

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2022

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: 001-35167



Kosmos Energy Ltd.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

8176 Park Lane
Dallas, Texas
(Address of principal executive offices)

98-0686001
(I.R.S. Employer
Identification No.)

75231
(Zip Code)

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered:</u>
Common Stock \$0.01 par value	KOS	New York Stock Exchange London Stock Exchange

Registrant's telephone number, including area code: +1 214 445 9600

Not applicable

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company) Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

<u>Class</u>	<u>Outstanding at May 5, 2022</u>
Common Shares, \$0.01 par value	455,437,574

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Unless otherwise stated in this report, references to “Kosmos,” “we,” “us” or “the company” refer to Kosmos Energy Ltd. and its wholly owned subsidiaries. We have provided definitions for some of the industry terms used in this report in the “Glossary and Selected Abbreviations” beginning on page 3.

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**KOSMOS ENERGY LTD.
GLOSSARY AND SELECTED ABBREVIATIONS**

The following are abbreviations and definitions of certain terms that may be used in this report. Unless listed below, all defined terms under Rule 4-10(a) of Regulation S-X shall have their statutorily prescribed meanings.

“2D seismic data”	Two-dimensional seismic data, serving as interpretive data that allows a view of a vertical cross-section beneath a prospective area.
“3D seismic data”	Three-dimensional seismic data, serving as geophysical data that depicts the subsurface strata in three dimensions. 3D seismic data typically provides a more detailed and accurate interpretation of the subsurface strata than 2D seismic data.
“ANP-STP”	Agencia Nacional Do Petroleo De Sao Tome E Principe.
“API”	A specific gravity scale, expressed in degrees, that denotes the relative density of various petroleum liquids. The scale increases inversely with density. Thus lighter petroleum liquids will have a higher API than heavier ones.
“Asset Coverage Ratio”	The “Asset Coverage Ratio” as defined in the GoM Term Loan means, as of each March 31, June 30, September 30 and December 31 of each Fiscal Year, commencing December 31, 2020, the ratio of (a) Total PDP PV-10 (as defined in the GoM Term Loan) as of such date to (b) outstanding principal amount of Loans (as defined in the GoM Term Loan) as of such date.
“ASC”	Financial Accounting Standards Board Accounting Standards Codification.
“ASU”	Financial Accounting Standards Board Accounting Standards Update.
“Barrel” or “Bbl”	A standard measure of volume for petroleum corresponding to approximately 42 gallons at 60 degrees Fahrenheit.
“BBbl”	Billion barrels of oil.
“BBoe”	Billion barrels of oil equivalent.
“Bcf”	Billion cubic feet.
“Boe”	Barrels of oil equivalent. Volumes of natural gas converted to barrels of oil using a conversion factor of 6,000 cubic feet of natural gas to one barrel of oil.
“BOEM”	Bureau of Ocean Energy Management.
“Boepd”	Barrels of oil equivalent per day.
“Bopd”	Barrels of oil per day.
“BP”	BP p.l.c. and related subsidiaries.
“Bwpd”	Barrels of water per day.
“Corporate Revolver”	Prior to March 31, 2022, this term refers to the Revolving Credit Facility Agreement dated November 23, 2012 (as amended or as amended and restated from time to time), and on or after March 31, 2022, this term refers to the new Revolving Credit Facility Agreement dated March 31, 2022.
“COVID-19”	Coronavirus disease 2019.
“Debt cover ratio”	The “debt cover ratio” is broadly defined, for each applicable calculation date, as the ratio of (x) total long-term debt less cash and cash equivalents and restricted cash, to (y) the aggregate EBITDAX (see below) of the Company for the previous twelve months.
“Developed acreage”	The number of acres that are allocated or assignable to productive wells or wells capable of production.
“Development”	The phase in which an oil or natural gas field is brought into production by drilling development wells and installing appropriate production systems.
“DST”	Drill stem test.
“Dry hole” or “Unsuccessful well”	A well that has not encountered a hydrocarbon bearing reservoir expected to produce in commercial quantities.
“DT”	Deepwater Tano.

“EBITDAX”	Net income (loss) plus (i) exploration expense, (ii) depletion, depreciation and amortization expense, (iii) equity-based compensation expense, (iv) unrealized (gain) loss on commodity derivatives (realized losses are deducted and realized gains are added back), (v) (gain) loss on sale of oil and gas properties, (vi) interest (income) expense, (vii) income taxes, (viii) loss on extinguishment of debt, (ix) doubtful accounts expense and (x) similar other material items which management believes affect the comparability of operating results.
“ESG”	Environmental, social, and governance.
“ESP”	Electric submersible pump.
“E&P”	Exploration and production.
“Facility”	Facility agreement dated March 28, 2011 (as amended or as amended and restated from time to time).
“FASB”	Financial Accounting Standards Board.
“Farm-in”	An agreement whereby a party acquires a portion of the participating interest in a block from the owner of such interest, usually in return for cash and/or for taking on a portion of future costs or other performance by the assignee as a condition of the assignment.
“Farm-out”	An agreement whereby the owner of the participating interest agrees to assign a portion of its participating interest in a block to another party for cash and/or for the assignee taking on a portion of future costs and/or other work as a condition of the assignment.
“FEED”	Front End Engineering Design.
“Field life cover ratio”	The “field life cover ratio” is broadly defined, for each applicable forecast period, as the ratio of (x) the forecasted net present value of net cash flow through depletion plus the net present value of the forecast of certain capital expenditures incurred in relation to the Ghana and Equatorial Guinea assets, to (y) the aggregate loan amounts outstanding under the Facility.
“FLNG”	Floating liquefied natural gas.
“FPS”	Floating production system.
“FPSO”	Floating production, storage and offloading vessel.
“GAAP”	Generally Accepted Accounting Principles in the United States of America.
“GEPetrol”	Guinea Equatorial De Petroleos.
“GHG”	Greenhouse gas.
“GJFFDP”	Greater Jubilee Full Field Development Plan.
“GNPC”	Ghana National Petroleum Corporation.
“GoM Term Loan”	Senior Secured Term Loan Credit Agreement dated September 30, 2020.
“Greater Tortue Ahmeyim”	Ahmeyim and Guembeul discoveries.
“GTA UUOA”	Unitization and Unit Operating Agreement covering the Greater Tortue Ahmeyim Unit.
“HLS”	Heavy Louisiana Sweet.
“Jubilee UUOA”	Unitization and Unit Operating Agreement covering the Jubilee Unit.
“Interest cover ratio”	The “interest cover ratio” is broadly defined, for each applicable calculation date, as the ratio of (x) the aggregate EBITDAX (see above) of the Company for the previous twelve months, to (y) interest expense less interest income for the Company for the previous twelve months.
“LNG”	Liquefied natural gas.
“Loan life cover ratio”	The “loan life cover ratio” is broadly defined, for each applicable forecast period, as the ratio of (x) net present value of forecasted net cash flow through the final maturity date of the Facility plus the net present value of forecasted capital expenditures incurred in relation to the Ghana and Equatorial Guinea assets, to (y) the aggregate loan amounts outstanding under the Facility.
“LSE”	London Stock Exchange.
“LTIP”	Long Term Incentive Plan.
“MBbl”	Thousand barrels of oil.
“MBoe”	Thousand barrels of oil equivalent.

“Mcf”	Thousand cubic feet of natural gas.
“Mcfpd”	Thousand cubic feet per day of natural gas.
“MMBbl”	Million barrels of oil.
“MMBoe”	Million barrels of oil equivalent.
“MMBtu”	Million British thermal units.
“MMcf”	Million cubic feet of natural gas.
“MMcfd”	Million cubic feet per day of natural gas.
“MMTPA”	Million metric tonnes per annum.
“Natural gas liquid” or “NGL”	Components of natural gas that are separated from the gas state in the form of liquids. These include propane, butane, and ethane, among others.
“NYSE”	New York Stock Exchange.
“Petroleum contract”	A contract in which the owner of hydrocarbons gives an E&P company temporary and limited rights, including an exclusive option to explore for, develop, and produce hydrocarbons from the lease area.
“Petroleum system”	A petroleum system consists of organic material that has been buried at a sufficient depth to allow adequate temperature and pressure to expel hydrocarbons and cause the movement of oil and natural gas from the area in which it was formed to a reservoir rock where it can accumulate.
“Plan of development” or “PoD”	A written document outlining the steps to be undertaken to develop a field.
“Productive well”	An exploratory or development well found to be capable of producing either oil or natural gas in sufficient quantities to justify completion as an oil or natural gas well.
“Prospect(s)”	A potential trap that may contain hydrocarbons and is supported by the necessary amount and quality of geologic and geophysical data to indicate a probability of oil and/or natural gas accumulation ready to be drilled. The five required elements (generation, migration, reservoir, seal and trap) must be present for a prospect to work and if any of these fail neither oil nor natural gas may be present, at least not in commercial volumes.
“Proved reserves”	Estimated quantities of crude oil, natural gas and natural gas liquids that geological and engineering data demonstrate with reasonable certainty to be economically recoverable in future years from known reservoirs under existing economic and operating conditions, as well as additional reserves expected to be obtained through confirmed improved recovery techniques, as defined in SEC Regulation S-X 4-10(a)(2).
“Proved developed reserves”	Those proved reserves that can be expected to be recovered through existing wells and facilities and by existing operating methods.
“Proved undeveloped reserves”	Those proved reserves that are expected to be recovered from future wells and facilities, including future improved recovery projects which are anticipated with a high degree of certainty in reservoirs which have previously shown favorable response to improved recovery projects.
“RSC”	Ryder Scott Company, L.P.
“SEC”	Securities and Exchange Commission.
“7.125% Senior Notes”	7.125% Senior Notes due 2026.
“7.500% Senior Notes”	7.500% Senior Notes due 2028.
“7.750% Senior Notes”	7.750% Senior Notes due 2027.
“Shelf margin”	The path created by the change in direction of the shoreline in reaction to the filling of a sedimentary basin.
“Shell”	Royal Dutch Shell and related subsidiaries.
“Stratigraphy”	The study of the composition, relative ages and distribution of layers of sedimentary rock.
“Stratigraphic trap”	A stratigraphic trap is formed from a change in the character of the rock rather than faulting or folding of the rock and oil is held in place by changes in the porosity and permeability of overlying rocks.
“Structural trap”	A topographic feature in the earth’s subsurface that forms a high point in the rock strata. This facilitates the accumulation of oil and gas in the strata.
“Structural-stratigraphic trap”	A structural-stratigraphic trap is a combination trap with structural and stratigraphic features.

“Submarine fan”	A fan-shaped deposit of sediments occurring in a deep water setting where sediments have been transported via mass flow, gravity induced, processes from the shallow to deep water. These systems commonly develop at the bottom of sedimentary basins or at the end of large rivers.
“TAG GSA”	TEN Associated Gas - Gas Sales Agreement.
“TEN”	Tweneboa, Enyenra and Ntomme.
“Three-way fault trap”	A structural trap where at least one of the components of closure is formed by offset of rock layers across a fault.
“Tortue Phase 1 SPA”	Greater Tortue Ahmeyim Agreement for a Long Term Sale and Purchase of LNG.
“Trafigura”	Trafigura Group PTD, Ltd. and related subsidiaries including Trafigura Trading LLC.
“Trap”	A configuration of rocks suitable for containing hydrocarbons and sealed by a relatively impermeable formation through which hydrocarbons will not migrate.
“Trident”	Trident Energy.
“Undeveloped acreage”	Lease acreage on which wells have not been drilled or completed to a point that would permit the production of commercial quantities of natural gas and oil regardless of whether such acreage contains discovered resources.
“WCTP”	West Cape Three Points.

KOSMOS ENERGY LTD.
CONSOLIDATED BALANCE SHEETS
(In thousands, except share data)

	March 31, 2022	December 31, 2021
	(Unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 337,834	\$ 131,620
Restricted cash	59,140	42,971
Receivables:		
Joint interest billings, net	31,023	36,908
Oil sales	172,178	134,004
Other	10,069	6,614
Inventories	153,392	165,247
Prepaid expenses and other	30,553	18,899
Derivatives	—	5,689
Total current assets	794,189	541,952
Property and equipment:		
Oil and gas properties, net	4,024,214	4,177,323
Other property, net	6,602	6,664
Property and equipment, net	4,030,816	4,183,987
Other assets:		
Restricted cash	305	305
Long-term receivables	168,990	191,150
Deferred financing costs, net of accumulated amortization of \$11,523 and \$19,912 at March 31, 2022 and December 31, 2021, respectively	6,188	1,090
Derivatives	—	1,026
Other	20,873	21,141
Total assets	\$ 5,021,361	\$ 4,940,651
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 224,594	\$ 184,403
Accrued liabilities	330,492	250,670
Current maturities of long-term debt	130,000	30,000
Derivatives	248,021	65,879
Total current liabilities	933,107	530,952
Long-term liabilities:		
Long-term debt, net	2,385,629	2,590,495
Derivatives	16,050	6,298
Asset retirement obligations	321,419	322,237
Deferred tax liabilities	580,613	711,038
Other long-term liabilities	248,222	250,394
Total long-term liabilities	3,551,933	3,880,462
Stockholders' equity:		
Preference shares, \$0.01 par value; 200,000,000 authorized shares; zero issued at March 31, 2022 and December 31, 2021	—	—
Common stock, \$0.01 par value; 2,000,000,000 authorized shares; 499,528,735 and 496,152,331 issued at March 31, 2022 and December 31, 2021, respectively	4,995	4,962
Additional paid-in capital	2,479,325	2,473,674
Accumulated deficit	(1,710,992)	(1,712,392)
Treasury stock, at cost, 44,263,269 shares at March 31, 2022 and December 31, 2021, respectively	(237,007)	(237,007)
Total stockholders' equity	536,321	529,237
Total liabilities and stockholders' equity	\$ 5,021,361	\$ 4,940,651

See accompanying notes.

KOSMOS ENERGY LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)
(Unaudited)

	Three Months Ended	
	March 31,	
	2022	2021
Revenues and other income:		
Oil and gas revenue	\$ 659,015	\$ 176,474
Gain on sale of assets	—	26
Other income, net	52	70
Total revenues and other income	659,067	176,570
Costs and expenses:		
Oil and gas production	124,703	45,752
Facilities insurance modifications, net	7,136	671
Exploration expenses	11,876	8,181
General and administrative	25,793	22,441
Depletion, depreciation and amortization	158,969	76,541
Interest and other financing costs, net	33,139	24,528
Derivatives, net	282,172	102,461
Other expenses, net	2,426	3,468
Total costs and expenses	646,214	284,043
Income (loss) before income taxes	12,853	(107,473)
Income tax expense (benefit)	11,453	(16,705)
Net income (loss)	\$ 1,400	\$ (90,768)
Net income (loss) per share:		
Basic	\$ 0.00	\$ (0.22)
Diluted	\$ 0.00	\$ (0.22)
Weighted average number of shares used to compute net income (loss) per share:		
Basic	454,102	407,365
Diluted	469,164	407,365

See accompanying notes.

KOSMOS ENERGY LTD.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In thousands)
(Unaudited)

	Common Shares		Additional Paid-in Capital	Accumulated Deficit	Treasury Stock	Total
	Shares	Amount				
2022:						
Balance as of December 31, 2021	496,152	\$ 4,962	\$ 2,473,674	\$ (1,712,392)	\$ (237,007)	\$ 529,237
Dividends	—	—	12	—	—	12
Equity-based compensation	—	—	8,425	—	—	8,425
Restricted stock units	3,377	33	(33)	—	—	—
Tax withholdings on restricted stock units	—	—	(2,753)	—	—	(2,753)
Net income	—	—	—	1,400	—	1,400
Balance as of March 31, 2022	<u>499,529</u>	<u>\$ 4,995</u>	<u>\$ 2,479,325</u>	<u>\$ (1,710,992)</u>	<u>\$ (237,007)</u>	<u>\$ 536,321</u>
2021:						
Balance as of December 31, 2020	449,718	\$ 4,497	\$ 2,307,220	\$ (1,634,556)	\$ (237,007)	\$ 440,154
Dividends	—	—	90	—	—	90
Equity-based compensation	—	—	8,327	—	—	8,327
Restricted stock units	2,408	24	(24)	—	—	—
Tax withholdings on restricted stock units	—	—	(1,018)	—	—	(1,018)
Net loss	—	—	—	(90,768)	—	(90,768)
Balance as of March 31, 2021	<u>452,126</u>	<u>\$ 4,521</u>	<u>\$ 2,314,595</u>	<u>\$ (1,725,324)</u>	<u>\$ (237,007)</u>	<u>\$ 356,785</u>

See accompanying notes.

KOSMOS ENERGY LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Three Months Ended March 31,	
	2022	2021
Operating activities		
Net income (loss)	\$ 1,400	\$ (90,768)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depletion, depreciation and amortization (including deferred financing costs)	161,639	79,112
Deferred income taxes	(85,792)	(22,079)
Unsuccessful well costs and leasehold impairments	2,401	1,469
Change in fair value of derivatives	290,806	106,158
Cash settlements on derivatives, net (including \$(83.6) million and \$(28.6) million on commodity hedges during 2022 and 2021)	(93,050)	(32,998)
Equity-based compensation	8,392	8,281
Gain on sale of assets	—	(26)
Loss on extinguishment of debt	192	—
Other	(2,288)	(890)
Changes in assets and liabilities:		
Increase in receivables	(24,786)	(13,278)
Increase in inventories	(8,238)	(25,045)
Increase in prepaid expenses and other	(12,799)	(2,409)
Increase (decrease) in accounts payable	13,385	(32,726)
Increase (decrease) in accrued liabilities	78,366	(21,427)
Net cash provided by (used in) operating activities	<u>329,628</u>	<u>(46,626)</u>
Investing activities		
Oil and gas assets	(108,834)	(128,802)
Proceeds on sale of assets	118,222	631
Notes receivable from partners	—	(22,416)
Net cash provided by (used in) investing activities	<u>9,388</u>	<u>(150,587)</u>
Financing activities		
Borrowings under long-term debt	—	100,000
Payments on long-term debt	(107,500)	(350,000)
Net proceeds from issuance of senior notes	—	444,375
Tax withholdings on restricted stock units	(2,753)	(1,018)
Dividends	(642)	(430)
Deferred financing costs	(5,738)	(1,034)
Net cash provided by (used in) financing activities	<u>(116,633)</u>	<u>191,893</u>
Net increase (decrease) in cash, cash equivalents and restricted cash	222,383	(5,320)
Cash, cash equivalents and restricted cash at beginning of period	174,896	149,764
Cash, cash equivalents and restricted cash at end of period	<u>\$ 397,279</u>	<u>\$ 144,444</u>
Supplemental cash flow information		
Cash paid for:		
Interest, net of capitalized interest	<u>\$ 40,466</u>	<u>\$ 33,587</u>
Income taxes, net of refund received	<u>\$ 18,356</u>	<u>\$ 12,947</u>

See accompanying notes.

KOSMOS ENERGY LTD.Notes to Consolidated Financial Statements
(Unaudited)**1. Organization**

Kosmos Energy Ltd. changed our jurisdiction of incorporation from Bermuda to the State of Delaware in December 2018 as a holding company for Kosmos Energy Delaware Holdings, LLC, a Delaware limited liability company. As a holding company, Kosmos Energy Ltd.'s management operations are conducted through a wholly-owned subsidiary, Kosmos Energy, LLC. The terms "Kosmos," the "Company," "we," "us," "our," "ours," and similar terms refer to Kosmos Energy Ltd. and its wholly-owned subsidiaries, unless the context indicates otherwise.

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 the U.S. Gulf of Mexico, as well as a world-class gas development offshore Mauritania and Senegal. We also maintain a sustainable proven basin exploration program in Equatorial Guinea, Ghana and the U.S. Gulf of Mexico. Kosmos is listed on the NYSE and LSE and is traded under the ticker symbol KOS.

