drilling.

Kosmos will be the technical operator during the exploration phase of the license, with BP taking over to manage any development in the event of exploration success.

### MANAGING OUR FOOTPRINT

In late 2017, we completed a 3D seismic survey in blocks 5, 6, 11, and 12 covering approximately 16,000 square kilometers. The seismic survey was planned and executed to minimize potential impacts to the environment, particularly

marine mammals and sea turtles. Two marine fauna observers (MFOs) and one passive acoustic monitoring (PAM) operator were present onboard the seismic vessel throughout the survey.

Kosmos and its partners spent more than a year developing an understanding of the potential impacts of our seismic survey on the waters offshore São Tomé and Príncipe through the preparation of an environmental, health and social impact assessment (ESHIA). For each block, the ESHIA was developed by independent consultants and approved by the São Tomé and Príncipe Ministry of Infrastructure, Natural Resources and Environment.

A project-specific marine fauna protection plan was developed to include approved marine fauna mitigations, and appropriate experts were engaged to assist in compliance with the plan. Through research and engagement, we are proud that we could design a seismic

survey that exceeded international environmental standards.

Processing of the data collected by the 2017 seismic survey has now been completed. We are compiling an inventory of prospects on the license areas in São Tomé and Príncipe and will continue to refine and assess the prospectivity, integrating this 3D seismic data into our geological evaluation during 2019 in anticipation of a potential start of drilling activities as early as 2020.

In addition to the seismic work, Kosmos and its partner Galp undertook an Environmental and Social Impact Assessment for potential drilling in blocks 5, 6, 11, and 12. In preparation for the study, Kosmos and Galp hosted an offshore drilling workshop for regulators and government stakeholders to understand the basics of the project. We also conducted public consultations in Príncipe and São Tomé to get feedback from the public.



Kosmos has worked with Fauna and Flora International, an international wildlife conservation organization, to minimize risks to marine fauna during our seismic acquisition projects offshore São Tomé and Príncipe.



In 2018, Kosmos worked with BP to prepare for and begin an environmental baseline study related to blocks 10 and 13. The study, which began June 2018 and will run through July 2019, uses passive acoustic monitoring equipment to measure ambient noise levels and collect data on the presence of sensitive species such as whales and sea turtles. The data collected from this study will be included in ESHIAs that will be conducted ahead of future activities, such as seismic surveys and drilling.

Kosmos and BP have prepared an ESHIA related to future seismic activities in block 10, which was developed by independent consultants and approved by the Ministry of Infrastructure, Natural Resources and Environment.

We are committed to working closely and transparently with local and international stakeholders to safeguard São Tomé and Príncipe's unique biodiversity. By following international standards and engaging in dialogue with international and local organizations, we believe oil and gas exploration can proceed in a responsible and environmentally-sensitive manner.

#### ENGAGEMENT AND LISTENING

Kosmos is committed to transparency and active promotion of the Extractive Industries Transparency Initiative (EITI) in each of our host countries, including São Tomé and Príncipe, which has been a member country since 2012.

Kosmos has established regular engagement with EITI and in 2018 became a member of the multi-stakeholder group in São Tomé and Príncipe. In 2018, Kosmos and its partners held two knowledge-building workshops on the oil and gas industry, one on each island, for local stakeholders.

During the ESHIA process related to our seismic survey in 2017, the planned seismic program in

2019, and potential future drilling activities, we participated in public consultation forums and met with a variety of government and civil society stakeholders.

Prior to our 2017 seismic program, Kosmos and its partners engaged with fishing communities, and established a formal grievance mechanism for individuals potentially impacted by our activities. The assessment included extensive consultation on both islands, which presented several opportunities for interested parties to provide feedback. This feedback was incorporated into the Environmental Management Plan and survey design.

To keep stakeholders informed, a community engagement program was also conducted ahead of the seismic acquisition. The program included members from Kosmos, Galp, Agencia Nacional do Petroleo de São Tomé e Príncipe (ANP-STP), the national oil company, the local NGO MARAPA, and the Ministry of Fisheries. After the seismic campaign had concluded, we re-visited key local and international stakeholders to update them on the completion of the survey and the success of our environmental mitigation plans. A similar engagement program is scheduled ahead of the planned 2019 seismic survey.

From 2017 to the present, Kosmos has had an ongoing dialogue with Fauna & Flora International (FFI) regarding our seismic planning and future activities offshore São Tomé and Príncipe. FFI provided valuable feedback on our survey design and mitigation measures, and we agreed to continue conversations around seismic acquisition and any future exploration drilling. We also shared cetacean and marine mammal data acquired by our marine fauna observers and other scientists on the seismic vessel during the acquisition program.



#### POSITIVE IMPACTS

Kosmos and its partners are obligated to spend approximately \$3.3 million on social investment projects over four years (2016-2019) under the terms of our production sharing contracts with the government for blocks 5, 11 and 12.

To ensure this social investment obligation results in real benefit to the people of São Tomé and Príncipe, Kosmos has engaged with the government to understand its national development priorities and formulate a strategic plan for the education sector.

São Tomé and Príncipe has high levels of literacy compared to many other developing countries. However, the country's young demographic – over 60% of the population is under the age of 24 – presents significant challenges in the education sector which the government is eager to address.

According to recent government data, the key challenges are:

- Class size: an average of 80 students per classroom
- Pace of development: Inadequate use of technology due to lack of infrastructure and training
- Instruction: Insufficient number of teachers, many of whom lack necessary training

Thus, the goals of the education initiative include improving access to quality education, reducing the average number of students per classroom, and preparing students for the future labor market.

