EVERY PROJECT.
EVERY PAYMENT.
EVERY DAY.

Our Commitment to Transparency
WHEN TRANSPARENCY IS PARAMOUNT.
– INCLUDING GOVERNMENTS, NON-GOVERNMENTAL ORGANIZATIONS, CITIZENS AND OUR INVESTORS –

RESOURCE DISCOVERY ARE MOST LIKELY TO BE MANAGED IN THE BEST INTEREST OF ALL STAKEHOLDERS
A CORNERSTONE OF OUR BUSINESS PRINCIPLES. WE BELIEVE THE POSITIVE RESULTS OF A NATURAL
WE SEARCH FOR OIL AND GAS RESOURCES THAT LIE BENEATH DEEP WATERS. AND WHEN WE FIND THEM,
AND PRINCEP, SURINAME, MOROCCO AND WESTERN SAHARA.
OFFSHORE MAURITANIA AND SENEGAL, AND EXPLORATION LICENSES OFFSHORE PORTUGAL, SAO TOME
EXISTING PRODUCTION AND MAJOR DEVELOPMENT PROJECTS OFFSHORE GHANA, LARGE DISCOVERIES
FOCUSED ON FRONTIER AND EMERGING AREAS ALONG THE ATLANTIC MARGIN. OUR ASSETS INCLUDE
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WE SEARCH FOR OIL AND GAS RESOURCES THAT LIE BENEATH DEEP WATERS. AND WHEN WE FIND THEM,
WE WANT TO BRING ALL THEIR BENEFITS INTO THE SUNLIGHT. A COMMITMENT TO TRANSPARENCY IS
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WHEN TRANSPARENCY IS PARAMOUNT.

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

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

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

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

PAYMENTS TO GOVERNMENTS
Since 2012, we have been voluntarily publishing our payments to governments on our website and in this report. We originally reported our payments in aggregate, as well as by payment type, such as taxes, training, and surface rentals. In 2014, we made a policy decision to disclose payments to governments at the project level, as described in the European Union Accounting Directive, an initiative that aims to improve corporate accounting practices and transparency. We believe this method of disclosure is beneficial to investors, civil society, and local communities, and reflects evolving international standards. At the time of this report’s publication, Kosmos remained the only U.S.-based oil and gas company to disclose project-level payments to governments.

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

• In Ghana, we are an active member of the EITI multi-stakeholder group, which oversees the public reconciling of payments and receipts between government and extractive companies. In 2015, Ghana completed its fourth EITI oil and gas reporting cycle and Kosmos has been a part of the process since the beginning.

• In Mauritania, our country manager is a member of the EITI National Committee and has worked to ensure the nation continues to embrace transparency as its oil and gas sector develops. Mauritania has been EITI compliant since 2012, with reports for nine total fiscal years published to-date.

• In Senegal, an EITI candidate country since 2013, we have collaborated with the local chapter of EITI to facilitate workshops for civil society on the role they can play in helping improve transparency and accountability when it comes to managing resource revenues. When a 24-person delegation from Senegal – comprised of EITI committee members, parliamentarians, and civil society groups – visited Accra to learn about Ghana’s experience embracing transparency, Kosmos hosted the group at its office.

GOOD BUSINESS PRACTICE
Kosmos’ multi-faceted commitment to transparency is based on the values articulated in our Business Principles and sound commercial practice. We believe publicly available information improves the discussion about the management and use of a country’s resources and increases accountability. The more successful our host countries become, the more valuable our assets will be.

Being a responsible operator and a good corporate citizen in one country opens new opportunities in another.