Kosmos is engaged in a single line of business, which is the exploration, development, and production of oil and natural gas. Substantially all of our long-lived assets and all of our product sales are related to operations in four geographic areas: Ghana, Equatorial Guinea, Mauritania/Senegal and the U.S. Gulf of Mexico.

2. Accounting Policies**General**

The interim consolidated financial statements included in this report are unaudited and, in the opinion of management, include all adjustments of a normal recurring nature necessary for a fair presentation of the results for the interim periods. The results of the interim periods shown in this report are not necessarily indicative of the final results to be expected for the full year. The interim consolidated financial statements were prepared in accordance with the requirements of the SEC for interim reporting. As permitted under those rules, certain notes or other financial information that are normally required by GAAP have been condensed or omitted from these interim consolidated financial statements. These interim consolidated financial statements and the accompanying notes should be read in conjunction with our audited consolidated financial statements for the year ended December 31, 2021, included in our annual report on Form 10-K.

Reclassifications

Certain prior period amounts have been reclassified to conform with the current presentation. Such reclassifications had no significant impact on our reported net income (loss), current assets, total assets, current liabilities, total liabilities, stockholders' equity or cash flows.

Cash, Cash Equivalents and Restricted Cash

	March 31, 2022	December 31, 2021
	(In thousands)	
Cash and cash equivalents	\$ 337,834	\$ 131,620
Restricted cash - current	59,140	42,971
Restricted cash - long-term	305	305
Total cash, cash equivalents and restricted cash shown in the consolidated statements of cash flows	<u>\$ 397,279</u>	<u>\$ 174,896</u>

Cash and cash equivalents include demand deposits and funds invested in highly liquid instruments with original maturities of three months or less at the date of purchase. When our net leverage ratio exceeds 2.50x, we are required under the Facility to maintain a restricted cash balance that is sufficient to meet the payment of interest and fees for the next six-month period on the 7.125% Senior Notes, the 7.750% Senior Notes and the 7.500% Senior Notes plus the Corporate Revolver or the

Facility, whichever is greater. As of March 31, 2022 we have restricted cash of approximately \$59.1 million to meet our requirements based on the December 31, 2021 ratio. As of March 31, 2022 our net leverage ratio was below 2.50x, and therefore the \$59.1 million is expected to be released from restricted cash in May 2022 upon submission of the net leverage test as of March 31, 2022.

Inventories

Inventories consisted of \$140.8 million and \$149.5 million of materials and supplies and \$12.6 million and \$15.7 million of hydrocarbons as of March 31, 2022 and December 31, 2021, respectively. The Company's materials and supplies inventory primarily consists of casing and wellheads and is stated at the lower of cost, using the weighted average cost method, or net realizable value.

Hydrocarbon inventory is carried at the lower of cost, using the weighted average cost method, or net realizable value. Hydrocarbon inventory costs include expenditures and other charges incurred in bringing the inventory to its existing condition. Selling expenses and general and administrative expenses are reported as period costs and excluded from inventory costs.

Revenue Recognition

Our oil and gas revenues are recognized when hydrocarbons have been sold to a purchaser at a fixed or determinable price, title has transferred and collection is probable. Certain revenues are based on provisional price contracts which contain an embedded derivative that is required to be separated from the host contract for accounting purposes. The host contract is the receivable from oil sales at the spot price on the date of sale. The embedded derivative, which is not designated as a hedge, is marked to market through oil and gas revenue each period until the final settlement occurs, which generally is limited to the month after the sale.

Oil and gas revenue is composed of the following:

	Three Months Ended March 31,	
	2022	2021
	(In thousands)	
Revenues from contract with customer - Equatorial Guinea	\$ 108,745	\$ 26,431
Revenues from contract with customer - Ghana	417,107	59,351
Revenues from contract with customers - U.S. Gulf of Mexico	141,797	94,389
Provisional oil sales contracts	(8,634)	(3,697)
Oil and gas revenue	<u>\$ 659,015</u>	<u>\$ 176,474</u>

Concentration of Credit Risk

Our revenue can be materially affected by current economic conditions and the price of oil and natural gas. However, based on the current demand for crude oil and natural gas and the fact that alternative purchasers are available, we believe that the loss of our marketing agents and/or any of the purchasers identified by our marketing agents would not have a long-term material adverse effect on our financial position or results of operations. The continued economic disruption and volatility in the global and industry-wide markets resulting from the COVID-19 pandemic, Russia's invasion of Ukraine, and other varying macroeconomic conditions could materially impact the Company's business in future periods. Any potential disruption will depend on the duration and intensity of these events, which are highly uncertain and cannot be predicted at this time.

3. Acquisitions and Divestitures

Following the closing of the acquisition of Anadarko WCTP Company ("Anadarko WCTP") in the fourth quarter of 2021, Kosmos' interest in the Jubilee Unit Area and the TEN fields offshore Ghana were 42.1% and 28.1%, respectively. Under the DT Block Joint Operating Agreement, certain joint venture partners have pre-emption rights in the Jubilee Unit Area and the TEN fields. In November 2021, we received notice from Tullow Oil plc ("Tullow") and PetroSA that they intend to exercise their pre-emption rights in relation to Kosmos' acquisition of Anadarko WCTP. After execution of definitive transaction documentation and receipt of governmental approvals, Kosmos concluded the pre-emption transaction with Tullow in March 2022. Following the completion of the pre-emption by Tullow, Kosmos' interest in the Jubilee Unit Area decreased from 42.1%

to 38.6% and Kosmos' interest in the TEN fields decreased from 28.1% to 20.4%. Tullow paid Kosmos \$118.2 million in cash consideration after post closing adjustments for the pre-emption. During the first quarter of 2022, our oil and gas properties, net balance was reduced by \$175.5 million, which includes the cash proceeds and net liabilities transferred to the purchaser as a result of concluding the Tullow pre-emption transaction. The difference in the net book value of the proved property, net liabilities transferred and adjusted purchase price qualified for treatment as a recovery of cost and normal retirement under ASC 932, which resulted in no gain or loss being recognized.

For PetroSA, the pre-emption process is ongoing and remains subject to execution of definitive agreements and required government approvals. Following completion of the pre-emption for PetroSA, Kosmos' ultimate interests in the Jubilee Unit Area and TEN fields would be reduced to 38.3% and 19.8%, respectively.

In March 2022, Kosmos completed the acquisition of an additional 5.5% interest in the Winterfell area in Green Canyon Blocks 943, 944, 987 and 988, offshore U.S. Gulf of Mexico, and an additional 1.5% interest in Green Canyon blocks 899 and 900 for \$9.6 million.

4. Joint Interest Billings and Long-term Receivables

Joint Interest Billings

The Company's joint interest billings consist of receivables from partners with interests in common oil and gas properties operated by the Company for shared costs. Joint interest billings are classified on the face of the consolidated balance sheets as current and long-term receivables based on when collection is expected to occur.

In Ghana, the foreign contractor group funded GNPC's 5% share of the TEN development costs. The foreign contractor group is being reimbursed for such costs plus interest out of a portion of GNPC's TEN production revenues. As of March 31, 2022 and December 31, 2021, the current portions of the joint interest billing receivables due from GNPC for the TEN fields development costs were \$6.8 million and \$7.9 million, respectively, and the long-term portions were \$21.8 million and \$20.9 million, respectively.

Notes Receivables

In February 2019, Kosmos and BP signed Carry Advance Agreements with the national oil companies of Mauritania and Senegal obligating us to finance a portion of the respective national oil company's share of certain development costs incurred through first gas production for Greater Tortue Ahmeyim Phase 1, currently projected in the third quarter of 2023. Kosmos' share for the two agreements combined is currently estimated at approximately \$240.0 million, which is to be repaid with interest through the national oil companies' share of future revenues. As of March 31, 2022 and December 31, 2021, the balance due from the national oil companies was \$147.2 million and \$145.2 million, respectively, which is classified as Long-term receivables on our consolidated balance sheets. Interest income on the long-term notes receivable was \$2.0 million and \$1.6 million for the three months ended March 31, 2022 and 2021, respectively.

Other Long-term Receivables

In August 2021, BP, as the operator of the Greater Tortue project ("BP Operator"), with the consent of the Greater Tortue Unit participants and the respective States, agreed to sell the Greater Tortue FPSO (which is currently under construction by Technip Energies in China) to an affiliate of BP ("BP Buyer"). The Greater Tortue FPSO will be leased back to BP Operator under a long-term lease agreement, for exclusive use in the Greater Tortue project. BP Operator will continue to manage and supervise the construction contract with Technip Energies. Delivery of the Greater Tortue FPSO to BP Buyer will occur after construction is complete and the Greater Tortue FPSO has been commissioned, with the lease to BP Operator becoming effective on the same date, currently estimated to be in the third quarter of 2023.

As a result of the above transactions entered into by BP Operator, Kosmos recognized a Long-term receivable of \$200.2 million from BP Operator for our share of the consideration paid from BP Buyer to and held by BP Operator as well as a \$200.2 million FPSO Contract Liability in Other long-term liabilities related to the deferred sale of the Tortue FPSO. As of March 31, 2022, this Long-term receivable has been non-cash settled against obligations payable to BP Operator, which included \$132.4 million and \$67.8 million of non-cash capital expenditures during the fourth quarter of 2021 and the first quarter of 2022, respectively. These non-cash impacts are excluded from the statement of cash flows.

5. Property and Equipment

Property and equipment is stated at cost and consisted of the following:

	March 31, 2022	December 31, 2021
(In thousands)		
Oil and gas properties:		
Proved properties	\$ 6,693,404	\$ 6,725,453
Unproved properties	469,333	451,454
Total oil and gas properties	7,162,737	7,176,907
Accumulated depletion	(3,138,523)	(2,999,584)
Oil and gas properties, net	4,024,214	4,177,323
Other property	59,418	58,598
Accumulated depreciation	(52,816)	(51,934)
Other property, net	6,602	6,664
Property and equipment, net	<u>\$ 4,030,816</u>	<u>\$ 4,183,987</u>

We recorded depletion expense of \$151.6 million and \$70.6 million for the three months ended March 31, 2022 and 2021, respectively. During the three months ended March 31, 2022, our oil and gas properties, net balance was reduced by \$175.5 million as a result of concluding the Tullow pre-emption transaction. See Note 3 — Acquisitions and Divestitures.

6. Suspended Well Costs

The following table reflects the Company's capitalized exploratory well costs on drilled wells as of and during the three months ended March 31, 2022.

	March 31, 2022
(In thousands)	
Beginning balance	\$ 218,180
Additions to capitalized exploratory well costs pending the determination of proved reserves	11,433
Reclassification due to determination of proved reserves	—
Capitalized exploratory well costs charged to expense	—
Ending balance	<u>\$ 229,613</u>

The following table provides an aging of capitalized exploratory well costs based on the date drilling was completed and the number of projects for which exploratory well costs have been capitalized for more than one year since the completion of drilling:

	March 31, 2022	December 31, 2021
(In thousands, except well counts)		
Exploratory well costs capitalized for a period of one year or less	\$ —	\$ 20,903
Exploratory well costs capitalized for a period of one to three years	59,319	30,389
Exploratory well costs capitalized for a period of four to six years	170,294	166,888
Ending balance	<u>\$ 229,613</u>	<u>\$ 218,180</u>
Number of projects that have exploratory well costs that have been capitalized for a period greater than one year	<u>4</u>	<u>3</u>

As of March 31, 2022, the projects with exploratory well costs capitalized for more than one year since the completion of drilling are related to the BirAllah (formerly known as Marsouin) and Orca discoveries in Block C8 offshore Mauritania, the Yakaar and Teranga discoveries in the Cayar Offshore Profond block offshore Senegal, the Asam discovery in Block S offshore Equatorial Guinea, and the Winterfell discovery in Green Canyon Block 944 in the U.S. Gulf of Mexico.

BirAllah and Orca Discoveries — In November 2015, we completed the Marsouin-1 exploration well in the northern part of Block C8 offshore Mauritania, which encountered hydrocarbon pay. During the fourth quarter of 2019, we completed the nearby Orca-1 exploration well which encountered hydrocarbon pay. The BirAllah and Orca discoveries are being analyzed as a joint development. During the first quarter of 2022, we continued progressing appraisal studies, maturing concept design, and are currently in discussions with the government of Mauritania to extend the exploration phase of Block C8 which is currently set to expire in June 2022. As of March 31, 2022, suspended well capitalized costs related to BirAllah and Orca discoveries approximates \$62.0 million. Following additional evaluation, a decision regarding commerciality is expected to be made.

Yakaar and Teranga Discoveries — In May 2016, we completed the Teranga-1 exploration well in the Cayar Offshore Profond block offshore Senegal, which encountered hydrocarbon pay. In June 2017, we completed the Yakaar-1 exploration well in the Cayar Offshore Profond block offshore Senegal, which encountered hydrocarbon pay. In November 2017, an integrated Yakaar-Teranga appraisal plan was submitted to the government of Senegal. In September 2019, we completed the Yakaar-2 appraisal well which encountered hydrocarbon pay. The Yakaar-2 well was drilled approximately nine kilometers from the Yakaar-1 exploration well. In July 2021, the current phase of the Cayar Block exploration license was extended up to an additional three years to 2024. The Yakaar and Teranga discoveries are being analyzed as a joint development. During the first quarter of 2022, we continued progressing appraisal studies and maturing concept design. Following additional evaluation, a decision regarding commerciality is expected to be made.

Asam Discovery — In October 2019, we completed the S-5 exploration well offshore Equatorial Guinea, which encountered hydrocarbon pay. In July 2020, an appraisal plan was approved by the government of Equatorial Guinea. The well is located within tieback range of the Ceiba FPSO and work is currently ongoing to integrate all available data into models to establish the scale of the discovered resource. The active phase of the Block S exploration license is currently set to expire in December 2024. During the first quarter of 2022, engineering continued to progress concepts around required subsea infrastructure necessary for a subsea tieback. Once the appraisal plan involving this work is complete, a decision regarding commerciality will be made.

Winterfell Discovery — In January 2021, we drilled the Winterfell-1 exploration well located in Green Canyon Block 944 in the U.S. Gulf of Mexico, which encountered hydrocarbon pay. In January 2022, we drilled the Winterfell-2 appraisal well which encountered hydrocarbon pay. We are currently in discussions with partners to define the development plan.

7. Debt

	March 31, 2022	December 31, 2021
	(In thousands)	
Outstanding debt principal balances:		
Facility	\$ 900,000	\$ 1,000,000
7.125% Senior Notes	650,000	650,000
7.750% Senior Notes	400,000	400,000
7.500% Senior Notes	450,000	450,000
GoM Term Loan	167,500	175,000
Total	2,567,500	2,675,000
Unamortized deferred financing costs and discounts	(51,871)	(54,505)
Total debt, net	2,515,629	2,620,495
Less: Current maturities of long-term debt	(130,000)	(30,000)
Long-term debt, net	\$ 2,385,629	\$ 2,590,495

Facility

The Facility supports our oil and gas exploration, appraisal and development programs and corporate activities. As of March 31, 2022, borrowings under the Facility totaled \$900.0 million and the undrawn availability under the facility was \$335.2 million (limited by current commitments). During the first quarter of 2022, the Company made principal repayments totaling \$100.0 million on the Facility. Final maturity of the Facility is in March 2027. As part of the last amendment to the Facility in May 2021, the Company incurred \$15.2 million for loss on extinguishment of debt during the second quarter of 2021. In April 2022, during the Spring 2022 redetermination, the Company's lending syndicate approved a borrowing base capacity in excess of the facility size of \$1.25 billion. The borrowing base amount is based on the sum of the net present values of net cash flows and relevant capital expenditures reduced by certain percentages as well as value attributable to certain assets' reserves and/or resources in the Company's production assets in Ghana (excluding the additional interests in Jubilee and TEN acquired in the acquisition of Anadarko WCTP in October 2021) and Equatorial Guinea. In April 2022, the Company made a voluntary early principal repayment of an additional \$100.0 million with the proceeds from the Tullow pre-emption transaction. See Note 3 — Acquisitions and Divestitures. Accordingly, \$100.0 million of the total \$900.0 million of borrowings under the Facility have been classified within Current maturities of long-term debt on our consolidated balance sheet as of March 31, 2022.

When our net leverage ratio exceeds 2.50x, we are required under the Facility to maintain a restricted cash balance that is sufficient to meet the payment of interest and fees for the next six-month period on the 7.125% Senior Notes, the 7.750% Senior Notes and the 7.500% Senior Notes plus the Corporate Revolver or the Facility, whichever is greater. As of March 31, 2022 we have restricted cash of approximately \$59.1 million to meet our requirements based on the December 31, 2021 ratio. As of March 31, 2022 our net leverage ratio was below 2.50x, and therefore the \$59.1 million is expected to be released from restricted cash in May 2022 upon submission of the net leverage test as of March 31, 2022.

We were in compliance with the financial covenants contained in the Facility as of March 31, 2022 (the most recent assessment date). The Facility, as amended, contains customary cross default provisions.

Corporate Revolver

On March 31, 2022, we refinanced the Corporate Revolver by replacing it with a new revolving credit facility agreement resulting in the following changes to the terms:

- The total size of the Corporate Revolver is reduced from \$400 million to \$250 million.
- The maturity date is extended from May 2022 to December 31, 2024.
- Borrowings under the Corporate Revolver now bear interest at a rate equal to the secured overnight financing rate administered by the Federal Reserve Bank of New York plus a credit adjustment spread plus a 7.0% margin plus mandatory costs, if applicable.
- Addition of a negative pledge covenant over the participating interests held by the Company's wholly-owned subsidiary, Kosmos Energy Ghana Investments, in the WCTP and DT blocks offshore Ghana.
- As the Corporate Revolver is intended to continue to largely remain undrawn, the Company is required to use the proceeds from any capital markets and loan transactions to first repay any drawn outstanding balance under the Corporate Revolver and the Company is subject to a cash sweep of at least 50% of the Company's Excess Cash (as defined in the Corporate Revolver) to pay outstanding balances as of March 31 or September 30 in any calendar year.

The Company capitalized \$5.9 million of deferred financing costs associated with entering into the new revolving credit facility, which will be amortized over the term of the new revolving credit facility. As of March 31, 2022, there were no outstanding borrowings under the Corporate Revolver and the undrawn availability was \$250.0 million. The Corporate Revolver is available for general corporate purposes and for oil and gas exploration, appraisal and development programs.

We were in compliance with the financial covenants contained in the Corporate Revolver as of March 31, 2022 (the most recent assessment date). The Corporate Revolver contains customary cross default provisions.

7.125% Senior Notes due 2026

In April 2019, the Company issued \$650.0 million of 7.125% Senior Notes and received net proceeds of approximately \$640.0 million after deducting commissions and other expenses. We used the net proceeds to redeem all of the

previously issued 7.875% Senior Secured Notes due 2021, repay a portion of the outstanding indebtedness under the Corporate Revolver and pay fees and expenses related to the redemption, repayment and the issuance of the 7.125% Senior Notes.

The 7.125% Senior Notes mature on April 4, 2026. Interest is payable in arrears each April 4 and October 4, commencing on October 4, 2019. The 7.125% Senior Notes are senior, unsecured obligations of Kosmos Energy Ltd. and rank equal in right of payment with all of its existing and future senior indebtedness (including all borrowings under the Corporate Revolver, 7.750% Senior Notes and the 7.500% Senior Notes) and rank effectively junior in right of payment to all of its existing and future secured indebtedness (including all borrowings under the Facility) and all borrowings under the GoM Term Loan. The 7.125% Senior Notes are guaranteed on a senior, unsecured basis by certain subsidiaries owning the Company's U.S. Gulf of Mexico assets and the interests acquired in the Anadarko WCTP acquisition, and on a subordinated, unsecured basis by certain subsidiaries that borrow under, or guarantee, the Facility and that guarantee the Corporate Revolver, the 7.750% Senior Notes and the 7.500% Senior Notes. The 7.125% Senior Notes contain customary cross default provisions.