Kosmos is in the process of building two new secondary schools and associated facilities (in Santana and Monte Café) and adding classrooms and additional facilities to two existing schools in Neves and São Marçal. This commitment will add an additional 44 classrooms in high priority locations on the island of São Tomé. Once these projects are completed, the Ministry of Education, Culture, and Science will take responsibility for staffing the schools with qualified teachers



“The partnership between Kosmos Energy and Fundação Príncipe is more than a relationship between donor and grantee. Kosmos has become a member of our family with whom we share our passion and love of this work, the islands, and the turtles. It was important that Fundação Príncipe remain independent and be able to speak honestly about Kosmos' work in the country regardless of the grant we received. We could not be more happy with the way Kosmos has encouraged us to do exactly that – to push everyone to do their best for the natural resources of the country, for the communities and for our biodiversity. We are pleased to continue this partnership and the work we're doing on turtle conservation and monitoring on Príncipe.”

ESTRELA MATILDE  
Executive Director, Fundação Príncipe



or teachers-in-training, as well as the maintenance and repair of the classrooms and facilities. This initiative is being overseen and monitored by a steering committee comprised of Kosmos, the Ministry of Education, Culture and Science, and ANP-STP. Construction on this project is now underway.

#### Protecting Marine Life

In addition to the education projects on São Tomé island, Kosmos has partnered with Fundação Príncipe Trust (FPT), a Príncipe-based organization devoted to environmental conservation, on an initiative which aims to improve the conservation status of the three species of sea turtles nesting on Príncipe, as well as making the island safe for the five species of sea turtles that inhabit Príncipe's waters. The partnership is making progress in several areas:

- Monitoring and protecting sea turtle populations through patrols of nesting beaches and surrounding waters, as well as engaging coastal communities
- Raising awareness in local communities to increase support for turtle conservation through an education campaign focusing on secondary school children and freedivers, as well as a



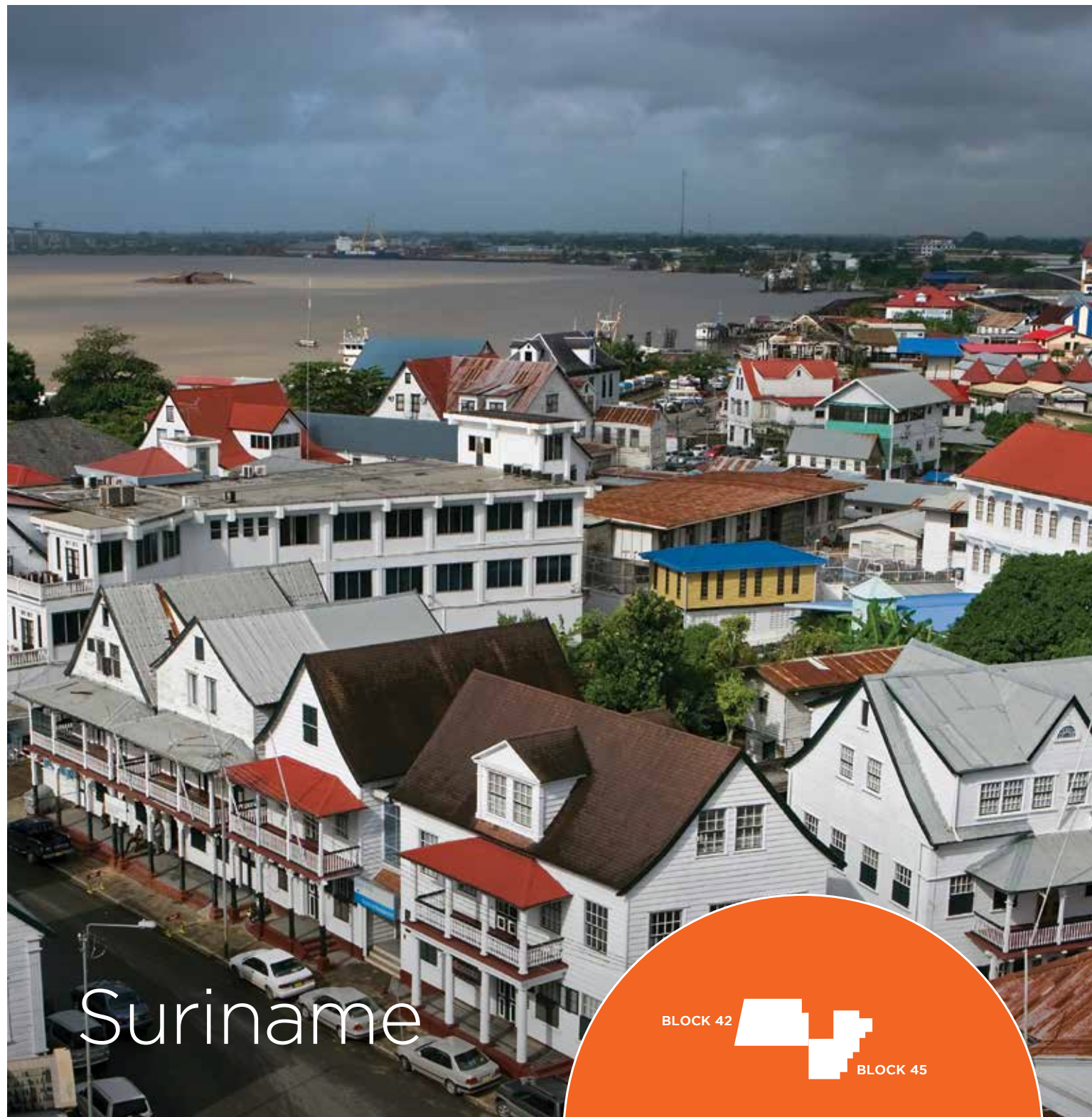
program to recruit students from each community to be part of the wildlife observation team

- Filling critical research and knowledge gaps on the ecology, habitat and status of the sea turtles to better inform and guide targeted conservation actions