7.750% Senior Notes due 2027

In October 2021, the Company issued \$400.0 million of 7.750% Senior Notes and received net proceeds of approximately \$395.0 million after deducting fees. We used the net proceeds, together with cash on hand, to refinance the \$400.0 million Bridge Notes (which were issued during in the fourth quarter of 2021 in connection with the completion of the acquisition of Anadarko WCTP) and to pay expenses related to the issuance of the 7.750% Senior Notes.

The 7.750% Senior Notes mature on May 1, 2027. Interest is payable in arrears each May 1 and November 1, commencing on May 1, 2022. The 7.750% Senior Notes are senior, unsecured obligations of Kosmos Energy Ltd. and rank equal in right of payment with all of its existing and future senior indebtedness (including all borrowings under the Corporate Revolver, the 7.125% Senior Notes and the 7.500% Senior Notes) and rank effectively junior in right of payment to all of its existing and future secured indebtedness (including all borrowings under the Facility) and all borrowings under the GoM Term Loan. The 7.750% Senior Notes are guaranteed on a senior, unsecured basis by certain subsidiaries owning the Company's U.S. Gulf of Mexico assets and the interests acquired in the Anadarko WCTP acquisition, and on a subordinated, unsecured basis by certain subsidiaries that borrow under, or guarantee, the Facility and that guarantee the Corporate Revolver, the 7.125% Senior Notes and the 7.500% Senior Notes. The 7.750% Senior Notes contain customary cross default provisions.

7.500% Senior Notes due 2028

In March 2021, the Company issued \$450.0 million of 7.500% Senior Notes and received net proceeds of approximately \$444.4 million after deducting fees. We used the net proceeds to repay outstanding indebtedness under the Corporate Revolver and the Facility, to pay expenses related to the issuance of the 7.500% Senior Notes and for general corporate purposes.

The 7.500% Senior Notes mature on March 1, 2028. Interest is payable in arrears each March 1 and September 1, commencing on September 1, 2021. The 7.500% Senior Notes are senior, unsecured obligations of Kosmos Energy Ltd. and rank equal in right of payment with all of its existing and future senior indebtedness (including all borrowings under the Corporate Revolver, the 7.125% Senior Notes and the 7.750% Senior Notes) and rank effectively junior in right of payment to all of its existing and future secured indebtedness (including all borrowings under the Facility) and all borrowings under the GoM Term Loan. The 7.500% Senior Notes are guaranteed on a senior, unsecured basis by certain subsidiaries owning the Company's U.S. Gulf of Mexico assets and the interests in the Anadarko WCTP acquisition, and on a subordinated, unsecured basis by certain subsidiaries that borrow under, or guarantee, the Facility and that guarantee the Corporate Revolver, and the 7.125% Senior Notes and the 7.750% Senior Notes. The 7.500% Senior Notes contain customary cross default provisions.

GoM Term Loan

In September 2020, the Company entered into a five-year \$200.0 million senior secured term-loan credit agreement secured against the Company's U.S. Gulf of Mexico assets with net proceeds received of \$197.7 million after deducting fees and other expenses. The GoM Term Loan also includes an accordion feature providing for incremental commitments of up to \$100.0 million subject to certain conditions. The GoM Term Loan bears interest at an effective rate of approximately 6% per annum and matures in 2025, with quarterly principal repayments having started since the fourth quarter of 2021. As of March 31, 2022, \$30.0 million of the total \$167.5 million outstanding under the GoM Term Loan have been classified within Current maturities of long-term debt on our consolidated balance sheet. We were in compliance with the covenants, representations and warranties contained in the GoM Term Loan as of March 31, 2022 (the most recent assessment date). The GoM Term Loan contains customary cross default provisions as well as maturity acceleration provisions if certain Permitted Guaranteed Facilities are not refinanced prior to scheduled maturity.

Principal Debt Repayments

At March 31, 2022, the estimated repayments of debt during the five fiscal year periods and thereafter are as follows:

	Payments Due by Year						
	Total	2022(2)	2023	2024	2025	2026	Thereafter
	(In thousands)						
Principal debt repayments(1)	\$ 2,567,500	\$ 122,500	\$ 30,000	\$ 137,785	\$ 327,977	\$ 939,350	\$ 1,009,888

(1) Includes the scheduled maturities for outstanding principal debt balances. The scheduled maturities of debt related to the Facility as of March 31, 2022 are based on our level of borrowings and our estimated future available borrowing base commitment levels in future periods. Any increases or decreases in the level of borrowings or increases or decreases in the available borrowing base would impact the scheduled maturities of debt during the next five years and thereafter. In April 2022, the Company made a voluntary early principal repayment of an additional \$100.0 million with the proceeds from the Tullow pre-emption transaction. See Note 3 — Acquisitions and Divestitures. Accordingly, \$100.0 million of the total \$900.0 million of borrowings under the Facility have been classified within Current maturities of long-term debt on our consolidated balance sheet as of March 31, 2022.

(2) Represents payments for the period April 1, 2022 through December 31, 2022.

Interest and other financing costs, net

Interest and other financing costs, net incurred during the periods is comprised of the following:

	Three Months Ended March 31,	
	2022	2021
	(In thousands)	
Interest expense	\$ 43,162	\$ 31,435
Amortization—deferred financing costs	2,670	2,571
Loss on extinguishment of debt	192	—
Capitalized interest	(16,139)	(8,641)
Deferred interest	(1,450)	(194)
Interest income	(1,540)	(1,825)
Other, net	6,244	1,182
Interest and other financing costs, net	\$ 33,139	\$ 24,528

8. Derivative Financial Instruments

We use financial derivative contracts to manage exposures to commodity price and interest rate fluctuations. We do not hold or issue derivative financial instruments for trading purposes.

We manage market and counterparty credit risk in accordance with our policies and guidelines. In accordance with these policies and guidelines, our management determines the appropriate timing and extent of derivative transactions. We have included an estimate of non-performance risk in the fair value measurement of our derivative contracts as required by ASC 820 — Fair Value Measurement.

Oil Derivative Contracts

The following table sets forth the volumes in barrels underlying the Company's outstanding oil derivative contracts and the weighted average prices per Bbl for those contracts as of March 31, 2022. Volumes and weighted average prices are net of any offsetting derivative contracts entered into.

Term	Type of Contract	Index	MBbl	Weighted Average Price per Bbl				
				Net Deferred Premium Payable/ (Receivable)	Sold Put	Floor	Ceiling	
2022:								
Apr — Dec	Three-way collars	Dated Brent	3,375	\$ 0.64	\$ 43.33	\$ 56.67	\$ 76.91	
Apr — Dec	Three-way collars	NYMEX WTI	750	1.45	50.00	65.00	85.00	
Apr — Dec	Two-way collars	Dated Brent	5,000	1.15	—	63.25	84.00	
Apr — Dec	Sold calls(1)	Dated Brent	1,186	—	—	—	60.00	
2023:								
Jan — Dec	Three-way collars	Dated Brent	2,000	0.92	47.50	65.00	95.25	

(1) Represents call option contracts sold to counterparties to enhance other derivative positions

The following tables disclose the Company's derivative instruments as of March 31, 2022 and December 31, 2021, and gain/(loss) from derivatives during the three months ended March 31, 2022 and 2021, respectively:

Type of Contract	Balance Sheet Location	Estimated Fair Value Asset (Liability)	
		March 31, 2022	December 31, 2021
(In thousands)			
Derivatives not designated as hedging instruments:			
Derivative assets:			
Commodity	Derivatives assets—current	\$ —	\$ 5,689
Provisional oil sales	Receivables: Oil Sales	—	(853)
Commodity	Derivatives assets—long-term	—	1,026
Derivative liabilities:			
Commodity	Derivatives liabilities—current	(248,021)	(65,879)
Commodity	Derivatives liabilities—long-term	(16,050)	(6,298)
Total derivatives not designated as hedging instruments		\$ (264,071)	\$ (66,315)

Contract	Location of Gain/(Loss)	Amount of Gain/(Loss) Three Months Ended March 31,	
		2022	2021
(In thousands)			
Derivatives not designated as hedging instruments:			
Provisional oil sales	Oil and gas revenue	\$ (8,634)	(3,697)
Commodity	Derivatives, net	(282,172)	(102,461)
Total derivatives not designated as hedging instruments		\$ (290,806)	(106,158)

Offsetting of Derivative Assets and Derivative Liabilities

Our derivative instruments which are subject to master netting arrangements with our counterparties only have the right of offset when there is an event of default. As of March 31, 2022 and December 31, 2021, there was not an event of default and, therefore, the associated gross asset or gross liability amounts related to these arrangements are presented on the consolidated balance sheets.

9. Fair Value Measurements

In accordance with ASC 820 — Fair Value Measurement, fair value measurements are based upon inputs that market participants use in pricing an asset or liability, which are classified into two categories: observable inputs and unobservable inputs. Observable inputs represent market data obtained from independent sources, whereas unobservable inputs reflect a company's own market assumptions, which are used if observable inputs are not reasonably available without undue cost and effort. We prioritize the inputs used in measuring fair value into the following fair value hierarchy:

- Level 1 — quoted prices for identical assets or liabilities in active markets.
- Level 2 — quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability and inputs derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 — unobservable inputs for the asset or liability. The fair value input hierarchy level to which an asset or liability measurement in its entirety falls is determined based on the lowest level input that is significant to the measurement in its entirety.

The following tables present the Company's assets and liabilities that are measured at fair value on a recurring basis as of March 31, 2022 and December 31, 2021, for each fair value hierarchy level:

	Fair Value Measurements Using:			Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
	(In thousands)			
March 31, 2022				
Assets:				
Commodity derivatives	\$ —	\$ —	\$ —	\$ —
Provisional oil sales	—	—	—	—
Liabilities:				
Commodity derivatives	—	(264,071)	—	(264,071)
Total	<u>\$ —</u>	<u>\$ (264,071)</u>	<u>\$ —</u>	<u>\$ (264,071)</u>
December 31, 2021				
Assets:				
Commodity derivatives	\$ —	\$ 6,715	\$ —	\$ 6,715
Provisional oil sales	—	(853)	—	(853)
Liabilities:				
Commodity derivatives	—	(72,177)	—	(72,177)
Total	<u>\$ —</u>	<u>\$ (66,315)</u>	<u>\$ —</u>	<u>\$ (66,315)</u>

The book values of cash and cash equivalents and restricted cash approximate fair value based on Level 1 inputs. Joint interest billings, oil sales and other receivables, and accounts payable and accrued liabilities approximate fair value due to the short-term nature of these instruments. Our long-term receivables, after any allowances for credit losses, and other long-term assets approximate fair value. The estimates of fair value of these items are based on Level 2 inputs.

Commodity Derivatives

Our commodity derivatives represent crude oil collars, put options and call options for notional barrels of oil at fixed Dated Brent or NYMEX WTI oil prices. The values attributable to our oil derivatives are based on (i) the contracted notional volumes, (ii) independent active futures price quotes for the respective index, (iii) a credit-adjusted yield curve applicable to each counterparty by reference to the credit default swap (“CDS”) market and (iv) an independently sourced estimate of volatility for the respective index. The volatility estimate was provided by certain independent brokers who are active in buying and selling oil options and was corroborated by market-quoted volatility factors. The deferred premium is included in the fair market value of the commodity derivatives. See Note 8 — Derivative Financial Instruments for additional information regarding the Company’s derivative instruments.

Provisional Oil Sales

The value attributable to provisional oil sales derivatives is based on (i) the sales volumes and (ii) the difference in the independent active futures price quotes for the respective index over the term of the pricing period designated in the sales contract and the spot price on the lifting date.

Debt

The following table presents the carrying values and fair values at March 31, 2022 and December 31, 2021:

	March 31, 2022		December 31, 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	(In thousands)			
7.125% Senior Notes	\$ 644,846	\$ 638,248	\$ 644,572	\$ 632,587
7.750% Senior Notes	395,316	394,004	395,131	386,428
7.500% Senior Notes	445,055	432,666	444,892	424,688
GoM Term Loan	167,500	167,500	175,000	175,000
Facility	900,000	900,000	1,000,000	1,000,000
Total	<u>\$ 2,552,717</u>	<u>\$ 2,532,418</u>	<u>\$ 2,659,595</u>	<u>\$ 2,618,703</u>

The carrying values of our 7.125% Senior Notes, 7.750% Senior Notes and 7.500% Senior Notes represent the principal amounts outstanding less unamortized discounts. The fair values of our 7.125% Senior Notes, 7.750% Senior Notes and 7.500% Senior Notes are based on quoted market prices, which results in a Level 1 fair value measurement. The carrying values of the GoM Term Loan and Facility approximate fair value since they are subject to short-term floating interest rates that approximate the rates available to us for those periods.

Nonrecurring Fair Value Measurements - Long-lived assets

Certain long-lived assets are reported at fair value on a non-recurring basis on the Company's consolidated balance sheet. These long-lived assets are not measured at fair value on an ongoing basis but are subject to fair value adjustments in certain circumstances. Our long-lived assets are reviewed for impairment when changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

The Company calculates the estimated fair values of its long-lived assets using the income approach described in the ASC 820 — Fair Value Measurements. Significant inputs associated with the calculation of estimated discounted future net cash flows include anticipated future production, pricing estimates, capital and operating costs, market-based weighted average cost of capital, and risk adjustment factors applied to reserves. These are classified as Level 3 fair value assumptions. The Company utilizes an average of third-party industry forecasts of Dated Brent, adjusted for location and quality differentials, to determine our pricing assumptions. In order to evaluate the sensitivity of the assumptions, we analyze sensitivities to prices, production, and risk adjustment factors.

During the three months ended March 31, 2022 and 2021, the Company did not recognize impairment of proved oil and gas properties as no impairment indicators were identified. If we experience declines in oil pricing expectations in the

future, increases in our estimated future expenditures or a decrease in our estimated production profile, our long-lived assets could be at risk of additional impairment.

10. Equity-based Compensation

Restricted Stock Units

We record equity-based compensation expense equal to the fair value of share-based payments over the vesting periods of the LTIP awards. We recorded compensation expense from awards granted under our LTIP of \$8.4 million and \$8.3 million during the three months ended March 31, 2022 and 2021, respectively. The total tax benefit was \$1.4 million and \$1.4 million during the three months ended March 31, 2022 and 2021, respectively. Additionally, we recorded a net tax shortfall (windfall) related to equity-based compensation of \$1.2 million and \$4.8 million during the three months ended March 31, 2022 and 2021, respectively. The fair value of awards vested was \$17.4 million and \$6.6 million during the three months ended March 31, 2022 and 2021, respectively. The Company granted restricted stock units with service vesting criteria and a combination of market and service vesting criteria under the LTIP. Substantially all of these grants vest over three years. Upon vesting, restricted stock units become issued and outstanding stock.

The following table reflects the outstanding restricted stock units as of March 31, 2022:

	Service Vesting Restricted Stock Units (In thousands)	Weighted- Average Grant-Date Fair Value	Market / Service Vesting Restricted Stock Units (In thousands)	Weighted- Average Grant-Date Fair Value
Outstanding at December 31, 2021	4,696	\$ 3.88	11,233	\$ 5.28
Granted(1)	2,568	4.42	3,324	6.89
Forfeited(1)	(102)	3.94	(381)	5.92
Vested	(1,920)	4.46	(2,091)	5.98
Outstanding at March 31, 2022	<u>5,242</u>	<u>3.93</u>	<u>12,085</u>	<u>5.58</u>

(1) The restricted stock units with a combination of market and service vesting criteria may vest between 0% and 200% of the originally granted units depending upon market performance conditions. Awards vesting over or under target shares of 100% results in additional shares granted or forfeited, respectively, in the period the market vesting criteria is determined.

As of March 31, 2022, total equity-based compensation to be recognized on unvested restricted stock units is \$44.3 million over a weighted average period of 2.06 years. At March 31, 2022, the Company had approximately 6.2 million shares that remain available for issuance under the LTIP.

For restricted stock units with a combination of market and service vesting criteria, the number of common shares to be issued is determined by comparing the Company's total shareholder return with the total shareholder return of a predetermined group of peer companies over the performance period and can vest in up to 200% of the awards granted. The grant date fair value ranged from \$1.06 to \$9.52 per award. The Monte Carlo simulation model utilized multiple input variables that determined the probability of satisfying the market condition stipulated in the award grant and calculated the fair value of the award. The expected volatility utilized in the model was estimated using our historical volatility and the historical volatilities of our peer companies and ranged from 50.0% to 104.8%. The risk-free interest rate was based on the U.S. treasury rate for a term commensurate with the expected life of the grant and ranged from 0.2% to 2.5%.

11. Income Taxes

We evaluate our estimated annual effective income tax rate each quarter, based on current and forecasted business results and enacted tax laws, and apply this tax rate to our ordinary income or loss to calculate our estimated tax expense or benefit. The Company excludes zero tax rate and tax-exempt jurisdictions from our evaluation of the estimated annual effective income tax rate. The tax effect of discrete items are recognized in the period in which they occur at the applicable statutory tax rate.

During the three months ended March 31, 2022, our deferred tax liability decreased by approximately \$130.4 million. Approximately \$44.6 million of the decrease is the result of concluding the Tullow pre-emption transaction. See Note 3 - Acquisitions and Divestitures. The remaining \$85.8 million decrease in our deferred tax liability is the result of originating deferred tax assets, primarily related to mark to market losses on commodity derivative contracts, and the recognition of other net deferred tax liabilities, primarily related to book depreciation and depletion expense in excess of amount reported for income tax purposes.

Income (loss) before income taxes is composed of the following:

	Three Months Ended March 31,	
	2022	2021
	(In thousands)	
United States	\$ 9,283	\$ (21,842)
Foreign	3,570	(85,631)
Income (loss) before income taxes	<u>\$ 12,853</u>	<u>\$ (107,473)</u>

For the three months ended, March 31, 2022 and 2021, our effective tax rate was 89% and 16%, respectively. For the three months ended March 31, 2022 and 2021, our overall effective tax rates were impacted by:

- The difference in our 21% U.S. income tax reporting rate and the 35% statutory tax rates applicable to our Ghanaian and Equatorial Guinean operations,
- Jurisdictions that have a 0% statutory rate or where we have incurred losses and have recorded valuation allowances against the corresponding deferred tax assets, and
- Other non-deductible expenses primarily in the U.S.

12. Net Income (Loss) Per Share

The following table is a reconciliation between net income (loss) and the amounts used to compute basic and diluted net income (loss) per share and the weighted average shares outstanding used to compute basic and diluted net income (loss) per share:

	Three Months Ended	
	March 31,	
	2022	2021
	(In thousands, except per share data)	
Numerator:		
Net income (loss) allocable to common stockholders	\$ 1,400	\$ (90,768)
Denominator:		
Weighted average number of shares outstanding:		
Basic	454,102	407,365
Restricted stock units(1)	15,062	—
Diluted	<u>469,164</u>	<u>407,365</u>
Net income (loss) per share:		
Basic	\$ 0.00	\$ (0.22)
Diluted	\$ 0.00	\$ (0.22)

- (1) We excluded outstanding restricted stock units of 0.5 million and 13.1 million for the three months ended March 31, 2022 and 2021, respectively, from the computations of diluted net income (loss) per share because the effect would have been anti-dilutive.

13. Commitments and Contingencies

From time to time, we are involved in litigation, regulatory examinations and administrative proceedings primarily arising in the ordinary course of our business in jurisdictions in which we do business. Although the outcome of these matters cannot be predicted with certainty, management believes none of these matters, either individually or in the aggregate, would have a material effect upon the Company's financial position; however, an unfavorable outcome could have a material adverse effect on our results from operations for a specific interim period or year.

We currently have a commitment to drill one exploration well in Mauritania and a \$200.2 million FPSO Contract Liability related to the deferred sale of the Greater Tortue FPSO.

Performance Obligations

As of March 31, 2022 and December 31, 2021, the Company had performance bonds totaling \$195.5 million and \$195.5 million, respectively, for our supplemental bonding requirements stipulated by the BOEM and \$3.5 million and \$3.5 million, respectively, to third parties related to costs anticipated for the plugging and abandonment of certain wells and the removal of certain facilities in our U.S. Gulf of Mexico fields.

14. Additional Financial Information

Accrued Liabilities

Accrued liabilities consisted of the following:

	March 31, 2022	December 31, 2021
	(In thousands)	
Accrued liabilities:		
Exploration, development and production	\$ 95,147	\$ 61,881
Revenue payable	32,732	31,986
Current asset retirement obligations	3,254	3,222
General and administrative expenses	8,989	27,980
Interest	17,859	31,117
Income taxes	115,937	69,392
Taxes other than income	1,277	2,854
Derivatives	49,000	19,302
Other	6,297	2,936
	<u>\$ 330,492</u>	<u>\$ 250,670</u>

Asset Retirement Obligations

The following table summarizes the changes in the Company's asset retirement obligations as of and during the three months ended March 31, 2022:

	March 31, 2022	
	(In thousands)	
Asset retirement obligations:		
Beginning asset retirement obligations	\$	325,459
Liabilities incurred during period		2,583
Liabilities settled during period		(10,200)
Revisions in estimated retirement obligations		388
Accretion expense		6,443
Ending asset retirement obligations	\$	324,673

During the three months ended March 31, 2022 our asset retirement obligations were reduced by approximately \$10.0 million as a result of concluding the Tullow pre-emption transaction. See Note 3 — Acquisitions and Divestitures.

Other Expenses, Net

Other expenses, net incurred during the period is comprised of the following:

	Three Months Ended March 31,			
	2022		2021	
	(In thousands)			
Loss on disposal of inventory	\$	217	\$	367
Loss on asset retirement obligations liability settlements		382		29
Restructuring charges		5		819
Other, net		1,822		2,253
Other expenses, net	\$	2,426	\$	3,468

The restructuring charges are for employee severance and related benefit costs incurred as part of a corporate reorganization.

15. Business Segment Information

Kosmos is engaged in a single line of business, which is the exploration, development and production of oil and gas. At March 31, 2022, the Company had operations in four geographic reporting segments: Ghana, Equatorial Guinea, Mauritania/Senegal and the U.S. Gulf of Mexico. To assess performance of the reporting segments, the Chief Operating Decision Maker reviews capital expenditures. Capital expenditures, as defined by the Company, may not be comparable to similarly titled measures used by other companies and should be considered in conjunction with our consolidated financial statements and notes thereto. Financial information for each area is presented below:

	Ghana(2)	Equatorial Guinea	Mauritania/Senegal	U.S. Gulf of Mexico	Corporate & Other	Eliminations	Total
	(In thousands)						
Three months ended March 31, 2022							
Revenues and other income:							
Oil and gas revenue	\$ 409,480	\$ 107,738	\$ —	\$ 141,797	\$ —	\$ —	\$ 659,015
Other income, net	—	—	—	544	315,113	(315,605)	52
Total revenues and other income	409,480	107,738	—	142,341	315,113	(315,605)	659,067
Costs and expenses:							
Oil and gas production	75,343	22,625	—	26,735	—	—	124,703
Facilities insurance modifications, net	7,136	—	—	—	—	—	7,136
Exploration expenses	71	1,610	3,114	6,576	505	—	11,876
General and administrative	3,969	1,602	1,996	4,944	46,715	(33,433)	25,793
Depletion, depreciation and amortization	101,409	17,939	53	39,194	374	—	158,969
Interest and other financing costs, net(1)	15,026	(481)	(12,839)	2,725	28,708	—	33,139
Derivatives, net	—	—	—	—	282,172	—	282,172
Other expenses, net	250,562	19,123	586	13,378	949	(282,172)	2,426
Total costs and expenses	453,516	62,418	(7,090)	93,552	359,423	(315,605)	646,214
Income (loss) before income taxes	(44,036)	45,320	7,090	48,789	(44,310)	—	12,853
Income tax expense (benefit)	(15,019)	23,330	—	3,102	40	—	11,453
Net income (loss)	\$ (29,017)	\$ 21,990	\$ 7,090	\$ 45,687	\$ (44,350)	\$ —	\$ 1,400
Consolidated capital expenditures	\$ (64,185)	\$ 10,222	\$ 10,801	\$ 24,303	\$ 1,179	\$ —	\$ (17,680)
As of March 31, 2022							
Property and equipment, net	\$ 1,665,220	\$ 454,524	\$ 1,009,447	\$ 883,698	\$ 17,927	\$ —	\$ 4,030,816
Total assets	\$ 3,046,270	\$ 1,077,040	\$ 1,417,676	\$ 3,407,899	\$ 17,567,805	\$ (21,495,329)	\$ 5,021,361

- Interest expense is recorded based on actual third-party and intercompany debt agreements. Capitalized interest is recorded on the business unit where the assets reside.
- Includes activity related to the interest pre-empted by Tullow prior to the March 17, 2022 closing date of the Tullow pre-emption transaction. Additionally, cash consideration of \$118.2 million is included as reduction in Consolidated capital expenditures.

	Ghana	Equatorial Guinea	Mauritania/Senegal	U.S. Gulf of Mexico	Corporate & Other	Eliminations	Total
	(In thousands)						
Three months ended March 31, 2021							
Revenues and other income:							
Oil and gas revenue	\$ 54,053	\$ 28,032	\$ —	\$ 94,389	\$ —	\$ —	\$ 176,474
Gain on sale of assets	—	—	—	—	26	—	26
Other income, net	—	—	—	329	137,499	(137,758)	70
Total revenues and other income	54,053	28,032	—	94,718	137,525	(137,758)	176,570
Costs and expenses:							
Oil and gas production	12,386	11,629	—	21,737	—	—	45,752
Facilities insurance modifications, net	671	—	—	—	—	—	671
Exploration expenses	32	1,893	2,174	1,148	2,934	—	8,181
General and administrative	2,587	1,051	1,973	5,239	45,105	(33,514)	22,441
Depletion, depreciation and amortization	23,635	9,191	15	43,251	449	—	76,541
Interest and other financing costs, net(1)	11,916	(369)	(9,816)	4,566	20,015	(1,784)	24,528
Derivatives, net	—	—	—	—	102,461	—	102,461
Other expenses, net	71,121	17,069	784	14,489	2,466	(102,461)	3,468
Total costs and expenses	122,348	40,464	(4,870)	90,430	173,430	(137,759)	284,043
Income (loss) before income taxes	(68,295)	(12,432)	4,870	4,288	(35,905)	1	(107,473)
Income tax expense (benefit)	(23,868)	2,634	—	—	4,529	—	(16,705)
Net income (loss)	\$ (44,427)	\$ (15,066)	\$ 4,870	\$ 4,288	\$ (40,434)	\$ 1	\$ (90,768)
Consolidated capital expenditures	\$ 4,624	\$ 11,424	\$ 72,752	\$ 24,267	\$ 3,482	\$ —	\$ 116,549
As of March 31, 2021							
Property and equipment, net	\$ 1,275,156	\$ 429,494	\$ 659,659	\$ 983,208	\$ 21,931	\$ —	\$ 3,369,448
Total assets	\$ 1,351,071	\$ 726,427	\$ 981,710	\$ 3,246,891	\$ 13,825,435	\$ (16,172,448)	\$ 3,959,086

- (1) Interest expense is recorded based on actual third-party and intercompany debt agreements. Capitalized interest is recorded on the business unit where the assets reside.

	Three Months Ended March 31,	
	2022	2021
	(In thousands)	
Consolidated capital expenditures:		
Consolidated Statements of Cash Flows - Investing activities:		
Oil and gas assets	\$ 108,834	\$ 128,802
Adjustments:		
Changes in capital accruals	1,689	(10,409)
Exploration expense, excluding unsuccessful well costs and leasehold impairments(1)	9,475	6,712
Capitalized interest	(16,139)	(8,641)
Proceeds on sale of assets	(118,222)	—
Other	(3,317)	85
Total consolidated capital expenditures	\$ (17,680)	\$ 116,549

- (1) Unsuccessful well costs are included in oil and gas assets when incurred.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with our consolidated financial statements and notes thereto contained herein and our annual financial statements for the year ended December 31, 2021, included in our annual report on Form 10-K along with the section Management’s Discussion and Analysis of financial condition and Results of Operations contained in such annual report. Any terms used but not defined in the following discussion have the same meaning given to them in the annual report. Our discussion and analysis includes forward-looking statements that involve risks and uncertainties and should be read in conjunction with “Risk Factors” under Item 1A of this report and in the annual report, along with “Forward-Looking Information” at the end of this section for information about the risks and uncertainties that could cause our actual results to be materially different than our forward-looking statements.

Overview

We are 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 the U.S. Gulf of Mexico, as well as a world-class gas development offshore Mauritania and Senegal. We also maintain a sustainable proven basin exploration program in Equatorial Guinea, Ghana and the U.S. Gulf of Mexico.

The ongoing COVID-19 pandemic that emerged at the beginning of 2020 has resulted in travel restrictions, including border closures, travel bans, social distancing restrictions and office closures being ordered in the various countries in which we operate, impacting some of our business operations. These ongoing restrictions have had an impact on the supply chain, resulting in the delay of various operational projects.

Globally, the impacts of COVID-19, Russia’s invasion of Ukraine, and other varying macroeconomic conditions has impacted demand for oil, which also resulted in significant variability in oil prices. The Company’s revenues, earnings, cash flows, capital investments, debt capacity and, ultimately, future rate of growth are highly dependent on oil prices.

Recent Developments

Corporate

Following the closing of the acquisition of Anadarko WCTP Company (“Anadarko WCTP”) in the fourth quarter of 2021, Kosmos’ interest in the Jubilee Unit Area and the TEN fields offshore Ghana were 42.1% and 28.1%, respectively. Under the DT Block Joint Operating Agreement, certain joint venture partners have pre-emption rights in the Jubilee Unit Area and the TEN fields. In November 2021, we received notice from Tullow Oil plc (“Tullow”) and PetroSA that they intend to exercise their pre-emption rights in relation to Kosmos’ acquisition of Anadarko WCTP. After execution of definitive transaction documentation and receipt of governmental approvals, Kosmos concluded the pre-emption transaction with Tullow in March 2022. Following the completion of the pre-emption by Tullow, Kosmos’ interest in the Jubilee Unit Area decreased from 42.1% to 38.6% and Kosmos’ interest in the TEN fields decreased from 28.1% to 20.4%. Tullow paid Kosmos \$118.2 million in cash consideration after post closing adjustments for the pre-emption. During the first quarter of 2022, our oil and gas properties, net balance was reduced by \$175.5 million which includes the cash proceeds and net liabilities transferred to the purchaser as a result of concluding the Tullow pre-emption transaction. The difference in the net book value of the proved property, net liabilities transferred and adjusted purchase price was treated as a recovery of cost and normal retirement, which resulted in no gain or loss being recognized. The net 2022 production impact of the Tullow pre-emption exercise for Kosmos is a reduction of approximately 4,000 barrels of oil per day, based on the March 17, 2022 closing date, and is expected to result in one less Ghana cargo lifting this year and a reduction in 2022 capital expenditure of approximately \$30.0 million.

For PetroSA, the pre-emption process is ongoing and remains subject to execution of definitive agreements and required government approvals. Following completion of the pre-emption for PetroSA, Kosmos’ ultimate interests in the Jubilee Unit Area and TEN fields would be reduced to 38.3% and 19.8%, respectively.

In March 2022, we refinanced the Corporate Revolver by replacing it with a new revolving credit facility agreement. The new revolving credit facility decreases the borrowing capacity from \$400.0 million to \$250.0 million and extends the maturity date from May 2022 to the end of 2024. In anticipation of the cessation of the London Interbank Offered Rate (“LIBOR”), as part of the refinancing, interest for the Corporate Revolver is now linked to the Secured Overnight Financing Rate (“SOFR”) administered by the Federal Reserve Bank of New York. The Company expects the reduced borrowing capacity of the Corporate Revolver to offset an increase in the margin, resulting in slightly lower interest expenses going forward.

Under the terms of our 2020 farm-out agreement with Shell, potential contingent consideration is payable by Shell depending on the results of the first four exploration wells Shell drills in the purchased assets, excluding South Africa. Upon approval of the relevant operating committee of an appraisal plan for submission to the relevant governmental authority for any of those first four exploration wells, Shell will be required to pay Kosmos \$50.0 million of consideration for each discovery for which an appraisal plan is approved by the relevant operating committee, capped in the aggregate at a maximum of \$100.0 million total. There were two oil discoveries announced in Namibia during the first half of 2022. Under the terms of Shell's Petroleum Agreement with Namibia, if Shell decides to appraise one or both of the discoveries, an appraisal plan is required to be submitted within 150 days from completion of tests on either discovery well.

Ghana

During the first quarter of 2022, Ghana production averaged approximately 116,200 Bopd gross (42,300 Bopd net). Jubilee production averaged approximately 91,200 Bopd gross (36,000 Bopd net) with consistent water injection and gas offtake. TEN production averaged approximately 25,000 Bopd gross (6,300 Bopd net). In the first quarter of 2022, the multi-year development drilling program continued to progress with the successful drilling and completion of one water injector well in the Jubilee Field which came online in the first quarter of 2022. A producer and second water injection well have been drilled in Jubilee, which are now being completed with both wells expected online during the second quarter of 2022. Following Jubilee completion operations, the rig is expected to move to the TEN fields and continue drilling operations. In April 2022, the Jubilee facilities were shut-down to complete a scheduled two week routine maintenance program.

U.S. Gulf of Mexico

Production from the U.S. Gulf of Mexico averaged approximately 18,800 Boepd net (~83% oil) for the first quarter of 2022 impacted by unplanned facility downtime.

In March 2022, the Company commenced operations to plug back and side-track the original Kodiak #3 infill well located in Mississippi Canyon (29.1% working interest). The side-tracked well is expected to be online in the third quarter of 2022, with insurance proceeds expected to cover the costs incurred to return the Kodiak #3 well to production.

In January 2021, we announced the Winterfell exploration well encountered approximately 26 meters (85 feet) of net oil pay in two intervals. Winterfell was designed to test a sub-salt Upper Miocene prospect located in Green Canyon Block 944. In January 2022, the Winterfell-2 appraisal well in Green Canyon Block 943 was drilled to evaluate the adjacent fault block to the northwest of the original Winterfell discovery and was designed to test two horizons that were oil bearing in the Winterfell-1 well, with an exploration tail into a deeper horizon. The well discovered approximately 40 meters (120 feet) of net oil pay in the first and second horizons with better oil saturation and porosity than pre-drill expectations. The exploration tail discovered an additional oil-bearing horizon in a deeper reservoir which is also prospective in the blocks immediately to the north. We are currently in discussions with partners to define the development plan. In March 2022, Kosmos completed the acquisition of an additional 5.5% interest in the Winterfell area in Green Canyon Blocks 943, 944, 987 and 988 and an additional 1.5% interest in Green Canyon blocks 899 and 900 for \$9.6 million.

In May 2022, Kosmos exercised our preferential right to purchase an additional 5.9% interest in Kodiak from Marubeni for approximately \$21.0 million with an additional deferred payment of \$7.0 million.

Equatorial Guinea

Production in Equatorial Guinea averaged approximately 34,900 Bopd gross (11,500 Bopd net) in the first quarter of 2022. In May 2022, Kosmos and its Joint Venture partners agreed with the Ministry of Mines and Hydrocarbons of Equatorial Guinea to extend the Block G petroleum contract term which will harmonize the expiration of the Ceiba and Okume field production licenses (presently expiring in 2029 and 2034 respectively) to 2040. The license extension will support the next phase of investment in the license. As part of the extension, Kosmos has agreed to pay a signature bonus, included in our 2022 capital plan, as well as to undertake an agreed work program.

Mauritania and Senegal

The partnership is currently in discussions with the government of Mauritania to extend the exploration phase of Block C8 which is currently set to expire in June 2022. The BirAllah and Orca discoveries are located in Block C8.

Greater Tortue Ahmeyim Unit

Phase 1 of the Greater Tortue project continues to make steady progress in 2022 with first gas for the project expected in the third quarter of 2023. The following milestones were achieved as of the end of the first quarter of 2022 and post quarter-end:

- FLNG: commenced pipe rack outfitting and equipment installation and testing
- FPSO: mooring piles have been pre-installed offshore and work on the FPSO in the shipyard continues with mechanical completion activities and inspection tests
- Hub Terminal: construction continues on schedule with the 21st and final caisson shipped offshore in early March 2022 and 3 caissons left to be installed
- Subsea: the offshore construction campaign is expected to commence in May 2022
- Drilling: commenced with top holes completed on two of the four wells required for first gas

Results of Operations

All of our results, as presented in the table below, represent operations from Jubilee and TEN fields in Ghana, the U.S. Gulf of Mexico and Equatorial Guinea. Certain operating results and statistics for the three months ended March 31, 2022 and 2021 are included in the following tables:

	Three Months Ended March 31,	
	2022	2021
(In thousands, except per volume data)		
Sales volumes:		
Oil (MBbl)	6,348	3,068
Gas (MMcf)	1,004	1,325
Total (MBoe)	6,515	3,289
Total (Boepd)	72,393	36,543
Revenues:		
Oil sales	\$ 654,079	\$ 171,934
Gas sales	4,936	4,540
Total revenues	\$ 659,015	\$ 176,474
Average oil sales price per Bbl	\$ 103.04	\$ 56.04
Average gas sales price per Mcf	4.92	3.43
Average total sales price per Boe	101.15	53.66
Costs:		
Oil and gas production, excluding workovers	\$ 121,223	\$ 42,492
Oil and gas production, workovers	3,480	3,260
Total oil and gas production costs	\$ 124,703	\$ 45,752
Depletion, depreciation and amortization	\$ 158,969	\$ 76,541
Average cost per Boe:		
Oil and gas production, excluding workovers	\$ 18.61	\$ 12.92
Oil and gas production, workovers	0.53	0.99
Total oil and gas production costs	19.14	13.91
Depletion, depreciation and amortization	24.40	23.27
Total	\$ 43.54	\$ 37.18

The following table shows the number of wells in the process of being drilled or in active completion stages, and the number of wells suspended or waiting on completion as of March 31, 2022:

	Actively Drilling or Completing				Wells Suspended or Waiting on Completion			
	Exploration		Development		Exploration		Development	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Ghana								
Jubilee Unit	—	—	1	0.39	—	—	8	3.09
TEN	—	—	—	—	—	—	5	1.02
Equatorial Guinea								
Block S	—	—	—	—	1	0.40	—	—
Okume	—	—	—	—	—	—	1	0.43
U.S. Gulf of Mexico								
Winterfell	—	—	—	—	2	0.44	—	—
Kodiak 727 #3	—	—	1	0.29	—	—	—	—
Mauritania / Senegal								
Mauritania C8	—	—	—	—	2	0.56	—	—
Greater Tortue Ahmeyim Unit	—	—	—	—	3	0.80	1	0.27
Senegal Cayar Profond	—	—	—	—	3	0.90	—	—
Total	—	—	2	0.68	11	3.10	15	4.81

The discussion of the results of operations and the period-to-period comparisons presented below analyze our historical results. The following discussion may not be indicative of future results.