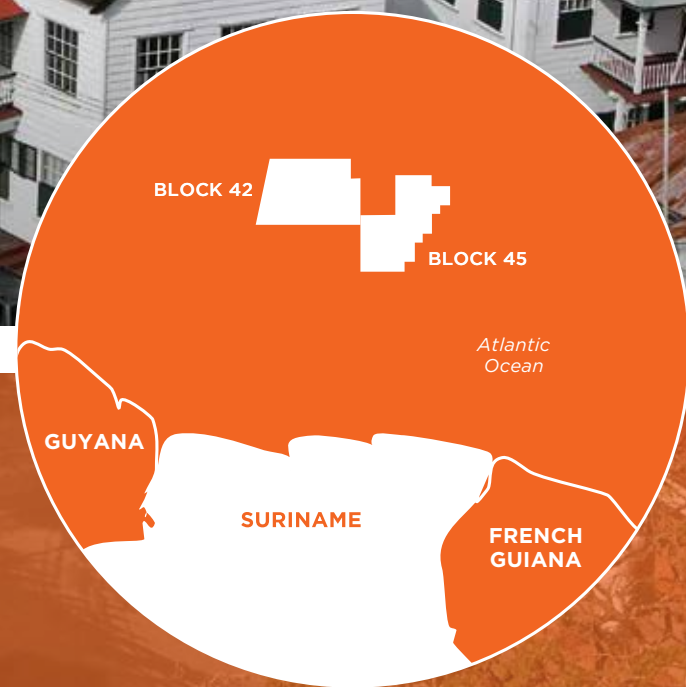
- Strengthening the capacity of the local staff through managerial and technical training sessions

We plan to continue our partnership with FPT and do our part to make the island a safe haven for sea turtles.





Suriname



- PRODUCTION OPTIMIZATION
- INFRASTRUCTURE-LED EXPLORATION
- DEVELOPMENT OF WORLD-SCALE DISCOVERIES
- BASIN-OPENING EXPLORATION

Kosmos began exploration activities offshore Suriname in December 2011 with the signing of Production Sharing Contracts for Blocks 42 and 45. In 2012, we opened an office in Paramaribo, the capital of Suriname, to support offshore operations, manage in-country activities, and liaise with local stakeholders. Since then, we have developed a capable team of local employees, listened to community members, and implemented various social and environmental projects, in addition to drilling two wells and conducting three seismic surveys.

In 2018, Kosmos drilled two exploration wells in Suriname. While neither the Pontoenoe-1 well nor the Anapai-1A well encountered hydrocarbons in commercial quantities, they did enhance our geologic understanding of the basin and represented a significant investment in Suriname. We remain optimistic regarding the oil potential offshore Suriname and expect to begin a second exploration drilling campaign in 2020.

In addition, we remain focused on continuing our above-ground activities, such as stakeholder engagement and social investment projects. We aim to be a welcome investor in Suriname.

**MANAGING OUR FOOTPRINT**

During exploration drilling, Kosmos aims to maximize local content and the creation of economic opportunity. However, due to draft limitations at port and river facilities in Paramaribo, Kosmos was required to operate from a primary shore base facility in Trinidad. In addition, limited availability of qualified service companies in Suriname restricted our ability to award contracts for local goods and services. Kosmos is working with local providers to build capacity within Surinamese companies, as well as within the technical, vocational, and university education systems.



During 2018 drilling activities, Kosmos established a local helicopter base in Paramaribo to transfer personnel to and from the drillship.

The 2018 drilling campaign was managed from our local office in Paramaribo. We used the Kuldipsingh Port on the Suriname River as a secondary shore base to deliver food and other small supplies to and from the drillship. We established a local helicopter base for personnel transfer to and from the offshore drillship. Kosmos also supported the local economy through purchasing personnel accommodations, transportation services, customs and clearance service, and support for helicopters.

In addition, Kosmos contracted a Surinamese waste management company - United Recycling & Rental N.V. (UR) - to process our waste streams from the drilling operations. UR worked with Kosmos HSE professionals to significantly upgrade its facilities to meet all our health, safety, and environmental requirements. The enhanced capacity of their facility will enable the company to more effectively handle various waste streams from other industries, including medical and biohazardous by-products.





Kosmos has been in an active dialogue with the government of Suriname about the potential benefits of dredging the Suriname River to allow larger boats to access ports in Paramaribo.

### ENGAGEMENT AND LISTENING

Since the end of our 2018 drilling campaign, we have been looking for ways to increase local content in Suriname in anticipation of a second wave of drilling in 2020. We are engaging with Staatsolie, the national oil company, and Suriname's government on two important areas:

- Evaluating the costs and benefits of dredging the Suriname River to make it easier for large vessels to use ports in Suriname, and
- Improving Suriname's overall industrial capacity

Kosmos has been in an active dialogue with the government of Suriname about the potential benefits of dredging the Suriname River to allow larger boats to access ports in Paramaribo. As part of that dialogue, we shared specific purchases that we made in Trinidad instead of Suriname due to superior port access in Trinidad. We estimate that making the Suriname River at least two meters deeper in specific areas would enable Kosmos and the rest of the industry to base more operations in Suriname.

To identify areas where Suriname's overall industrial capacity can be improved, Kosmos worked with Staatsolie and other international operators to commission an industrial baseline study by an

independent consultant. This study identified opportunities where local companies in Suriname can participate in, or build capacity to participate in, current and future oil and gas activities.

Throughout the study, the consulting firm worked with local companies and small- and medium-sized enterprises (SMEs) to assess their ability to support the oil and gas supply chain. The study estimated the range of local content expenditure that would be contributed over the life of a typical project. The study also identified viable areas of capacity building and investment which could maximize local content for each scenario. We will continue to seek ways to increase local participation in our supply chain, while supporting government efforts to ensure any future oil and gas operations are a driver of economic growth and sustainable development.

A related study conducted by the same independent consulting firm developed a technical and vocational education strategy for Suriname. The strategy aims to provide for a structured discussion between international oil and gas companies, the national oil company, the Ministry of Education, and technical schools to support the development of Suriname's workforce.