Three months ended March 31, 2022 compared to three months ended March 31, 2021

	Three Months Ended March 31,		Increase (Decrease)
	2022	2021	
(In thousands)			
Revenues and other income:			
Oil and gas revenue	\$ 659,015	\$ 176,474	\$ 482,541
Gain on sale of assets	—	26	(26)
Other income, net	52	70	(18)
Total revenues and other income	659,067	176,570	482,497
Costs and expenses:			
Oil and gas production	124,703	45,752	78,951
Facilities insurance modifications, net	7,136	671	6,465
Exploration expenses	11,876	8,181	3,695
General and administrative	25,793	22,441	3,352
Depletion, depreciation and amortization	158,969	76,541	82,428
Interest and other financing costs, net	33,139	24,528	8,611
Derivatives, net	282,172	102,461	179,711
Other expenses, net	2,426	3,468	(1,042)
Total costs and expenses	646,214	284,043	362,171
Income (loss) before income taxes	12,853	(107,473)	120,326
Income tax expense (benefit)	11,453	(16,705)	28,158
Net income (loss)	\$ 1,400	\$ (90,768)	\$ 92,168

Oil and gas revenue. Oil and gas revenue increased by \$482.5 million during the three months ended March 31, 2022, as compared to the three months ended March 31, 2021 primarily as a result of higher average realized oil prices and increased sales volumes related to the timing of liftings in Ghana and Equatorial Guinea and our acquisition of additional interests in Ghana during the fourth quarter of 2021. We sold 6,515 MBoe at an average realized price per barrel equivalent of \$101.15 during the three months ended March 31, 2022 and 3,289 MBoe at an average realized price per barrel equivalent of \$53.66 during the three months ended March 31, 2021.

Oil and gas production. Oil and gas production costs increased by \$79.0 million during the three months ended March 31, 2022, as compared to the three months ended March 31, 2021 primarily as a result of higher overall sales volumes across our portfolio and field production mix in our international business units.

Exploration expenses. Exploration expenses increased by \$3.7 million during the three months ended March 31, 2022, as compared to the three months ended March 31, 2021 primarily as result of higher geological, geophysical, and seismic costs in the U.S. Gulf of Mexico and Mauritania and Senegal business units.

Depletion, depreciation and amortization. Depletion, depreciation and amortization increased \$82.4 million during the three months ended March 31, 2022, as compared with the three months ended March 31, 2021 primarily as a result of higher overall sales volumes during the quarter.

Interest and other financing costs, net. Interest and other financing costs, net increased \$8.6 million during the three months ended March 31, 2022, as compared with the three months ended March 31, 2021 primarily as a result of increased interest expense on the 7.750% Senior Notes and the 7.500% Senior Notes issued during 2021 partially offset by increased capitalized interest related to the Greater Tortue Ahmeyim project.

Derivatives, net. During the three months ended March 31, 2022 and 2021, we recorded a loss of \$282.2 million and a loss of \$102.5 million, respectively, on our outstanding hedge positions. The amounts recorded were a result of changes in the forward oil price curve during the respective periods.

Income tax expense (benefit). For the three months ended March 31, 2022 and 2021, our overall effective tax rates were impacted by the difference in our 21% U.S. income tax reporting rate and the 35% statutory tax rates applicable to our Ghanaian and Equatorial Guinean operations, jurisdictions that have a 0% statutory tax rate or where we have incurred losses and have recorded valuation allowances against the corresponding deferred tax assets, and other non-deductible expenses, primarily in the U.S.

Liquidity and Capital Resources

We are actively engaged in an ongoing process of anticipating and meeting our funding requirements related to our strategy as a full-cycle exploration and production company. We have historically met our funding requirements through cash flows generated from our operating activities and obtained additional funding from issuances of equity and debt, as well as partner carries.

Current oil prices are volatile and could negatively impact our ability to generate sufficient operating cash flows to meet our funding requirements. This volatility could result in wide fluctuations in future oil prices, which could impact our ability to comply with our financial covenants. To partially mitigate this price volatility, we maintain an active hedging program and review our capital spending program on a regular basis. Our investment decisions are based on longer-term commodity prices based on the nature of our projects and development plans. Current commodity prices, combined with our hedging program, partner carries and our current liquidity position support our remaining capital program for 2022.

Sources and Uses of Cash

The following table presents the sources and uses of our cash and cash equivalents and restricted cash for the three months ended March 31, 2022 and 2021:

	Three Months Ended March 31,	
	2022	2021
(In thousands)		
Sources of cash, cash equivalents and restricted cash:		
Net cash provided by (used in) operating activities	\$ 329,628	\$ (46,626)
Net proceeds from issuance of senior notes	—	444,375
Borrowings under long-term debt	—	100,000
Proceeds on sale of assets	118,222	631
	<u>447,850</u>	<u>498,380</u>
Uses of cash, cash equivalents and restricted cash:		
Oil and gas assets	108,834	128,802
Notes receivable from partners	—	22,416
Payments on long-term debt	107,500	350,000
Purchase of treasury stock	2,753	1,018
Dividends	642	430
Deferred financing costs	5,738	1,034
	<u>225,467</u>	<u>503,700</u>
Increase (decrease) in cash, cash equivalents and restricted cash	<u>\$ 222,383</u>	<u>\$ (5,320)</u>

Net cash provided by (used in) operating activities. Net cash provided by operating activities for the three months ended March 31, 2022 was \$329.6 million compared with net cash used in operating activities for the three months ended March 31, 2021 of \$46.6 million. The increase in cash provided by operating activities in the three months ended March 31, 2022 when compared to the same period in 2021 is primarily a result of increased sales volumes and higher oil prices.

The following table presents our net debt and liquidity as of March 31, 2022:

	March 31, 2022
	(In thousands)
Cash and cash equivalents	\$ 337,834
Restricted cash	59,445
7.125% Senior Notes	650,000
7.750% Senior Notes	400,000
7.500% Senior Notes	450,000
Borrowings under the Facility	900,000
Borrowings under the GoM Term Loan	167,500
Net debt	\$ 2,170,221
Availability under the Facility(1)	\$ 335,155
Availability under the Corporate Revolver	\$ 250,000
Available borrowings plus cash and cash equivalents	\$ 922,989

(1) In April 2022, the commitments under the Facility were increased to \$1.25 billion and the availability under the Facility to \$350.0 million.

Capital Expenditures and Investments

We expect to incur capital costs as we:

- drill additional infill wells and execute exploitation and production activities in Ghana, Equatorial Guinea and the U.S. Gulf of Mexico;
- execute infrastructure-led exploration and appraisal efforts in the U.S. Gulf of Mexico and Equatorial Guinea; and
- execute appraisal and development activities in Mauritania and Senegal.

We have relied on a number of assumptions in budgeting for our future activities. These include the number of wells we plan to drill, our participating, paying and carried interests in our prospects including disproportionate payment amounts, the costs involved in developing or participating in the development of a prospect, the timing of third-party projects, the availability of suitable equipment and qualified personnel and our cash flows from operations. We also evaluate potential corporate and asset acquisition opportunities to support and expand our asset portfolio which may impact our budget assumptions. These assumptions are inherently subject to significant business, political, economic, regulatory, health, environmental and competitive uncertainties, contingencies and risks, all of which are difficult to predict and many of which are beyond our control. We may need to raise additional funds more quickly if market conditions deteriorate, or one or more of our assumptions proves to be incorrect, or if we choose to expand our acquisition, exploration, appraisal, development efforts or any other activity more rapidly than we presently anticipate. We may decide to raise additional funds before we need them if the conditions for raising capital are favorable. We may seek to sell assets, equity or debt securities or obtain additional bank credit facilities. The sale of equity securities could result in dilution to our shareholders. The incurrence of additional indebtedness could result in increased fixed obligations and additional covenants that could restrict our operations.

2022 Capital Program

We estimate we will spend around \$670 million of capital for the year ending December 31, 2022, excluding any acquisitions or divestiture of oil and gas properties during the year. This capital expenditure budget consists of:

- Approximately \$225-\$275 million related to maintenance activities across our Ghana, Equatorial Guinea and U.S. Gulf of Mexico assets, including infill development drilling and integrity spend
- Approximately \$100-\$140 million related to growth activities across our Ghana, Equatorial Guinea and U.S. Gulf of Mexico assets, primarily pre-investment for infrastructure required to support production growth in 2023 and beyond

- Approximately \$250 million related to development of Phase 1 of GTA, net of the FPSO transaction benefit
- Approximately \$50 million related to progressing the appraisal plans of our greater gas resource in Mauritania and Senegal, including Phase 2 of GTA, BirAllah and Yakaar-Teranga.

Through March 31, 2022, we have spent approximately \$100.5 million on capital expenditures, excluding the offsetting impact of the proceeds received for the Tullow pre-empt transaction.

The ultimate amount of capital we will spend may fluctuate materially based on market conditions and the success of our exploitation and drilling results among other factors. Our future financial condition and liquidity will be impacted by, among other factors, our level of production of oil and the prices we receive from the sale of oil, our ability to effectively hedge future production volumes, the success of our multi-faceted infrastructure-led exploration and appraisal drilling programs, the number of commercially viable oil and natural gas discoveries made and the quantities of oil and natural gas discovered, the speed with which we can bring such discoveries to production, our partners' alignment with respect to capital plans, and the actual cost of exploitation, exploration, appraisal and development of our oil and natural gas assets, and coverage of any claims under our insurance policies.

Significant Sources of Capital

Facility

The Facility supports our oil and gas exploration, appraisal and development programs and corporate activities with a borrowing base calculation that includes value related to the Jubilee, TEN, Ceiba and Okume fields, however, the additional interests in Jubilee and TEN acquired in the October 2021 acquisition of Anadarko WCTP are not included in the borrowing base calculation. During the first quarter of 2022, the Company made principal repayments totaling \$100.0 million on the Facility. In April 2022, during the Spring 2022 redetermination, the Company's lending syndicate approved a borrowing base capacity in excess of the facility size of \$1.25 billion. As of March 31, 2022, borrowings under the Facility totaled \$900.0 million and the undrawn availability under the facility was \$335.2 million. In April 2022, the Company made a voluntary early principal repayment of an additional \$100 million with the proceeds from the Tullow pre-emption transaction. See Note 3 — Acquisitions and Divestitures. Accordingly, \$100 million of the total \$900.0 million of borrowings under the Facility have been classified within Current maturities of long-term debt on our consolidate balance sheet as of March 31, 2022.

The Facility provides a revolving credit and letter of credit facility. The availability period for the revolving credit facility expires one month prior to the final maturity date. The letter of credit facility expires on the final maturity date. The available facility amount is subject to borrowing base constraints and, beginning on March 31, 2024, outstanding borrowings will be constrained by an amortization schedule. The Facility has a final maturity date of March 31, 2027. As of March 31, 2022, we had no letters of credit issued under the Facility.

We have the right to cancel all the undrawn commitments under the amended and restated Facility. The amount of funds available to be borrowed under the Facility, also known as the borrowing base amount, is determined every March and September. The borrowing base amount is based on the sum of the net present values of net cash flows and relevant capital expenditures reduced by certain percentages as well as value attributable to certain assets' reserves and/or resources in Ghana and Equatorial Guinea, however, excludes the additional interests in Jubilee and TEN acquired in the recent acquisition of Anadarko WCTP.

If an event of default exists under the Facility, the lenders can accelerate the maturity and exercise other rights and remedies, including the enforcement of security granted pursuant to the Facility over certain asset. We were in compliance with the financial covenants contained in the Facility as of March 31, 2022 (the most recent assessment date). The Facility contains customary cross default provisions.

Corporate Revolver

On March 31, 2022, we refinanced the Corporate Revolver by replacing it with a new revolving credit facility agreement resulting in the following changes to the terms:

- The total size of the Corporate Revolver is reduced from \$400 million to \$250 million.
- The maturity date is extended from May 2022 to December 31, 2024.

- Borrowings under the Corporate Revolver now bear interest at a rate equal to the secured overnight financing rate administered by the Federal Reserve Bank of New York plus a credit adjustment spread plus a 7.0% margin plus mandatory costs, if applicable.
- Addition of a negative pledge covenant over the participating interests held by the Company's wholly-owned subsidiary, Kosmos Energy Ghana Investments, in the WCTP and DT blocks offshore Ghana.
- As the Corporate Revolver is intended to continue to largely remain undrawn, the Company is required to use the proceeds from any capital markets and loan transactions to first repay any drawn outstanding balance under the Corporate Revolver and the Company is subject to a cash sweep of at least 50% of the Company's Excess Cash (as defined in the Corporate Revolver) to pay outstanding balances as of March 31 or September 30 in any calendar year.

The Corporate Revolver is available for general corporate purposes and for oil and gas exploration, appraisal and development programs. The Company expects the reduced Corporate Revolver size to offset an increase in the margin, resulting in slightly lower interest expenses going forward. As of March 31, 2022, there were no outstanding borrowings under the Corporate Revolver and the undrawn availability was \$250.0 million.

The available amount is not subject to borrowing base constraints. We have the right to cancel all the undrawn commitments under the Corporate Revolver. We are required to repay certain amounts due under the Corporate Revolver with sales of certain subsidiaries or sales of certain assets. If an event of default exists under the Corporate Revolver, the lenders can accelerate the maturity and exercise other rights and remedies, including the enforcement of security granted pursuant to the Corporate Revolver over certain assets held by us.

We were in compliance with the financial covenants contained in the Corporate Revolver as of March 31, 2022 (the most recent assessment date). The Corporate Revolver contains customary cross default provisions.

The U.S. and many foreign economies continue to experience uncertainty driven by varying macroeconomic conditions. Although some of these economies have shown signs of improvement, macroeconomic recovery remains uneven. Uncertainty in the macroeconomic environment and associated global economic conditions have resulted in extreme volatility in credit, equity, and foreign currency markets, including the European sovereign debt markets and volatility in various other markets. If any of the financial institutions within our Facility or Corporate Revolver are unable to perform on their commitments, our liquidity could be impacted. We actively monitor all of the financial institutions participating in our Facility and Corporate Revolver. None of the financial institutions have indicated to us that they may be unable to perform on their commitments. In addition, we periodically review our banking and financing relationships, considering the stability of the institutions and other aspects of the relationships. Based on our monitoring activities, we currently believe our banks will be able to perform on their commitments.

Senior Notes

We have three series of senior notes outstanding, which we collectively referred to as the "Senior Notes." Our 7.125% Senior Notes mature on April 4, 2026, and interest is payable on the 7.125% Senior Notes each April 4 and October 4. Our 7.500% Senior Notes mature on March 1, 2028, and interest is payable on the 7.500% Senior Notes each March 1 and September 1. Our 7.750% Senior Notes mature on May 1, 2027, and interest is payable on the 7.750% Senior Notes each May 1 and November 1.

The Senior Notes are senior, unsecured obligations of Kosmos Energy Ltd. and rank equally in right of payment with all of its existing and future senior indebtedness (including all borrowings under the Corporate Revolver) and rank effectively junior in right of payment to all of its existing and future secured indebtedness (including all borrowings under the Facility and the GoM Term Loan). The Senior Notes are jointly and severally guaranteed on a senior, unsecured basis by certain subsidiaries owning the Company's U.S. Gulf of Mexico assets and the interests acquired in the Anadarko WCTP Acquisition, and on a subordinated, unsecured basis by entities that borrow under, or guarantee, our Facility.

GoM Term Loan

In September 2020, the Company entered into a five-year \$200.0 million senior secured term-loan credit agreement secured against the Company's U.S. Gulf of Mexico assets with net proceeds received of \$197.7 million after deducting fees and other expenses. The GoM Term Loan also includes an accordion feature providing for incremental commitments of up to \$100.0 million subject to certain conditions. As of March 31, 2022, borrowings under the GoM Term Loan totaled \$167.5

million. As of March 31, 2022, \$30.0 million of the total \$167.5 million outstanding under the GoM Term Loan have been classified within Current maturities of long-term debt on our consolidated balance sheet.

The GoM Term Loan contains customary affirmative and negative covenants, including covenants that affect our ability to incur additional indebtedness, create liens, merge, dispose of assets, and make distributions, dividends, investments or capital expenditures, among other things. The GoM Term Loan is guaranteed on a senior, secured basis by certain subsidiaries owning the Company's U.S. Gulf of Mexico assets.

The GoM Term Loan includes certain representations and warranties, indemnities and events of default that, subject to certain materiality thresholds and grace periods, arise as a result of a payment default, failure to comply with covenants, material inaccuracy of representation or warranty, and certain bankruptcy or insolvency proceedings. If there is an event of default, all or any portion of the outstanding indebtedness may be immediately due and payable and other rights may be exercised including against the collateral.

Contractual Obligations

The following table summarizes by period the payments due for our estimated contractual obligations as of March 31, 2022 and the weighted average interest rates expected to be paid on the Facility, Corporate Revolver and GoM Term Loan given current contractual terms and market conditions, and the instrument's estimated fair value. Weighted-average interest rates are based on implied forward rates in the yield curve at the reporting date. This table does not include amortization of deferred financing costs.

	Years Ending December 31,						Total(3)	Asset (Liability) Fair Value at March 31, 2022
	2022(2)	2023	2024	2025	2026	Thereafter		
(In thousands, except percentages)								
Fixed rate debt:								
7.125% Senior Notes	\$ —	\$ —	\$ —	\$ —	\$ 650,000	\$ —	\$ 650,000	\$ 638,248
7.750% Senior Notes	—	—	—	—	—	400,000	400,000	394,004
7.500% Senior Notes	—	—	—	—	—	450,000	450,000	432,666
Variable rate debt:								
Weighted average interest rate	5.42 %	6.61 %	6.87 %	6.62 %	6.82 %	7.03 %		
Facility(1)	\$ 100,000	\$ —	\$ 107,785	\$ 242,977	\$ 289,350	\$ 159,888	\$ 900,000	\$ 900,000
GoM Term Loan	22,500	30,000	30,000	85,000	—	—	167,500	167,500
Total principal debt repayments(1)	\$ 122,500	\$ 30,000	\$ 137,785	\$ 327,977	\$ 939,350	\$ 1,009,888	\$ 2,567,500	
Interest & commitment fee payments on long-term debt	144,337	183,429	179,550	154,354	109,312	68,982	839,964	
Operating leases(4)	2,997	4,065	4,136	4,207	4,278	10,866	30,549	

(1) The amounts included in the table represent principal maturities only. The scheduled maturities of debt related to the Facility are based on the level of borrowings and the available borrowing base as of March 31, 2022. Any increases or decreases in the level of borrowings or increases or decreases in the available borrowing base would impact the scheduled maturities of debt during the next five years and thereafter. In April 2022, the Company made a voluntary early principal repayment of an additional \$100.0 million with the proceeds from the Tullow pre-emption transaction. See Note 3 — Acquisitions and Divestitures. Accordingly, \$100.0 million of the total \$900.0 million of borrowings under the Facility have been classified within Current maturities of long-term debt on our consolidated balance sheet as of March 31, 2022.

(2) Represents the period April 1, 2022 through December 31, 2022.

(3) Does not include our share of operator's purchase commitments for jointly owned fields and facilities where we are not the operator and excludes commitments for exploration activities, including well commitments and seismic obligations, in our petroleum contracts. The Company's liabilities for asset retirement obligations associated with the dismantlement, abandonment and restoration costs of oil and gas properties are not included. See Note 14 — Additional Financial Information for additional information regarding these liabilities.

(4) Primarily relates to corporate and foreign office leases.

We currently have a commitment to drill one exploration well in Mauritania and a \$200.2 million FPSO Contract Liability related to the deferred sale of the Greater Tortue FPSO.

Critical Accounting Policies

We consider accounting policies related to our revenue recognition, exploration and development costs, receivables, income taxes, derivative instruments and hedging activities, estimates of proved oil and natural gas reserves, asset retirement obligations, leases and impairment of long-lived assets as critical accounting policies. The policies include significant estimates made by management using information available at the time the estimates are made. However, these estimates could change materially if different information or assumptions were used. Other than items discussed in Note 2 — Accounting Policies, there have been no changes to our critical accounting policies which are summarized in “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” section in our annual report on Form 10-K, for the year ended December 31, 2021.

Cautionary Note Regarding Forward-looking Statements

This quarterly report on Form 10-Q contains estimates and forward-looking statements, principally in “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” Our estimates and forward-looking statements are mainly based on our current expectations and estimates of future events and trends, which affect or may affect our businesses and operations. Although we believe that these estimates and forward-looking statements are based upon reasonable assumptions, they are subject to several risks and uncertainties and are made in light of information currently available to us. Many important factors, in addition to the factors described in our quarterly report on Form 10-Q and our annual report on Form 10-K, may adversely affect our results as indicated in forward-looking statements. You should read this quarterly report on Form 10-Q, the annual report on Form 10-K and the documents that we have filed with the Securities and Exchange Commission completely and with the understanding that our actual future results may be materially different from what we expect. Our estimates and forward-looking statements may be influenced by the following factors, among others:

- the impact of the COVID-19 pandemic on the Company and the overall business environment;
- the impact of Russia’s invasion of Ukraine and the effects it has on the oil and gas industry as a whole, including increased volatility with respect to oil, natural gas and NGL prices and operating and capital expenditures
- our ability to find, acquire or gain access to other discoveries and prospects and to successfully develop and produce from our current discoveries and prospects;
- uncertainties inherent in making estimates of our oil and natural gas data;
- the successful implementation of our and our block partners’ prospect discovery and development and drilling plans;
- projected and targeted capital expenditures and other costs, commitments and revenues;
- termination of or intervention in concessions, rights or authorizations granted to us by the governments of the countries in which we operate (or their respective national oil companies) or any other federal, state or local governments or authorities;
- our dependence on our key management personnel and our ability to attract and retain qualified technical personnel;
- the ability to obtain financing and to comply with the terms under which such financing may be available;
- the volatility of oil, natural gas and NGL prices, as well as our ability to implement hedges addressing such volatility on commercially reasonable terms;
- the availability, cost, function and reliability of developing appropriate infrastructure around and transportation to our discoveries and prospects;
- the availability and cost of drilling rigs, production equipment, supplies, personnel and oilfield services;
- other competitive pressures;
- potential liabilities inherent in oil and natural gas operations, including drilling and production risks and other operational and environmental risks and hazards;
- current and future government regulation of the oil and gas industry or regulation of the investment in or ability to do business with certain countries or regimes;
- cost of compliance with laws and regulations;
- changes in, or new, environmental, health and safety or climate change or GHG laws, regulations and executive orders, or the implementation, or interpretation, of those laws, regulations and executive orders;
- adverse effects of sovereign boundary disputes in the jurisdictions in which we operate;
- environmental liabilities;
- geological, geophysical and other technical and operations problems, including drilling and oil and gas production and processing;

- military operations, civil unrest, outbreaks of disease, terrorist acts, wars or embargoes;
- the cost and availability of adequate insurance coverage and whether such coverage is enough to sufficiently mitigate potential losses and whether our insurers comply with their obligations under our coverage agreements;
- our vulnerability to severe weather events, including tropical storms and hurricanes in the Gulf of Mexico;
- our ability to meet our obligations under the agreements governing our indebtedness;
- the availability and cost of financing and refinancing our indebtedness;
- the amount of collateral required to be posted from time to time in our hedging transactions, letters of credit, performance bonds and other secured debt;
- the result of any legal proceedings, arbitrations, or investigations we may be subject to or involved in;
- our success in risk management activities, including the use of derivative financial instruments to hedge commodity and interest rate risks; and
- other risk factors discussed in the “Item 1A. Risk Factors” section of our quarterly reports on Form 10-Q and our annual report on Form 10-K.

The words “believe,” “may,” “will,” “aim,” “estimate,” “continue,” “anticipate,” “intend,” “expect,” “plan” and similar words are intended to identify estimates and forward-looking statements. Estimates and forward-looking statements speak only as of the date they were made, and, except to the extent required by law, we undertake no obligation to update or to review any estimate and/or forward-looking statement because of new information, future events or other factors. Estimates and forward-looking statements involve risks and uncertainties and are not guarantees of future performance. As a result of the risks and uncertainties described above, the estimates and forward-looking statements discussed in this quarterly report on Form 10-Q might not occur, and our future results and our performance may differ materially from those expressed in these forward-looking statements due to, including, but not limited to, the factors mentioned above. Because of these uncertainties, you should not place undue reliance on these forward-looking statements.

Item 3. Qualitative and Quantitative Disclosures About Market Risk

The primary objective of the following information is to provide forward-looking quantitative and qualitative information about our potential exposure to market risks. The term “market risks” as it relates to our currently anticipated transactions refers to the risk of loss arising from changes in commodity prices and interest rates. These disclosures are not meant to be precise indicators of expected future losses, but rather indicators of reasonably possible losses. This forward-looking information provides indicators of how we view and manage ongoing market risk exposures. We enter into market-risk sensitive instruments for purposes other than to speculate.

We manage market and counterparty credit risk in accordance with our policies. In accordance with these policies and guidelines, our management determines the appropriate timing and extent of derivative transactions. See “Item 8. Financial Statements and Supplementary Data — Note 2 — Accounting Policies, Note 9 — Derivative Financial Instruments and Note 10— Fair Value Measurements” section of our annual report on Form 10-K for a description of the accounting procedures we follow relative to our derivative financial instruments.

The following table reconciles the changes that occurred in fair values of our open derivative contracts during the three months ended March 31, 2022:

	Derivative Contracts Assets (Liabilities)
	Commodities
	(In thousands)
Fair value of contracts outstanding as of December 31, 2021	\$ (66,315)
Changes in contract fair value	(290,806)
Contract maturities	93,050
Fair value of contracts outstanding as of March 31, 2022	<u>\$ (264,071)</u>

Commodity Price Risk

The Company's revenues, earnings, cash flows, capital investments and, ultimately, future rate of growth are highly dependent on the prices we receive for our crude oil, which have historically been very volatile. Substantially all of our oil sales are indexed against Dated Brent, and Heavy Louisiana Sweet. Oil prices in the first three months of 2022 ranged between \$78.99 and \$137.64 per Bbl for Dated Brent, with Heavy Louisiana Sweet experiencing similar volatility during the first three months of 2022.

Commodity Derivative Instruments

We enter into various oil derivative contracts to mitigate our exposure to commodity price risk associated with anticipated future oil production. These contracts currently consist of collars, put options and call options. In regards to our obligations under our various commodity derivative instruments, if our production does not exceed our existing hedged positions, our exposure to our commodity derivative instruments would increase. In addition, a reduction in our ability to access credit could reduce our ability to implement derivative contracts on commercially reasonable terms.

Commodity Price Sensitivity

The following table provides information about our oil derivative financial instruments that were sensitive to changes in oil prices as of March 31, 2022. Volumes and weighted average prices are net of any offsetting derivatives entered into.

Term	Type of Contract	Index	MBbl	Weighted Average Price per Bbl			Asset (Liability) Fair Value at March 31, 2022(2)	
				Net Deferred Premium Payable/ (Receivable)	Sold Put	Floor		Ceiling
2022:								
Apr — Dec	Three-way collars	Dated Brent	3,375	\$ 0.64	\$ 43.33	\$ 56.67	\$ 76.91	\$ (85,675)
Apr — Dec	Three-way collars	NYMEX WTI	750	1.45	50.00	65.00	85.00	(11,149)
Apr — Dec	Two-way collars	Dated Brent	5,000	1.15	—	63.25	84.00	(100,470)
Apr — Dec	Sold calls(1)	Dated Brent	1,186	—	—	—	60.00	(46,964)
2023:								
Jan — Dec	Three-way collars	Dated Brent	2,000	0.92	47.50	65.00	95.25	(19,813)

(1) Represents call option contracts sold to counterparties to enhance other derivative positions

(2) Fair values are based on the average forward oil prices on March 31, 2022.

At March 31, 2022, our open commodity derivative instruments were in a net liability position of \$264.1 million. As of March 31, 2022, a hypothetical 10% price increase in the commodity futures price curves would decrease future pre-tax earnings by approximately \$97.3 million. Similarly, a hypothetical 10% price decrease would increase future pre-tax earnings by approximately \$98.3 million.

Interest Rate Sensitivity

Changes in market interest rates affect the amount of interest we pay on certain of our borrowings. Outstanding borrowings under the Facility and GoM Term Loan, which as of March 31, 2022 total \$1.1 billion and have a weighted average interest rate of 4.5%, are subject to variable interest rates which expose us to the risk of earnings or cash flow loss due to potential increases in market interest rates. If the floating market rate increased 10% at this level of floating rate debt, we would pay an estimated additional \$0.5 million interest expense per year. The commitment fees on the undrawn availability under the Facility and the Corporate Revolver are not subject to changes in interest rates. All of our other long-term indebtedness is fixed rate and does not expose us to the risk of cash flow loss due to changes in market interest rates. Additionally, a change in the market interest rates could impact interest costs associated with future debt issuances or any future borrowings.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this report, an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) was performed under the supervision and with the participation of the Company's management, including our Chief Executive Officer and Chief Financial Officer. This evaluation considered the various processes carried out under the direction of our disclosure committee in an effort to ensure that information required to be disclosed in the SEC reports we file or submit under the Exchange Act is accurate, complete and timely. However, a control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. The design of a control system must reflect the fact that there are resource constraints, and the benefit of controls must be considered relative to their costs. Consequently, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our company have been detected. Based upon this evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of March 31, 2022, in ensuring that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, including that such information is accumulated and communicated to the Company's management, including our Chief Executive Officer and our Chief Financial Officer, to allow timely decisions regarding required disclosure.

Evaluation of Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during our most recent fiscal quarter that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

There have been no material changes from the information concerning legal proceedings discussed in the "Item 3. Legal Proceedings" section of our annual report on Form 10-K.

Item 1A. Risk Factors

There have been no material changes from the risks discussed in the "Item 1A. Risk Factors" section of our annual report on Form 10-K for the year ended December 31, 2021, other than as set forth below.

The following risk factor is being supplemented with the addition of the following language:

Our business, operations and financial condition may be directly and indirectly adversely affected by political, economic, and environmental circumstances, and changes in laws and regulations, in the countries and regions in which we operate.

Countries outside the geographic areas where we operate have also experienced political instability in the past or are currently experiencing instability. This instability may impact us by causing volatility in the global prices for oil and natural gas and could potentially result in challenges in our global supply chain. For example, we note the recent invasion of Ukraine by Russia. Although we have not experienced any material direct or indirect impacts to our operations as a result of the invasion nor do we have any operations in the region, these events have caused global price volatility for oil and natural gas, and they may cause equipment or services to become more difficult or more expensive to procure as a consequence of, among other things, the imposition of economic sanctions by countries with jurisdiction over us or our service and equipment providers.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information.

There have been no material changes required to be reported under this Item that have not previously been disclosed in the annual report on Form 10-K.

Item 6. Exhibits

The information required by this Item 6 is set forth in the Index to Exhibits accompanying this quarterly report on Form 10-Q.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

		Kosmos Energy Ltd. (Registrant)
Date	<u>May 9, 2022</u>	<u>/s/ NEAL D. SHAH</u> Neal D. Shah Senior Vice President and Chief Financial Officer (Principal Financial Officer)

INDEX OF EXHIBITS

Exhibit Number	Description of Document
10.1	Revolving Credit Facility Agreement, dated March 31, 2022, among Kosmos Energy Ltd., as Original Borrower, certain of its subsidiaries listed therein, as Guarantors, ING Bank N.V., as Facility Agent, Crédit Agricole Corporate and Investment Bank, as Security and Intercreditor Agent, and the financial institutions listed therein, as Lenders.
31.1	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document

EXECUTION VERSION

KOSMOS ENERGY LTD.

as Original Borrower

- and -

THE ENTITIES LISTED IN SCHEDULE 1

as Guarantors

- and -

**SOCIETE GENERALE, LONDON BRANCH, THE STANDARD BANK OF SOUTH AFRICA LIMITED, N.B.S.A. LIMITED, STANDARD
CHARTERED BANK, NATIXIS, BARCLAYS BANK PLC, BANK OF AMERICA, N.A., LONDON BRANCH, ECOBANK GHANA PLC,**

GLENCORE ENERGY UK LTD.

as Mandated Lead Arrangers

- and -

ING BANK N.V.

as Facility Agent

- and -

CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK

as Security and Intercreditor Agent

- and -

THE FINANCIAL INSTITUTIONS LISTED IN SCHEDULE 2

as Original Lenders

US\$250,000,000 REVOLVING CREDIT FACILITY AGREEMENT

Slaughter and May
One Bunhill Row
London EC1Y 8YY
(SRG/SNLH/AEZB/NYA)

575228801

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THIS AGREEMENT is dated 31 March 2022 and made between:

- (1) **KOSMOS ENERGY LTD.**, a company incorporated under the laws of Delaware with registration number 7211582 and having its registered office at The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801 (the “**Original Borrower**”, the “**Company**” or “**KEL**”);
- (2) **THE ENTITIES** listed in Schedule 1 as guarantors (the “**Guarantors**”);
- (3) **SOCIETE GENERALE, LONDON BRANCH, THE STANDARD BANK OF SOUTH AFRICA LIMITED, N.B.S.A. LIMITED, STANDARD CHARTERED BANK, NATIXIS, BARCLAYS BANK PLC, BANK OF AMERICA, N.A., LONDON BRANCH, ECOBANK GHANA PLC, GLENCORE ENERGY UK LTD.** as mandated lead arrangers of the Facility (each a “**Mandated Lead Arranger**” and together, the “**Mandated Lead Arrangers**”);
- (4) **THE FINANCIAL INSTITUTIONS** listed in Schedule 2 (*The Original Lenders*) as lenders;
- (5) **ING BANK N.V.** as facility agent of the Finance Parties under this Agreement (the “**Facility Agent**” which expression includes its successors in title and assigns); and
- (6) **CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK** as security and intercreditor agent for the Secured Parties on the terms and conditions set out in the Intercreditor Agreements (the “**Security and Intercreditor Agent**” which expression includes its successors in title and assigns or any person appointed as an additional trustee for the purposes of and in accordance with the Intercreditor Agreements).

INTRODUCTION

- (1) The Original Lenders have agreed to provide a revolving credit facility for loans of up to no more than USD 250 million.
- (2) The revolving credit facility agreement dated 23 November 2012 between, among others, Kosmos Energy Ltd. as Original Borrower, Crédit Agricole Corporate and Investment Bank as Security and Intercreditor Agent and ING Bank N.V. as Facility Agent (as amended from time to time, the “**Existing RCF Agreement**”) is being cancelled in full on or about the date of this Agreement.
- (3) This Agreement replaces the Existing RCF Agreement. Accordingly, this Agreement is the facility agreement referred to as the “**RCF Agreement**” in the Intercreditor Agreements and Deed of Guarantee.

IT IS AGREED as follows:

PART 1
INTERPRETATION

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

Each of the defined terms and interpretative provisions set out below and in the above list of parties to this Agreement shall apply to this Agreement and each Finance Document, unless an express contrary intention appears in that Finance Document.

"1992 ISDA Master Agreement" means the Master Agreement (Multicurrency Cross Border) as published by the International Swaps and Derivatives Association, Inc.

"2002 ISDA Master Agreement" means the 2002 Master Agreement as published by the International Swaps and Derivatives Association, Inc.

"Accession Letter" means a document substantially in the form set out in Schedule 6 (*Form of Accession Letter*).

"Accounting Reference Date" means 31 December of each calendar year.

"Additional Borrower" means a company which accedes to the terms of this Agreement as an additional borrower in accordance with clause 23.2 (*Additional Borrowers*).

"Additional Business Day" means any day specified as such in the Reference Rate Terms.

"Additional Commitment" has the meaning given to it in clause 3.2 (*Additional Commitments*).

"Additional Commitment Date" has the meaning given to that term in clause 3.2 (*Additional Commitments*).

"Additional Debt" means, in relation to any debt, any money, debt or liability due, owing or incurred under or in connection with:

- (A) any refinancing, deferral, novation or extension of that debt;
- (B) any further advance which may be made under any document, agreement or instrument supplemental to any relevant finance document together with any related interest, fees and costs;

- (C) any claim for damages or restitution in the event of rescission of that debt or otherwise in connection with any relevant finance document;
- (D) any claim against any Obligor flowing from any recovery by that Obligor or any liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer of a payment or discharge in respect of that debt on the grounds of preference or otherwise; and
- (E) any amount (such as post-insolvency interest) which would be included in any of the above but for any discharge, non-provability, unenforceability or non-allowability of the same in any insolvency or other proceedings.

"Additional Guarantor" means any Group member which becomes an Additional Guarantor in accordance with clause 23.4 (*Additional Guarantor*).

"Additional Lender" has the meaning given to that term in clause 3.2 (*Additional Commitments*).

"Additional Obligor" means an Additional Borrower or an Additional Guarantor.

"Affected Facility Agent" has the meaning given to that term in clause 24.13 (*Replacement of the Facility Agent*) of this Agreement.

"Affiliate" means, in relation to any person, a subsidiary of that person or a holding company of that person or any other subsidiary of that holding company and in relation to Natixis, also includes any members of the Banque Populaire and Caisse d'Epargne networks within the meaning of articles L.512-11, L.512-86 and L.512-106 of the French Monetary and Financial Code (Code Monétaire et Financier) and their respective branches and representation offices.

"Agent" means each of the Facility Agent and the Security and Intercreditor Agent and **"Agents"** shall be construed accordingly.

"Agreement" means this facility agreement as amended, supplemented or otherwise varied from time to time.

"Amendment Notice Period" has the meaning given it in clause 27.2 (*Accession to the Intercreditor Agreements*).

"Approved Accounting Principles" means US generally accepted accounting principles to the extent applicable to the relevant financial statements.

"Auditor" means:

- (A) with respect to any Obligor that is not incorporated in the European Union or the United Kingdom, any one of Deloitte LLP, Ernst & Young, PriceWaterhouse Coopers LLP or such other internationally recognised auditor as the Majority Lenders may approve from time to time (acting reasonably); and
- (B) with respect to any Obligor incorporated in the European Union or the United Kingdom, any firm appointed by that Obligor to act as its statutory auditor.

“Authorisation” means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

“Authorised Signatory” means, in relation to a company or other legal person:

- (A) one or more directors who are duly authorised whether singly or jointly, to act to bind that company or other legal person; or
- (B) a person or persons duly authorised by that company or other legal person to act to bind that company or other legal person.

“Authority” means any governmental, provincial or local government, department, authority, court, tribunal or other judicial or regulatory body, instrumentality or agency in any of the countries where a Borrower operates its business.

“Availability Period” means the period from and including the date of this Agreement to and including the date falling one Month before the Termination Date provided that if such date is not a Business Day, then it shall be deemed to be the immediately preceding Business Day.

“Available Commitment” means a Lender’s Commitment minus:

- (A) the amount of its participation in any outstanding Loans; and
- (B) in relation to any proposed Utilisation, the amount of its participation in any Loans that are due to be made on or before the proposed Utilisation Date,

other than that Lender’s participation in any Loans that are due to be repaid or prepaid on or before the proposed Utilisation Date.

“Available Facility” means the aggregate for the time being of each Lender’s Available Commitment.

“Bail-In Action” means the exercise of any Write-down and Conversion Powers.

“Bail-In Legislation” means:

- (A) in relation to an EEA Member Country which has implemented, or which at any time implements, Article 55 of Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms, the relevant implementing law or regulation as described in the EU Bail-In Legislation Schedule from time to time;
- (B) in relation to any state other than such an EEA Member Country and the United Kingdom, any analogous law or regulation from time to time which requires contractual recognition of any Write-down and Conversion Powers contained in that law or regulation; and
- (C) in relation to the United Kingdom, the UK Bail-in Legislation.

"Base Currency" has the meaning given to it in clause 28.7 (*Currency of account*).

"Basel II" has the meaning given to it in clause 14.3 (*Exceptions*).

"Basel III" means:

- (A) the agreements on capital requirements, a leverage ratio and liquidity standards contained in "Basel III: a global regulatory framework for more resilient banks and banking systems", "Basel III: international framework for liquidity risk measurement, standards and monitoring" and "Guidance for national authorities operating the countercyclical capital buffer" published by the Basel Committee on Banking Supervision in December 2010, each as amended, supplemented or restated;
- (B) the rules for global systemically important banks contained in "Global systemically important banks: assessment methodology and the additional loss absorbency requirement – Rules text" published by the Basel Committee on Banking Supervision in November 2011, as amended, supplemented or restated; and
- (C) any further guidance or standards published by the Basel Committee on Banking Supervision relating to "Basel III".