In a move that illustrates the trust that we have built, Staatsolie asked Mike Resomardono, our external affairs manager, to draft a plan for how international companies could support technical and vocational education in Suriname. The recommendations will be presented to Staatsolie and other oil and gas companies. This project builds on Mr. Resomardono's previous work leading multi-stakeholder initiatives, including a healthcare project in which Kosmos, Staatsolie, and other international companies donated \$830,000 to support local needs.

### Transparency

As part of Kosmos' global effort to promote transparency, we have actively supported Suriname's effort to join the Extractive Industries Transparency Initiative (EITI). Suriname's application to become a candidate country was approved in May 2017, and the first EITI reports for 2016 and 2017 will be published in 2019. As a member country, Suriname is required to publicly disclose revenues received from the extractive industry (petroleum and mining) and encourage public debate regarding government management of the country's natural resources. Kosmos represents the oil and gas sector in EITI as one of 18 members of the Multi-Stakeholder Group.



Editors and journalists are important stakeholders in Suriname, as they regularly write about domestic oil and gas activities and their work often shapes public understanding. In 2018, we held a three-day media workshop to educate journalists regarding oil and gas activities, and set reasonable expectations for exploration activities prior to our 2018 drilling campaign. In 2019, Kosmos plans to organize a second media workshop to deepen journalists' knowledge of petroleum operations.

### POSITIVE IMPACTS

Although our drilling operations take place far offshore with negligible impact on coastal areas, Kosmos is committed to preserving the coastal environment and supporting coastal communities in Suriname.

Mangroves grow abundantly along Suriname's coastline and prevent coastal erosion. The area of Weg naar Zee, north of Paramaribo, experiences frequent flooding and erosion due to the loss of mangrove forests. The flooding and rising sea levels have affected nearly 3,000 community members, including artisanal fishermen, farmers, and bee keepers. In addition, erosion has threatened to destroy two important cultural and religious sites.

Kosmos has partnered with Conservation International and Anton de Kom University on a multi-year project to mitigate the coastal erosion at Weg naar Zee by building Sediment Trapping Units (STUs). These structures promote sediment deposition and create conditions for halting and reversing erosion. Mangrove juveniles grow in the newly formed mud banks, both naturally and when planted by local researchers.

The mangrove restoration project team now has more than two years of data from which to evaluate the effectiveness of the STUs. Since the first phase of the project was successful in increasing sediment

accretion rates and thus slowing erosion, the team has expanded the project by upgrading the existing STUs and engaging local community members to plant mangrove juveniles along the coast of Weg naar Zee.

In addition to partnering with the university on mangrove conservation and research, Kosmos is also supporting the local university's master's degree program in Sustainable Management of Natural Resources. The support included the donation of 36 advanced computers that students can use to run more sophisticated computer applications in pursuit of their studies.

### Improving Healthcare

The Academic Hospital Paramaribo is the largest hospital in Suriname and serves as a major medical research hub for the country. The government of Suriname has prioritized developing the hospital. In support of the national development agenda, Kosmos has committed multi-year support to the academic hospital and the training of its staff.

Kosmos began by working with hospital personnel in 2016 to identify needs and create a plan for how Kosmos and other oil and gas operators in Suriname can work together to build the hospital's research and patient care

capabilities. Since the beginning of the hospital partnership, Kosmos has donated surgical tools, machines for monitoring patient vital metrics, defibrillators (AEDs), and intensive care unit beds.

Kosmos also supports St. Vincentius Hospital, the second largest in Suriname, through the donation of neonatal equipment, such as delivery beds, infant resuscitators, and phototherapy lamps.



### Embracing Innovation

Our multi-year support of technical education and STEM disciplines naturally encourages innovation in Suriname. In 2018, we continued to support programs that target the intersection of technology and social entrepreneurship.

We worked with a local organization, IT Core, as a sponsor of a three-month hackathon which applied elements of gaming to other areas to motivate young people to solve real world problems. More than 100 young people participated in the 2018 program which included idea-building, business pitching, and prototyping. They received coaching and mentorship as part of the experience.

Kosmos also supported the Digital Talents Academy, an organization that provided technology and soft-skills training to young people who are interested in pursuing careers in information and communications technology.



Mangrove restoration is an important part of fighting coastal erosion in Suriname.



# IPIECA/API/IOGP Content Index

Kosmos Energy's corporate responsibility reporting is informed by the IPIECA/API/IOGP Oil & Gas Industry Guidance on Voluntary Sustainability Reporting. The guidance provides direction on the content of a typical industry corporate responsibility report by covering 12 sustainability issues and 34 indicator categories. The table below is an index of the indicator categories. The locations of information demonstrating our support for the Ten Principles of the United Nations Global Compact are also shown in the index, 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 2018 CR Report
<b>ENVIRONMENTAL INDICATORS</b>				
<b>CLIMATE CHANGE AND ENERGY</b>				
E1	Greenhouse gas emissions	7, 8	CR Report: <i>Business Principles</i> CR Report: <i>Operations Spotlights</i>	16, 17 64
E2	Energy use		Not reported	
E3	Alternative energy sources		Not reported	
E4	Flared gas		Not reported	
<b>ECOSYSTEM SERVICES</b>				
E5	Biodiversity and ecosystem services	7, 8, 9	CR Report: <i>Business Principles</i> CR Report: <i>Operations Spotlights</i>	14 40, 48, 54, 55
E6	Fresh water		CR Report: <i>Performance Data</i>	64
<b>LOCAL ENVIRONMENTAL IMPACT</b>				
E7	Other air emissions	7, 8	CR Report: <i>Performance Data</i>	64
E8	Spills to the environment	8	CR Report: <i>Business Principles</i> CR Report: <i>Performance Data</i>	15 64
E9	Discharges to water	8	CR Report: <i>Performance Data</i> Kosmos did not have any hydrocarbon discharges to water in 2018. Indicators E8 and E9 are combined in our Performance Data as "Hydrocarbon or Non-Aqueous Drilling Fluid Spills."	64
E10	Waste	8, 9	CR Report: <i>Performance Data</i> <b>THE STANDARD*</b>	64
E11	Decommissioning		Not reported	
<b>HEALTH AND SAFETY INDICATORS</b>				
<b>WORKFORCE PROTECTION</b>				
HS1	Workforce participation	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 and Safety</i> <b>THE STANDARD*</b>	12 23
HS2	Workforce health	1	<a href="http://www.kosmosenergy.com">www.kosmosenergy.com</a> : <i>Health and Safety</i>	
HS3	Occupational injury and illness incidents	1	CR Report: <i>Business Principles</i> CR Report: <i>Performance Data</i>	15 67
<b>PRODUCT HEALTH, SAFETY AND ENVIRONMENTAL RISK</b>				
HS4	Product stewardship		Not applicable Kosmos Energy's activities are limited to the exploration for and the production of oil and gas. We produce oil in Ghana and Equatorial Guinea only as a non-operator.	
<b>PROCESS SAFETY AND ASSET INTEGRITY</b>				
HS5	Process safety	7, 8, 9	<a href="http://www.kosmosenergy.com">www.kosmosenergy.com</a> : <i>Environment</i> <b>THE STANDARD*</b>	