"BHC Act Affiliate" of a party means an "affiliate" (as such term is defined under, and interpreted in accordance with, Section 1841(k) of Title 12 of the United States Code) of such party.

"Beneficial Ownership Certification" shall mean a certification regarding beneficial ownership required by the Beneficial Ownership Regulation, which certification shall be substantially similar in form and substance to the form of Certification Regarding Beneficial Owners of Legal Entity Customers published jointly, in May 2018, by the Loan

Syndications and Trading Association and Securities Industry and Financial Markets Association.

"Beneficial Ownership Regulation" shall mean 31 C.F.R. § 1010.230.

"Borrower" means the Original Borrower or any Additional Borrower unless it has ceased to be a Borrower in accordance with clause 23 (*Changes to the Obligors*).

"Business Day" means a day (other than a Saturday or Sunday) when banks are open for business in London, Amsterdam, Johannesburg, Paris and New York and (in relation to: (i) any date for payment or purchase of an amount relating to a Loan or Unpaid Sum; or (ii) the determination of the first day or the last day of an Interest Period for a Loan or Unpaid Sum, or otherwise in relation to the determination of the length of such an Interest Period) which is an Additional Business Day relating to that Loan or Unpaid Sum.

"Calculation Date" means

- (A) 31 March and 30 September in each calendar year commencing on and from 31 March 2022; and
- (B) a date (selected by the Company) which is within 30 days before the occurrence of each of the following events:
 - (i) the issuance of HY Notes;
 - (ii) any increase of the "Total Available Facility Amount" (as defined in the RBL Facility Agreement) or any refinancing of the RBL Facility Agreement;
 - (iii) any increase of the amount available under the Facility or any refinancing of the Facility;
 - (iv) the incurrence by any member of the Group of any new Financial Indebtedness (but, for the avoidance of doubt, not including the refinancing of any existing Financial Indebtedness, except as provided for in paragraphs (ii) and (iii) above); or
 - (v) a Ghana Petroleum Agreement Small Sale Event.

"Calculation Trigger Event" means any event listed in paragraphs (B)(i) to (B)(v) of the definition of **"Calculation Date"**.

"Capital Markets and Loan Transaction" means:

- (A) a debt capital markets raising by the Company by way of bonds, notes or US private placement or a loan financing, other than:
- (i) debt which matures within one year after issuance; or
 - (ii) any refinancing of existing indebtedness of the Company, but not including such debt to the extent it exceeds the existing indebtedness of the Company being refinanced; or
- (B) an issue of any equity, hybrid or other securities by the Company to any person other than:
- (i) to another member of the Group;
 - (ii) in respect of securities issued to employees or officers of the Company or any other member of the Group;
 - (iii) a private issuance of equity not for cash consideration; or
 - (iv) in respect of securities which are in lieu of dividends.

"Cash Sweep Calculation Date" means 31 March and 30 September in each calendar year.

"Central Bank Rate" has the meaning given to that term in the Reference Rate Terms.

"Central Bank Rate Adjustment" has the meaning given to that term in the Reference Rate Terms.

"Change of Control" has the meaning given to that term in clause 8.3 (*Change of Control*) of this Agreement.

"Charged Property" means all of the assets which from time to time are, or are expressed to be, the subject of the Transaction Security.

"Code" means the US Internal Revenue Code of 1986.

"Commitment" means:

- (A) in relation to an Original Lender, the amount set opposite its name under the heading "Commitment" in Schedule 2 (*The Original Lenders*) of this Agreement and the amount of any other Commitment transferred to it, the amount of any Additional Commitment assumed by it pursuant to clause 3.2 (*Additional Commitments*) and the amount of any Commitment as increased pursuant to clause 37.2(B) (*Exceptions*); and

(B) in relation to any other Lender, the amount of any Commitment transferred to it, the amount of any Additional Commitment assumed by it pursuant to clause 3.2 (Additional Commitments) and the amount of any Commitment as increased pursuant to clause 37.2(B) (*Exceptions*),

to the extent not cancelled, reduced or transferred by it.

"Compliance Certificate" means a certificate substantially in the form set out in Schedule 8 (*Form of Compliance Certificate*) of this Agreement.

"Compounded Reference Rate" means, in relation to any RFR Banking Day during the Interest Period of a Loan, the percentage rate per annum which is the aggregate of:

- (A) the Daily Non-Cumulative Compounded RFR Rate for that RFR Banking Day; and
- (B) the applicable Credit Adjustment Spread.

"Compounding Methodology Supplement" means, in relation to the Daily Non-Cumulative Compounded RFR Rate or the Cumulative Compounded RFR Rate, a document which:

- (A) is agreed in writing by the Company, the Facility Agent (in its own capacity) and the Facility Agent (acting on the instructions of the Majority Lenders);
- (B) specifies a calculation methodology for that rate; and
- (C) has been made available to the Company and each Finance Party.

"Conditions Precedent" means the conditions precedent to initial utilisation of the Facility as set out in Part I of Schedule 3 (*Conditions Precedent*) of this Agreement.

"Confidentiality Undertaking" means a confidentiality undertaking substantially in the form set out in Schedule 9 (*Form of Confidentiality Undertaking*) of this Agreement or in any other form agreed between the Company and the Agent.

"Consolidated Cash and Cash Equivalents" means, in relation to the Group, at any time:

- (A) cash in hand or on deposit including, for the avoidance of doubt, restricted cash;
- (B) any investment in a liquidity fund, provided that such investment is capable of being withdrawn in cash on not more than 5 Business Days' notice;

- (C) certificates of deposit, maturing within one year after the relevant date of calculation;
- (D) any investment in marketable obligations in Sterling, US Dollar or Euro having not more than three Months to final maturity issued or guaranteed with a rating of A- or above by Standard and Poor's (or its equivalent by Moody's); and
- (E) any other instrument, security or investment approved in writing by the Majority Lenders.

"Consolidated Total Borrowings" means, in relation to the Group, at any time the aggregate of the following:

- (A) the outstanding principal amount of any Financial Indebtedness incurred;
- (B) any fixed or minimum premium payable on the repayment or redemption of any instrument referred to in paragraph (A) above; and
- (C) the outstanding principal amount of any indebtedness arising in connection with any other transaction (including any forward sale or purchase agreement) which has the commercial effect of a borrowing,

including any interest treated as capitalised under applicable Approved Accounting Principles but without double-counting and excluding the Consolidated Total Borrowings Exclusions and, for the avoidance of doubt, also excluding any such amount or indebtedness owed by one member of the Group to another member of the Group.

"Consolidated Total Borrowings Exclusions" means any Financial Indebtedness, premium or other amount owed by Kosmos Energy Senegal, Kosmos Energy Mauritania, Kosmos Energy Investments Senegal Limited or Kosmos Energy Tortue Finance (at any time when such entity is not a Ghana Obligor) or any of their direct or indirect subsidiaries which are not Ghana Obligors, any non-Ghana Obligor entities interposed between KEO and Kosmos Energy Senegal, Kosmos Energy Mauritania or Kosmos Energy Tortue Finance or any other non-Ghana Obligor entity (each a **"Relevant Entity"** and together, the **"Relevant Entities"**):

- (A) under any FPSO sale and leaseback transaction which is:
 - (i) incurred on a non-recourse basis or incurred with recourse to any one or more members of the Group which are not Ghana Obligors on an unsecured basis; and
 - (ii) entered into by that Relevant Entity in connection with its interest in the Greater Tortue Block Assets (as defined in the RBL Facility Agreement),

provided, however, that such transaction does not involve the taking of any security over any shares in any Ghana Obligor or any assets of any Ghana Obligor (other than shares in a Relevant Entity); or

(B) pursuant to any assignment of, or under any back to back financing of, carry advance agreements executed by Kosmos Energy Tortue Finance in favour of La Societe des Petroles du Senegal and/or Societe Mauritanienne des Hydrocarbures in respect of their interests in the Greater Tortue Contract Area (as defined in the RBL Facility Agreement) (the “**Carry Advance Agreements**”), provided such assignment or financing is:

- (i) incurred on a non-recourse basis;
- (ii) incurred with recourse only to a Relevant Entity or Relevant Entities, including with recourse to the shares in the Relevant Entity or Relevant Entities, on either a secured or an unsecured basis;
- (iii) incurred with recourse to any one or more members of the Group which are not Ghana Obligors on an unsecured basis; or
- (iv) any combination of the foregoing,

provided, however, that:

- (a) such assignment or back to back financing of the Carry Advance Agreements does not involve the taking of any security over any shares in any Ghana Obligor or any assets of any Ghana Obligor (other than shares in a Relevant Entity);
- (b) the amounts advanced under or in connection with any such assignment or financing shall only be used to reimburse or finance the applicable Group entity’s obligations under the Carry Advance Agreements; and
- (c) the aggregate amount in respect of any assignment or financing of the Carry Advance Agreements which is included in the calculation of Consolidated Total Borrowings Exclusions shall be capped at \$200 million, and any amounts in respect of any such assignment or financing of the Carry Advance Agreements in excess of such cap shall be included in the calculation of Consolidated Total Borrowings.

“**Consolidated Total Net Borrowings**” means, for any Measurement Period, Consolidated Total Borrowings less Consolidated Cash and Cash Equivalents each as at the last day of that Measurement Period.

“Contractor” means the contractor under the WCTP PA and the DWT PA respectively from time to time.

“Controlled Group” means all persons (as defined in Section 3(9) of ERISA) which are under common control or treated as a single employer with an Obligor under Section 414 of the Internal Revenue Code (and when any provision of this Agreement relates to a past event, the term "member of the Controlled Group" includes any person that was a member of the Controlled Group at the time of that past event).

“Covered Entity” means any of the following:

- (A) a "covered entity" as that term is defined in, and interpreted in accordance with, Section 252.82(b) of Title 12 of the United States Code of Federal Regulations;
- (B) a "covered bank" as that term is defined in, and interpreted in accordance with, Section 47.3(b) of Title 12 of the United States Code of Federal Regulations; or
- (C) a "covered FSI" as that term is defined in, and interpreted in accordance with, Section 382.2(b) of Title 12 of the United States Code of Federal Regulations.

“Covered Party” has the meaning given to it in clause 44(A) (*Acknowledgement Regarding Any Support QFCs*).

“CRD” has the meaning given to it in paragraph (B) of the definition of “EU CRD IV”.

“CRD IV” means EU CRD IV and UK CRD IV.

“Credit Adjustment Spread” means any rate which is either:

- (A) specified as such in the Reference Rate Terms; or
- (B) determined by the Facility Agent (or by any other Finance Party which agrees to determine that rate in place of the Facility Agent) in accordance with the methodology specified in the Reference Rate Terms.

“CRR” has the meaning given to it in paragraph (A) of the definition of “EU CRD IV”.

“CRS” means:

- (A) the Common Reporting Standard issued by the Organisation for Economic Cooperation and Development;
- (B) any treaty, law, regulation or other official guidance enacted in any other jurisdiction (including the Cayman Islands), or relating to an intergovernmental agreement which facilitates the implementation of paragraph (A) above; or

(C) any agreement pursuant to the implementation of paragraphs (A) or (B) above with any governmental or taxation authority in any other jurisdiction.

"Cumulative Compounded RFR Rate" means, in relation to an Interest Period for a Loan, the percentage rate per annum determined by the Facility Agent (or by any other Finance Party which agrees to determine that rate in place of the Facility Agent) in accordance with the methodology set out in Schedule 16 (*Cumulative Compounded RFR Rate*) or in any relevant Compounding Methodology Supplement.

"Daily Non-Cumulative Compounded RFR Rate" means, in relation to any RFR Banking Day during an Interest Period for a Loan, the percentage rate per annum determined by the Facility Agent (or by any other Finance Party which agrees to determine that rate in place of the Facility Agent) in accordance with the methodology set out in Schedule 15 (*Daily Non-Cumulative Compounded RFR Rate*) or in any relevant Compounding Methodology Supplement.

"Daily Rate" means the rate specified as such in the Reference Rate Terms.

"Deed of Guarantee" means the English law governed deed of guarantee and indemnity dated 23 November 2012 and reconfirmed on or about the date of this Agreement pursuant to which the Guarantors guarantee the obligations and liabilities of each Obligor to the Finance Parties under this Agreement, as amended, supplemented or otherwise varied from time to time.

"Default" means an Event of Default or event which, with the giving of notice, lapse of time, or fulfilment of any condition, would constitute an Event of Default.

"Default Right" has the meaning assigned to that term in, and shall be interpreted in accordance with Section 252.81, 47.2 or 382.1 of Title 12 of the United States Code of Federal Regulations, as applicable.

"Delegate" means any delegate, agent, attorney or co-trustee appointed by the Security and Intercreditor Agent.

"Derivative Agreement" means an ISDA Master Agreement or similar agreement pursuant to which Derivative Transactions are entered into by any Borrower with a counterparty.

"Derivative Transaction" means any transaction entered into under a Derivative Agreement, including (but not limited to) any transaction which is a forward rate agreement, option, future, swap, cap, floor and any combination of the foregoing.

"DGE Group" means KEGOM and each of its subsidiaries.

“DGE Group Guarantor” means a member of the DGE Group which becomes an Additional Guarantor in accordance with clause 23.4 (*Additional Guarantor*).

“DGE Rationalisation Event” means any amalgamation, consolidation, demerger, merger, reconstruction, solvent winding-up or solvent Reorganisation of a DGE Group Guarantor, in each case provided that the assets held by that DGE Group Guarantor at the time of the relevant event remain held by a DGE Group Guarantor.

“Discharge Date” means the first date on which all liabilities (whether actual or contingent) owed to the Finance Parties have finally been discharged and such Finance Parties are under no further obligation to provide financial accommodation under the Finance Documents.

“Discharged Rights and Obligations” has the meaning given to it in clause 22.5 (*Procedure for transfer*).

“Dispute” has the meaning given to it in clause 40.1 (*Arbitration*).

“Disruption Event” means either or both of:

- (A) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the Facility (or otherwise in order for the transactions contemplated by the Finance Documents to be carried out) which disruption is not caused by, and is beyond the control of, any of the Parties; or
- (B) the occurrence of any other event which results in a disruption (including, without limitation, disruption of a technical or systems-related nature) to the treasury or payments operations of a Party preventing or severely inhibiting that or any other Party:
 - (i) from performing its payment obligations under the Finance Documents; or
 - (ii) from communicating with other Parties in accordance with the terms of the Finance Documents,

and which (in either such case) is not caused by, and is beyond the control of, the Party whose operations are disrupted.

“DWT Block” means the Deep Water Tano area offshore Ghana, being the area described in Annex 1 of the DWT PA, but excluding any portions of such area in respect of which the Contractor’s rights thereunder are from time to time relinquished or surrendered pursuant to the DWT PA.

“**DWT PA**” means the petroleum agreement dated 10 March 2006 between the government of Ghana, represented by its Minister for Energy, the GNPC, Tullow Ghana Limited, Sabre Oil and Gas Limited and KEG in respect of the DWT Block (and all amendments and supplements thereto).

“**EBITDAX**” means, in relation to the Group for any Measurement Period, its consolidated income on ordinary activities before Tax for that period, but adjusted by:

- (A) adding back Net Interest Payable;
- (B) adding back depletion and depreciation charged to the consolidated profit and loss account of the Group in accordance with the Approved Accounting Principles;
- (C) adding back amounts amortised to the consolidated profit and loss account of the Group;
- (D) adding back any amount attributable to exploration expense (except to the extent that any such exploration expenses have been capitalised);
- (E) adding back any amount attributable to unrealised losses and deducting any amount attributable to unrealised gains on the value of any Derivative Transaction. For the avoidance of doubt, any realised losses will be deducted while any realised gains will be added back;
- (F) adding back any amount attributable to a loss and deducting any amount attributable to a gain against book value on the disposal of any non-current asset and any amount attributable to an impairment charge relating to a non-current asset;
- (G) adding back the amount attributable to any compensation which is paid by way of equity instruments in KEL;
- (H) adding back or deducting (as applicable) the amount attributable to any other material item of an unusual or non-recurring nature which represent gains or losses, including (but not limited to) those arising on:
 - (i) the refinancing of or the extinguishment of any financing, in relation to any cost associated with the original financing which is subsequently written off as a consequence of that refinancing or extinguishment; and
 - (ii) the restructuring of the activities of an entity and the reversal of any provisions for the cost of restructuring,

for that Measurement Period. In addition, for the purposes of the calculation of the financial covenants contained in clause 19 (*Financial Covenants*), EBITDAX in relation to the Group for any Measurement Period shall be adjusted by:

- (a) including the EBITDAX of a subsidiary of the Company or attributable to a business or asset acquired during that Measurement Period for the part of the Measurement Period when it was not a member of the Group and/or the business or asset was not owned by a member of the Group; and
- (b) excluding the EBITDAX attributable to any subsidiary of the Company or to any business or asset sold during that Measurement Period.

“EEA Member Country” means any member state of the European Union, Iceland, Liechtenstein and Norway.

“Enforcement Action” shall have the meaning given to that term in the Intercreditor Agreements.

“EO” means the EO Group Limited, a Cayman Islands company with registered company number 219175 whose registered office is at PMB CT 123, Cantonments, 112A Adole Crescent Way, Airport, Accra, Ghana (formerly known as the KG Group Limited).

“ERISA” means the US Employee Retirement Income Security Act of 1974 (or any successor legislation thereto).

“ERISA Affiliate” means each person (as defined in Section 3(9) of ERISA) that is a member of the Controlled Group.

“ERISA Event” means any of the following events:

- (A) any reportable event, as defined in Section 4043(c) of ERISA, with respect to a Single Employer Plan as to which the 30-day, post-event notice has not been waived by regulation;
- (B) the filing of a notice of intent to terminate or the termination of any Single Employer Plan under Section 4041(c) of ERISA;
- (C) the institution of proceedings under Section 4042 of ERISA by the PBGC for the termination of, or the appointment of a trustee to administer, any Single Employer Plan or Multiemployer Plan;

- (D) the failure by any Obligor or ERISA Affiliate to make a statutorily required contribution to any Single Employer Plan or Multiemployer Plan;
- (E) engagement in a non-exempt prohibited transaction within the meaning of Section 4975 of the Internal Revenue Code or Section 406 of ERISA with respect to any Single Employer Plan;
- (F) a determination that any Single Employer Plan is, or is expected to be, in “at risk” status (within the meaning of Section 303(i)(4) of ERISA);
- (G) any partial or complete withdrawal by any Obligor or ERISA Affiliate from a Multiemployer Plan as to which any Obligor has any obligation or liability, contingent or otherwise;
- (H) any withdrawal from any Single Employer Plan to which any Obligor or ERISA Affiliate is or is treated as a substantial employer; or
- (I) the receipt by any Obligor or ERISA Affiliate of any notice that a Multiemployer Plan is, or is expected to be, insolvent, within the meaning of Title IV of ERISA, or that a Multiemployer Plan is in endangered or critical status (within the meaning of Section 305 of ERISA).

“**EU Bail-In Legislation Schedule**” means the document described as such and published by the Loan Market Association (or any successor person) from time to time.

“**EU CRD IV**” means:

- (A) Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (“**CRR**”); and
- (B) Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (“**CRD**”).

“**Euro**” means the single currency of the Participating Member States.

“**Event of Default**” means any event or circumstance specified as such in clause 21 (*Events of Default*) of this Agreement.

“**Excess Cash**” means, at any time, the aggregate excess cash of the Group (as calculated in accordance with the Excess Cash Statement) held by KEL or available to be distributed (by any member of the Group) up to KEL.