\*PDFs are available at [www.KosmosEnergy.com/responsibility/](http://www.KosmosEnergy.com/responsibility/)

Indicator Number	Indicator	Global Compact Principle	Where Reported	Page Number in 2018 CR Report
<b>SOCIAL AND ECONOMIC INDICATORS</b>				
<b>COMMUNITY AND SOCIETY</b>				
SE1	Local community impacts and engagement		CR Report: <i>Business Principles</i> CR Report: <i>Operations Spotlights</i>  <a href="http://www.kosmosenergy.com">www.kosmosenergy.com</a> : <i>Society and Communities</i> Kosmos Energy Stakeholder Engagement and Community Development Policy*	8, 9, 11 23, 24, 25, 27, 28, 29, 32, 33, 34, 35, 43, 44, 45, 48, 51, 53, 54, 55, 58
SE2	Indigenous peoples		Kosmos Energy Stakeholder Engagement and Community Development Policy*	
SE3	Involuntary resettlement		Not applicable	
SE4	Social investment		CR Report: <i>Business Principles</i> CR Report: <i>Operations Spotlights</i>  CR Report: <i>Performance Data</i> Kosmos Energy Stakeholder Engagement and Community Development Policy* <a href="http://www.kosmosenergy.com">www.kosmosenergy.com</a> : <i>Society and Communities</i>	18 23, 24, 25, 27, 28, 29, 32, 33, 34, 35, 36, 37, 40, 43, 44, 45, 48, 51, 53, 54, 55, 58, 59 66
<b>LOCAL CONTENT</b>				
SE5	Local content practices	6	CR Report: <i>Business Principles</i> CR Report: <i>Operations Spotlights</i> Kosmos Energy Stakeholder Engagement and Community Development Policy* <a href="http://www.kosmosenergy.com">www.kosmosenergy.com</a> : <i>Our People</i>	12, 19 23, 25, 49, 57, 58
SE6	Local hiring practices	6	CR Report: <i>Business Principles</i> CR Report: <i>Operations Spotlights</i> CR Report: <i>Performance Data</i> Kosmos Energy Stakeholder Engagement and Community Development Policy* <a href="http://www.kosmosenergy.com">www.kosmosenergy.com</a> : <i>Our People</i>	12 47, 51 63
SE7	Local procurement and supplier development		CR Report: <i>Business Principles</i> CR Report: <i>Operations Spotlights</i> Kosmos Energy Stakeholder Engagement and Community Development Policy*	8, 10, 19 57

CONTINUED ON NEXT PAGE >

\*PDFs are available at [www.KosmosEnergy.com/responsibility/](http://www.KosmosEnergy.com/responsibility/)



Indicator Number	Indicator	Global Compact Principle	Where Reported	Page Number in 2018 CR Report
<b>SOCIAL AND ECONOMIC INDICATORS (CONTINUED)</b>				
<b>HUMAN RIGHTS</b>				
SE8	Human rights due diligence	1, 2, 4, 5	CR Report: <i>Business Principles</i> CR Report: <i>Operations Spotlights</i> www.kosmosenergy.com: <i>Human Rights Kosmos Energy Human Rights Policy*</i>	8 23
SE9	Human rights and suppliers	1, 2	CR Report: <i>Business Principles</i> CR Report: <i>Operations Spotlights</i> Kosmos Energy Human Rights Policy* UK Modern Slavery Act Statement*	9, 12, 18 32
SE10	Security and human rights	1, 2	CR Report: <i>Business Principles</i> CR Report: <i>Operations Spotlights</i> www.kosmosenergy.com: <i>Human Rights Kosmos Energy Human Rights Policy*</i>	18 23, 32
<b>BUSINESS ETHICS AND TRANSPARENCY</b>				
SE11	Preventing corruption	10	CR Report: <i>Business Principles</i> CR Report: <i>Operations Spotlights</i> www.kosmosenergy.com: <i>Business Ethics Kosmos Energy Anti-Corruption Compliance Policy*</i>	8, 9, 10 25, 34, 43, 48, 51, 58
SE12	Preventing corruption involving business partners	10	CR Report: <i>Business Principles</i> CR Report: <i>Operations Spotlights</i> www.kosmosenergy.com: <i>Business Ethics Kosmos Energy Anti-Corruption Compliance Policy*</i>	8, 9, 19 23
SE13	Transparency of payments to host governments	10	CR Report: <i>Business Principles</i> CR Report: <i>Operations Spotlights</i> CR Report: <i>Performance Data</i> Kosmos Energy Stakeholder Engagement and Community Development Policy* www.kosmosenergy.com: <i>Transparency</i>	9, 10 25, 34, 43, 48, 51, 58 65
SE14	Public advocacy and lobbying	10	CR Report: <i>Business Principles</i>	9, 10
<b>LABOR PROTECTION</b>				
SE15	Workforce diversity and inclusion	1, 6	CR Report: <i>Business Principles</i> CR Report: <i>Performance Data</i> www.kosmosenergy.com: <i>Our People</i> www.kosmosenergy.com: <i>Careers</i>	12 63
SE16	Workforce engagement		CR Report: <i>Business Principles</i> www.kosmosenergy.com: <i>Careers</i>	12, 28
SE17	Workforce training and development		CR Report: <i>Business Principles</i> CR Report: <i>Operations Spotlights</i>	10, 12 23, 31, 32, 47
SE18	Non-retaliation and grievance systems	1, 2, 3, 6	CR Report: <i>Business Principles</i> CR Report: <i>Operations Spotlights</i> CR Report: <i>Performance Data</i> www.kosmosenergy.com: <i>Business Ethics Kosmos Energy Stakeholder Engagement and Community Development Policy*</i>	10 23, 32 66

\*PDFs are available at [www.KosmosEnergy.com/responsibility/](http://www.KosmosEnergy.com/responsibility/)

**HUMAN RESOURCES**

The data on our workforce is point-in-time as of December 31, 2018. We prioritize 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 in Dallas, TX, as well as in our global operations.

	2016	2017	2018
<b>EMPLOYEES AND HIRING</b>			
Total Employees	267	282	330
New Hires	27	33	54
Turnover	6%	7%	8%

<b>TOTAL EMPLOYEES BY COUNTRY</b>			
United States	192	199	260
Côte d'Ivoire	N/A	N/A	0
Ghana	45	43	43
Mauritania	10	16	6
Morocco	5	5	0
São Tomé and Príncipe	1	8	8
Senegal	10	8	5
Suriname	4	3	3
United Kingdom	N/A	N/A	5

<b>Contractors</b>			
United States	14	33	27
Côte d'Ivoire	N/A	N/A	0
Ghana	0	0	1
Mauritania	11	15	2
Morocco	1	0	0
São Tomé and Príncipe	1	0	0
Senegal	3	16	2
Suriname	0	0	3
United Kingdom	N/A	N/A	0

<b>LOCAL EMPLOYMENT (%)</b>			
Local	92%	94%	98%
Expatriate	8%	6%	2%

<b>WORKFORCE GENDER DISTRIBUTION (%)</b>						
	Female	Male	Female	Male	Female	Male
United States	33%	67%	34%	66%	33%	67%
Côte d'Ivoire	N/A	N/A	N/A	N/A	0%	0%
Ghana	27%	73%	26%	74%	28%	72%
Mauritania	30%	70%	25%	75%	50%	50%
Morocco	40%	60%	80%	20%	0%	0%
São Tomé and Príncipe	0%	100%	25%	75%	25%	75%
Senegal	50%	50%	25%	75%	20%	80%
Suriname	25%	75%	25%	75%	33%	67%
United Kingdom	N/A	N/A	N/A	N/A	40%	60%

<b>EQUATORIAL GUINEA (KTEGI)</b>				
Employees		N/A	62	78
Contractors		N/A	43	48
Gender Distribution		N/A	Female: 21% Male: 79%	Female: 37% Male: 63%
Local Employment		N/A	74%	68%



## 2018 Performance Data (continued)

### ENVIRONMENT

The Environment data presented in this report is for Kosmos operated assets only. Waste and air emissions are measured in tons, with greenhouse gas emissions measured in metric tons of CO<sub>2</sub> equivalent. The data represents drilling rigs as well as seismic and support vessels.

In 2018, Kosmos drilled exploration wells offshore Senegal and Suriname, conducted seismic surveys offshore Equatorial Guinea and Western Sahara, and completed a geophysical and geotechnical study offshore Morocco.

	2018				
	Equatorial Guinea	Morocco	Senegal	Suriname	Western Sahara
<b>WASTE (TONS)</b>					
Hazardous	60.25	111.34	164.65	1,182.15	116.64
Non-Hazardous	356.68	61.94	75.44	622.26	407.22
<b>TOTAL</b>	<b>416.93</b>	<b>173.28</b>	<b>240.09</b>	<b>1,804.41</b>	<b>523.86</b>
<b>Recycled/Reused/Treated</b>	<b>37%</b>	<b>20%</b>	<b>42%</b>	<b>50%</b>	<b>24%</b>
<b>AIR EMISSIONS (TONS)</b>					
Carbon Dioxide (CO <sub>2</sub> )	74,022.86	1,735.20	40,810.36	116,489.39	57,214.87
Mono-Nitrogen Oxides (NO <sub>x</sub> )	1,374.04	32.21	757.54	2,162.51	1,062.06
Sulfur Dioxide (SO <sub>x</sub> )	92.52	2.17	51.02	145.69	71.53
Methane (CH <sub>4</sub> )	4.17	0.1	2.29	6.67	3.23
Volatile Organic Compounds (VOCS)	46.27	1.08	25.50	72.98	35.76
Greenhouse Gases (GHGS)	75,488.47	1,769.80	40,858.44	116,629.46	58,346.76
<b>OTHER</b>					
Fines and Penalties	0	0	0	0	0
Freshwater Use (m <sup>3</sup> )	1,260.00	225.00	5,987.80	16,300.00	352.00
Hydrocarbon or Non-Aqueous Drilling Fluid Spills	0	0	0	0	0

	2016			2017					
	Mauritania	Senegal	Suriname	Mauritania	Senegal	Suriname	Morocco	Western Sahara	São Tomé & Príncipe
<b>WASTE (TONS)</b>									
Hazardous	298.67	112.44	10.54	830.25	319.06	2.37	N/A	N/A	144.13
Non-Hazardous	296.80	114.11	82.90	412.65	135.96	6.56	N/A	N/A	862.31
<b>TOTAL</b>	<b>595.47</b>	<b>226.55</b>	<b>93.44</b>	<b>1,242.90</b>	<b>455.02</b>	<b>8.93</b>	<b>N/A</b>	<b>N/A</b>	<b>1,006.44</b>
<b>Recycled/Reused/Treated</b>	<b>54%</b>	<b>43%</b>	<b>10%</b>	<b>45%</b>	<b>62%</b>	<b>85%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>AIR EMISSIONS (TONS)</b>									
Carbon Dioxide (CO <sub>2</sub> )	51,893.95	20,815.17	20,530.75	118,930.15	54,458.17	8,113.02	20,881.64	15,498.28	111,361.28
Mono-Nitrogen Oxides (NO <sub>x</sub> )	964.32	387.47	381.10	2,207.86	1,010.78	150.60	387.62	287.68	2,067.15
Sulfur Dioxide (SO <sub>x</sub> )	64.80	25.96	25.66	148.67	68.11	10.15	26.10	19.38	139.20
Methane (CH <sub>4</sub> )	2.88	1.13	11.55	6.63	2.99	0.46	1.18	0.87	6.27
Volatile Organic Compounds (VOCS)	32.50	13.00	12.83	74.23	33.67	5.06	13.06	9.69	69.60
Greenhouse Gases (GHGS)	51,954.43	20,838.84	20,773.30	119,069.33	54,521.26	8,122.64	20,906.44	15,516.50	111,492.87
<b>OTHER</b>									
Fines and Penalties	0	0	0	0	0	0	0	0	0
Freshwater Use (m <sup>3</sup> )	1,728.00	3,082.00	3,744.00	26,799.25	6,159.20	N/A	N/A	N/A	7,012.00
Hydrocarbon or Non-Aqueous Drilling Fluid Spills	0	0	0	0	0	0	0	0	0

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

Kosmos Energy Ltd. has prepared the following consolidated report in respect of payments made to governments for the year ended 31 December 2018 in accordance with the Reports on Payments to Governments Regulations 2014 (2014/3209) as amended by the Reports on Payments to Governments (Amendment) Regulations 2015 (2015/1928) and DTR 4.3A of the Financial Conduct Authority's Disclosure and Transparency Rules.

	Cote d'Ivoire	Equatorial Guinea	Ghana	Mauritania	Morocco	São Tomé & Príncipe	Senegal	Suriname	United States
Income Taxes <sup>4</sup>	—	—	44,629,000	—	1,000	—	—	—	881,000
Royalties (bbls) <sup>6</sup>	—	—	542,877	—	—	—	—	—	596,041
Estimated Royalties (\$s) <sup>6</sup>	—	—	38,713,000	—	—	—	—	—	36,766,000
Dividends	—	—	—	—	—	—	—	—	—
Bonuses	3,758,000	6,000,000	—	—	—	4,118,000	—	—	5,325,000
License Fees (Surface Rentals, Permitting Fees, etc)	—	121,000	30,000	—	—	—	—	—	571,000
Envt, Capacity Building & Social Projects <sup>2</sup>	1,250,000	300,000	—	72,000	—	—	—	—	—
Training <sup>2</sup>	750,000	458,000	175,000	—	63,000	184,000	—	—	—
Taxes (Non-Income) <sup>3</sup>	—	—	1,853,000	778,000	344,000	66,000	898,000	867,000	1,244,000
Other <sup>5</sup>	314,000	—	32,000	—	—	—	—	25,000	—
<b>TOTAL</b>	<b>6,072,000</b>	<b>6,879,000</b>	<b>85,432,000</b>	<b>850,000</b>	<b>407,000</b>	<b>4,368,000</b>	<b>898,000</b>	<b>892,000</b>	<b>44,787,000</b>

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

	KTEGI (Equatorial Guinea) <sup>7</sup>
Production Entitlements (bbls) <sup>6</sup>	969,000
Estimated Production Entitlements (\$s) <sup>6</sup>	69,099,000 <sup>8</sup>
Income Taxes <sup>4</sup>	37,670,000
Royalties (bbls) <sup>6</sup>	753,000
Estimated Royalties (\$s) <sup>6</sup>	53,696,000 <sup>8</sup>
License Fees (Surface Rentals, Permitting Fees, etc)	25,000
Taxes (Non-Income) <sup>3</sup>	117,000
<b>TOTAL</b>	<b>160,607,000</b>

The Payments to Government data are reflective of direct payments made to government entities by Kosmos Energy - with the exception of payments reported for KTEGI as explained separately. These payments are categorized consistent with the Report on Payments to Governments Regulations 2014 (as amended in December 2015). These regulations enact domestic rules in line with Directive 2013/34/EU (the EU Accounting Directive (2013)). Please see the footnotes below for further detail on the payments we made to our host country governments in 2018.

- Our project-level and receiving-entity level disclosures are available on our website at [www.kosmosenergy.com/responsibility/transparency.php](http://www.kosmosenergy.com/responsibility/transparency.php).
- Represents payments made directly to government for satisfaction of obligations per the Petroleum Agreements and/or Petroleum Sharing Contracts (PSCs), as applicable. In addition to the numbers above, Kosmos made payments to third party training providers and/or national oil company employees in accordance with training obligations per the PSCs totaling \$33,000 for Morocco, \$464,115 in Sao Tome and Principe, and \$300,000 in Equatorial Guinea.
- Primarily local payroll-related taxes and withholding taxes on interest payments as well as property taxes paid on pipe and tangible goods inventory stored at various onshore locations in the United States. These values are exclusive of withholding taxes remitted on behalf of service providers. In addition to the numbers above, Kosmos made payments to Chef du Bureau de Recouvrement of \$4.2 million representing W/H tax for services performed outside of Senegal but which were taxable in Senegal.
- In addition to this, Kosmos Energy paid the UK government \$450K in income tax payments during 2018.
- Primarily relates to donations made to the Ministry of Energy in Ghana and Staatsolie in Suriname and payment to Petroci in Cote d'Ivoire to acquire seismic data.
- Royalties are paid to the Government of Ghana in barrels of oil out of Kosmos' working interest share of production. Based on the annual average of daily Brent prices in 2018 of \$71.31, this is worth approximately \$38.7 million. United States amounts above are determined based on actual sales price.
- In late 2017, through a joint venture with an affiliate of Trident Energy, Kosmos Energy acquired all of the equity interest of an entity subsequently renamed Kosmos-Trident Equatorial Guinea, Inc. (KTEGI), which holds an 85% paying interest in the Ceiba Field and Okume Complex assets in Equatorial Guinea (Block G). Figures in the table represent Kosmos Energy's indirect 50% participating interest in KTEGI's payments to the government during 2018.
- Royalties are paid to the Republic of Equatorial Guinea in barrels of oil out of Kosmos' working interest share of production. Production entitlements are paid to the Republic of Equatorial Guinea in barrels of oil based on their participating interest. Production entitlements amounts disclosed above represent Kosmos' participating share received by the Republic of Equatorial Guinea. Based on the annual average of daily Brent prices in 2018 of \$71.31, the estimated value of royalties were approximately \$53.7 million and the estimated value of production entitlements were valued at \$69.1 million in Equatorial Guinea.



## 2018 Performance Data (continued)

### 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 Spend is for Kosmos-initiated projects, with the exception of the Jubilee Unit and TEN Development Project in Ghana and our non-operated share of the contractually obligated social investment for block 6 in São Tomé and Príncipe. Those values represent our participating interest in the social projects of our non-operated assets.

	2016	2017	2018
<b>SOCIAL INVESTMENT SPENDING (USD)</b>			
Côte d'Ivoire	—	—	253,000
Ghana	833,000	1,339,000	1,445,000
Jubilee Unit and TEN development project <sup>1</sup>	185,000	188,000	263,000
Mauritania <sup>2</sup>	305,000	55,000	409,000
Morocco	88,000	80,000	37,000
São Tomé and Príncipe <sup>3</sup>	69,000	200,000	666,000
Senegal <sup>4</sup>	422,000	24,000	125,000
Suriname	104,000	88,000	427,000
United States	462,000	611,000	471,000
Western Sahara	42,000	86,000	54,000
<b>TOTAL</b>	<b>2,510,000</b>	<b>2,671,000</b>	<b>4,195,000</b>

1. Kosmos Energy's participating interest in social investments of the non-Kosmos operated Jubilee and TEN Partnership, which may not necessarily represent actual social investments made by the operator during the reporting period.
2. Amounts may differ from Kosmos Energy financial statements due to funding arrangements with commercial partners. Includes Kosmos Energy's participating interest in social investments of the non-Kosmos operated Block C-6, C-8, C-12, C-13, and C-18 projects, which may not necessarily represent actual social investments made by the operator during the reporting period.
3. Includes \$109,725 of Kosmos Energy's participating interest in social investments of the non-Kosmos operated Block 6 project, which may not necessarily represent actual social investments made by the operator during the reporting period.
4. Amounts may differ from Kosmos Energy financial statements due to funding arrangement with commercial partners. Includes Kosmos Energy's participating interest in social investments of the non-Kosmos operated Block Cayar and St. Louis projects, which may not necessarily represent actual social investments made by the operator during the reporting period.

In 2018, Kosmos owned a 50% interest in the joint venture company Kosmos Trident International Petroleum Inc. ("KTIPI"), which held Kosmos' interests in Equatorial Guinea. KTIPI held an 85% participating interest in the Ceiba Field and Okume Complex through its wholly-owned subsidiary, Kosmos-Trident Equatorial Guinea Inc. ("KTEGI"), representing a 40.375% net indirect interest to Kosmos.

<b>JOINT VENTURE SOCIAL INVESTMENT SPENDING (USD)<sup>5</sup></b>			
Equatorial Guinea (KTEGI)	—	—	3,153,000

We have grievance mechanisms in every region where we have drilling and seismic operations. In Ghana, we received and resolved four grievances related to legacy social investment projects in the Western Region.

	2016	2017	2018
<b>GRIEVANCES LOGGED / GRIEVANCES RESOLVED</b>			
Ghana	5/2	3/3	4/4
Mauritania	1/1	0/0	0/0
Morocco	0/0	28/27	N/A
São Tomé & Príncipe	N/A	1/1	0/0
Senegal	0/0	0/0	0/0
Suriname	0/0	0/0	0/0
Western Sahara	0/0	0/0	N/A

### 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 (IOGP). 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, and medical treatment cases) per million hours worked. There were four Recordable injuries in 2018, all on marine vessels.

	2016	2017	2018
Total Man Hours	2,314,907	3,110,164	2,014,348
Fatalities	0	0	0
Lost Time Injury Frequency	0	0	0
Total Recordable Injury Rate	1.3	.64	1.99



Engaging with local fishing communities in Mauritania and Senegal is critical as we pursue the Greater Tortue Ahmeyim gas project.





#### ABOUT THIS REPORT

Our 2018 report explains how corporate responsibility is a fundamental part of Kosmos Energy's day-to-day business, and how we are promoting innovation and 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. We include information in this report based on internal discussions, external stakeholder feedback, and consultations with third-party experts.

The report is designed to communicate our progress on the Ten Principles of the United Nations Global Compact, which we support and endorse. In addition, 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). For an index of where information related to the Ten Principles and IPIECA reporting standards is located, please see page 60. This report has not received external assurance from an independent reviewer.

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).