“Excess Cash Statement” has the meaning given to it in paragraph (A) of clause 8.6 (*Cash Sweep*).

“Existing Lender” has the meaning given to it in clause 22.1 (*Assignments and transfers and changes in Facility Office by the Lenders*).

“Existing RCF Agreement” has the meaning given to it in paragraph (2) of the introduction.

“Facility” means the revolving credit facility made available under this Agreement as described in clause 3 (*The Facility*) of this Agreement.

“Facility Office” means the office or offices notified by a Lender to the Facility Agent in writing on or before the date it becomes a Lender (or, following that date, by not less than five Business Days’ written notice where notice is required under clause 24.15 (*Facility Agent relationship with the Lenders*)) as the office or offices through which it will perform its obligations under this Agreement.

“FATCA” means:

- (A) sections 1471 to 1474 of the Code or any associated regulations;
- (B) any treaty, law or regulation of any other jurisdiction (including the Cayman Islands), or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (A) above; or
- (C) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (A) or (B) above with the IRS, the US government or any governmental or taxation authority in any other jurisdiction.

“FATCA Application Date” means:

- (A) in relation to a “withholdable payment” described in section 1473(1)(A)(i) of the Code (which relates to payments of interest and certain other payments from sources within the US), 1 July 2014; or
- (B) in relation to a “passthru payment” described in section 1471(d)(7) of the Code not falling within paragraph (A) above, the first date on which such payment may become subject to a deduction or withholding required by FATCA.

“FATCA Deduction” means a deduction or withholding from a payment under a Finance Document required by FATCA.

"FATCA Exempt Party" means a Party that is entitled to receive payments free from any FATCA Deduction.

"Fee Letter" means any letter or letters dated on or about the date of this Agreement between any Finance Party and the Company setting out any of the fees referred to in clause 12 (*Fees*) of this Agreement and any other fees payable by the Company to a Finance Party pursuant to a Finance Document or payable under the Facility.

"Finance Document" means this Agreement, the Intercreditor Agreements, each Security Document, the Deed of Guarantee, the reconfirmation of the Deed of Guarantee dated on or about the date of this Agreement, each accession undertaking to the KEFI Intercreditor Agreement, each accession undertaking to the KEL Intercreditor Agreement, each Fee Letter, each Utilisation Request, each Accession Letter, each accession deed to the Deed of Guarantee, each Resignation Letter, each resignation letter substantially in the form set out in Schedule 12 (*Form of Resignation Letter (DGE Group Guarantor)*), any Reference Rate Supplement, any Compounding Methodology Supplement and any other document designated as such by the Facility Agent and the Company.

"Finance Party" means each of the Mandated Lead Arrangers, the Lenders, the Facility Agent and the Security and Intercreditor Agent and **"Finance Parties"** shall be construed accordingly.

"Financial Covenants" means the financial covenants listed under clause 19 (*Financial Covenants*) of this Agreement.

"Financial Indebtedness" means any indebtedness for or in respect of:

- (A) moneys borrowed;
- (B) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (C) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (D) the amount of any liability in respect of any lease or hire purchase contract which would be treated in the accounts of the relevant entity as a finance or capital lease;
- (E) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (F) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of

any derivative transaction, only the market to market value shall be taken into account);

- (G) any amount raised under any other transaction (including any forward sale or purchase agreement) of a type not referred to in any other paragraph of this definition but which is classified as a borrowing in the accounts of the relevant entity;
- (H) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability of an entity which is not a member of the Group and which underlying liability would fall within one of the other paragraphs of this definition if it were a liability of a member of the Group; and
- (I) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (A) to (H) above (but only to the extent that the Financial Indebtedness supported thereby is or is at any time in the future capable of being outstanding).

"First Currency" has the meaning given to it in clause 15.1 (*Currency indemnity*).

"Foreign Public Official" means an individual who:

- (A) holds a legislative, administrative or judicial position of any kind, whether appointed or elected, of a country or territory outside the United Kingdom (or any subdivision of such a country or territory);
- (B) exercises a public function:
 - (i) for or on behalf of a country or territory outside the United Kingdom (or any subdivision of such a country or territory);
or
 - (ii) for any public agency or public enterprise of that country or territory (or subdivision); or
- (C) is an official or agent of a public international organisation.

"FSHCO" has the meaning given to it in clause 26.4(A)(i) (*US Guarantee Limitations*).

"Ghana Obligor" means KEO, KEI, KEFI, KED, KEG and an "Obligor" from time to time, as defined under the RBL Facility Agreement.

"Ghana Petroleum Agreement Large Sale Event" means any event which reduces the aggregate indirect or direct interests of the Ghana Petroleum Agreement Sellers in the

Ghana Petroleum Agreements and where, following such reduction, the Ghana Petroleum Agreement Sellers have indirect or direct interests in the Ghana Petroleum Agreements which are less than or equal to 50 per cent. of the indirect or direct interests of the Ghana Petroleum Agreement Sellers in the Ghana Petroleum Agreements as at the date of this Agreement; provided, however, that the sale or transfer of any indirect or direct interests of KEGHL and KEGI in the DWT PA which are transferred to other parties to the DWT PA as a result of the exercise of such parties' pre-emption rights under the DWT PA, it being acknowledged for the avoidance of doubt that such pre-emption rights have already been exercised prior to the date of this Agreement, will not constitute a Ghana Petroleum Agreement Large Sale Event.

"Ghana Petroleum Agreement Medium Sale Event" means any event which reduces the aggregate indirect or direct interests of the Ghana Petroleum Agreement Sellers in the Ghana Petroleum Agreements and where, following such reduction, the Ghana Petroleum Agreement Sellers have indirect or direct interests in the Ghana Petroleum Agreements which are less than $66\frac{2}{3}$ per cent. but more than 50 per cent. of the indirect or direct interests of the Ghana Petroleum Agreement Sellers in the Ghana Petroleum Agreements as at the date of this Agreement; provided, however, that the sale or transfer of any indirect or direct interests of KEGHL and KEGI in the DWT PA which are transferred to other parties to the DWT PA as a result of the exercise of such parties' pre-emption rights under the DWT PA, it being acknowledged for the avoidance of doubt that such pre-emption rights have already been exercised prior to the date of this Agreement, will not constitute a Ghana Petroleum Agreement Medium Sale Event.

"Ghana Petroleum Agreement Medium Sale Event Cancellation Amount" means an amount equal to:

GPAMSPR x USD 250 million.

"Ghana Petroleum Agreement Medium Sale Event Prepayment Amount" means an amount equal to:

GPAMSPR x USD 250 million,

or, if less, the aggregate amount of all Loans outstanding at that time.

"Ghana Petroleum Agreement Medium Sale Percentage Reduction" or **"GPAMSPR"** means the reduction of the aggregate indirect or direct interests of the Ghana Petroleum Agreement Sellers in the Ghana Petroleum Agreements, expressed as a percentage of the indirect or direct interests of the Ghana Petroleum Agreement Sellers in the Ghana Petroleum Agreements as at the date of this Agreement, which occurs as a result of a Ghana Petroleum Agreement Medium Sale Event.

“Ghana Petroleum Agreement Seller” means KEI and/or KED and/or KEG and/or KEGHL and/or KEGI, as applicable.

“Ghana Petroleum Agreement Small Sale Event” means any event which reduces the aggregate indirect or direct interests of the Ghana Petroleum Agreement Sellers in the Ghana Petroleum Agreements and where, following such reduction, the Ghana Petroleum Agreement Sellers have indirect or direct interests in the Ghana Petroleum Agreements which (before and after such reduction) are less than or equal to 100 per cent. but more than or equal to $66\frac{2}{3}$ per cent. of the indirect or direct interests of the Ghana Petroleum Agreement Sellers in the Ghana Petroleum Agreements as at the date of this Agreement; provided, however, that the sale or transfer of any indirect or direct interests of KEGHL and KEGI in the DWT PA which are transferred to other parties to the DWT PA as a result of the exercise of such parties’ pre-emption rights under the DWT PA, it being acknowledged for the avoidance of doubt that such pre-emption rights have already been exercised prior to the date of this Agreement, will not constitute a Ghana Petroleum Agreement Small Sale Event.

“Ghana Petroleum Agreement Small Sale Percentage Reduction” means the reduction of the aggregate indirect or direct interests of the Ghana Petroleum Agreement Sellers in the Ghana Petroleum Agreements, expressed as a percentage of the indirect or direct interests of the Ghana Petroleum Agreement Sellers in the Ghana Petroleum Agreements as at the date of this Agreement, which occurs as a result of a Ghana Petroleum Agreement Small Sale Event.

“Ghana Petroleum Agreements” means, together, the DWT PA and the WCTP PA (and all other amendments and supplements thereto).

“GNPC” means the Ghana National Petroleum Corporation, a public corporation established by Provisional National Defence Council Law 64 of 1983.

“GoM Loan” means the senior secured term loan credit agreement dated 30 September 2020 between, among others, KEGOM, Kosmos Energy Gulf of Mexico Operations, LLC, and CLMG Corp, as amended from time to time.

“GOM Obligors” means KEGOM, Kosmos Energy Gulf of Mexico, LLC, Kosmos Energy Gulf of Mexico Management, LLC and Kosmos Energy Gulf of Mexico Operations, LLC

“Government” means the government of any country in which assets of the Group are situated.

“Group” means the Company and its subsidiaries.

“Guarantor” means an Original Guarantor or an Additional Guarantor.

"HY Note Guarantor" means any member of the Group which guarantees the obligations of the Company under any HY Notes.

"HY Noteholder Trustee" means any collateral agent, trustee or other representative of the HY Noteholders.

"HY Noteholders" means the holders of HY Notes from time to time.

"HY Notes" means any debenture, bond (including convertible bonds but excluding performance bonds, bid bonds, retention bonds, advance payments bonds, letters of credit or trade credit related bonds), note, loan stock or other similar security issued by the Company from time to time.

"Illegality Lender" has the meaning given to that term in clause 8.2 (*Illegality*) of this Agreement.

"Increased Costs" has the meaning given to that term in clause 14.1 (*Increased costs*) of this Agreement.

"Intercreditor Agreements" means both:

(A) the KEFI Intercreditor Agreement; and

(B) the KEL Intercreditor Agreement.

"Interest Payment" means the aggregate amount of interest that is, or is scheduled to become, payable under any Finance Document.

"Interest Period" means, in relation to a Loan, each period determined in accordance with clause 10 (*Interest Periods*) and, in relation to an Unpaid Sum, each period determined in accordance with clause 9.3 (*Default interest*) of this Agreement.

"IPO" means in relation to a company, a transaction in which shares in that company are sold or issued to investors and in connection with such sale or issue are admitted to trading on a regulated market or other stock exchange.

"IPO Reorganisation" means any Reorganisation implemented by the Company, or any of its Subsidiaries from time to time (or any group of them), which is undertaken for the purpose of facilitating an IPO.

"IRS" means US Internal Revenue Service.

"ISDA Master Agreement" means the 1992 ISDA Master Agreement or the 2002 ISDA Master Agreement, as the case may be.

"KED" means Kosmos Energy Development, a company incorporated under the laws of the Cayman Islands with registered number 225879 and having its registered office at P.O. Box 32322, 4th Floor, Century Yard, Cricket Square, Elgin Avenue, George Town, Grand Cayman KY1-1209, Cayman Islands.

"KEEG" means Kosmos Energy Equatorial Guinea, a company incorporated under the laws of the Cayman Islands with registered number 269135 and having its registered office at P.O. Box 32322, 4th Floor, Century Yard, Cricket Square, Elgin Avenue, George Town, Grand Cayman KY1-1209, Cayman Islands.

"KEFI" means Kosmos Energy Finance International, a company incorporated under the laws of the Cayman Islands with registered number 253656 and having its registered office at P.O. Box 32322, 4th Floor, Century Yard, Cricket Square, Elgin Avenue, George Town, Grand Cayman KY1-1209, Cayman Islands.

"KEFI Intercreditor Agreement" means the English law governed intercreditor agreement dated 23 November 2012 between the Security and Intercreditor Agent for and on behalf of the Finance Parties and the RBL Security Agent for and on behalf of the "Finance Parties" under (and as defined in) the RBL Facility Agreement (as amended or as amended and restated from time to time).

"KEG" means Kosmos Energy Ghana HC, a company incorporated under the laws of the Cayman Islands with registered number 135710 and having its registered office at P.O. Box 32322, 4th Floor, Century Yard, Cricket Square, Elgin Avenue, George Town, Grand Cayman KY1-1209, Cayman Islands.

"KEGI" means Kosmos Energy Ghana Investments (formerly known as Anadarko WCTP Company), a company incorporated under the laws of the Cayman Islands with registered number 161534 and having its registered office at PO Box 32322, 4th Floor, Century Yard, Cricket Square, Elgin Avenue, George Town, Grand Cayman, KY1-1209, Cayman Islands.

"KEGHL" means Kosmos Energy Ghana Holdings Limited, a company incorporated under the laws of England and Wales with registration number 13439742 and having its registered office at 10 Stratton Street, London, England, W1J 8LG.

"KEGOM" means Kosmos Energy GOM Holdings, LLC, a limited liability company formed in the state of Delaware with company number 6995407, whose registered office is at Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801.

"KEH" means Kosmos Energy Holdings, a company incorporated under the laws of the Cayman Islands with registered number 133483 and having its registered office at PO Box 32332, 4th Floor, Century Yard, Cricket Square, Elgin Avenue, George Town, Grand Cayman KY1-1209, Cayman Islands.

“**KEI**” means Kosmos Energy International, a company incorporated under the laws of the Cayman Islands with registered number 218274 and having its registered office at P.O. Box 32322, 4th Floor, Century Yard, Cricket Square, Elgin Avenue, George Town, Grand Cayman KY1-1209, Cayman Islands.

“**KEL Intercreditor Agreement**” means the English law governed intercreditor agreement dated 1 August 2014 between, among others, KEL, Standard Chartered Bank as the original Facility Agent, BNP Paribas as the original Security and Intercreditor Agent and Wilmington Trust, National Association as NY Noteholder Trustee (as amended or as amended and restated from time to time).

“**KEO**” means Kosmos Energy Operating, a company incorporated under the laws of the Cayman Islands with registered number 231417 and having its registered office at P.O. Box 32322, 4th Floor, Century Yard, Cricket Square, Elgin Avenue, George Town, Grand Cayman KY1-1209, Cayman Islands.

“**Lender**” means:

- (A) any Original Lender; and
- (B) any bank or financial institution which has become a Party as a “Lender” in accordance with clause 3.2 (*Additional Commitments*) or clause 22 (*Changes to the Lenders*) of this Agreement,

which in each case has not ceased to be a Party in accordance with the terms of this Agreement.

“**Lender Accession Notice**” means a notice substantially in the form set out in Schedule 10 (*Form of Lender Accession Notice*) to be delivered by an Additional Lender pursuant to and in accordance with clause 3.2 (*Additional Commitments*).

“**Liabilities**” means all present and future liabilities and obligations at any time of any Obligor to any Lender under the Finance Documents, both actual and contingent and whether incurred solely or jointly or in any other capacity together with any of the following matters relating to or arising in respect of those liabilities and obligations:

- (A) any refinancing, novation, deferral or extension;
- (B) any claim for breach of representation, warranty or undertaking or on an event of default or under any indemnity given under or in connection with any document or agreement evidencing or constituting any other liability or obligation falling within this definition;
- (C) any claim for damages or restitution; and

(D) any claim as a result of any recovery by any Obligor of a Payment on the grounds of preference or otherwise,

and any amounts which would be included in any of the above but for any discharge, non-provability, unenforceability or non-allowance of those amounts in any insolvency or other proceedings.

"Loan" means a loan made or to be made under this Agreement or the principal amount outstanding for the time being of that loan.

"Lookback Period" means the number of days specified as such in the Reference Rate Terms.

"Majority Lenders" means, as applicable, those Lenders whose participation in advances under the Facility are equal to 66 $\frac{2}{3}$ per cent. of the aggregate advances then outstanding or, if there are no advances outstanding, whose Commitments then aggregate at least 66 $\frac{2}{3}$ per cent. of the Total Commitments under the Facility.

"Margin" means 7.00 per cent. per annum.

"Margin Stock" means margin stock or "margin security" as defined in Regulation U of the Board of Governors of the Federal Reserve System of the United States (or any successors thereto).

"Market Disruption Event" has the meaning given to that term in clause 11.2 (*Market disruption*) of this Agreement.

"Market Disruption Rate" means the rate (if any) specified as such in the Reference Rate Terms.

"Material Adverse Effect" means, in relation to any event (or series of events) or circumstance which occurs or arises, that event (or events) or circumstance (or any effect or consequence thereof), which, in the opinion of the Majority Lenders, would reasonably be expected materially and adversely to affect the financial condition, operations, or business of any Obligor or the ability of any Obligor to perform its obligations under the Finance Documents in full and on the basis contemplated therein in a way which is materially prejudicial to the interests of the Lenders or results in the Obligors being unable to pay any amounts when due and payable under the Finance Documents.

"Measurement Period" means in respect of a Calculation Date, a period of 12 Months ending on the Calculation Date in question.

"Minister" means the Ghanaian Government's Minister for Energy.

“Moody’s” means Moody’s Investors Service, Inc., a Delaware corporation and any successor thereto and if such corporation shall for any reason no longer perform the functions of a securities rating agency, Moody’s shall be deemed to refer to any other internationally recognised rating agency agreed by the Facility Agent and the Company (both acting reasonably).

“Multiemployer Plan” means a multiemployer plan (as defined in Section 4001(a)(3) of ERISA) as to which any Obligor or ERISA Affiliate has any obligation or liability, contingent or otherwise.

“Net Interest Payable” means, in relation to the Group for any Measurement Period, Total Interest Payable less Total Interest Receivable for the Group during that Measurement Period.

“Net Proceeds” means the cash proceeds of any Capital Markets and Loan Transaction received by the Company after deducting:

- (A) all fees, commissions, costs and expenses incurred in connection with:
 - (i) the raising of those proceeds; and/or
 - (ii) transferring those proceeds in order for the Company to make a prepayment in accordance with clause 8.7 (*Capital Markets and Loan Transactions*); and
- (B) any Taxes paid or reasonably estimated by the Company to be payable as a result of:
 - (i) the raising of those proceeds; and/or
 - (ii) transferring those proceeds in order for the Company to make a prepayment in accordance with clause 8.7 (*Capital Markets and Loan Transactions*).

“New Commitment Rebalancing” has the meaning given to it in clause 3.2 (*Additional Commitments*) of this Agreement.

“New Lender” has the meaning given to it in clause 22.1 (*Assignments and transfers and changes in Facility Office by the Lenders*).

“Non-Funding Lender” means:

- (A) any Lender who fails to participate in any Utilisation in the amount and at the time required;

- (B) any Lender who has indicated publicly or to the Facility Agent or an Obligor that it does not intend to participate in all or part of any Utilisation;
- (C) any Lender which has repudiated its obligations under the Facility; or
- (D) any Lender in respect of which or in respect of whose holding company any of the events specified in clause 21.6 (*Insolvency*) or clause 21.7 (*Insolvency proceedings*) of this Agreement (disregarding paragraph (B) of clause 21.7 (*Insolvency proceedings*)) applies or has occurred.

“Non-Ghana Obligor” means an Obligor which is not a Ghana Obligor.

“Obligor” means the Borrowers and the Guarantors.

“Original Lenders” means the lenders listed in Schedule 2 (*The Original Lenders*).

“Original Guarantor” means KEO, KEI, KED, KEG, KEFI, KEEG, KEGOM, Kosmos Energy Gulf of Mexico, LLC, Kosmos Energy Gulf of Mexico Management, LLC, Kosmos Energy Gulf of Mexico Operations, LLC, KEGHL and KEGI.

“Participating Member State” means any member state of the European Union that has the Euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

“Party” means a party to a Finance Document.

“Payment” means, in respect of any Liabilities (or any other liabilities or obligations), a payment, prepayment, repayment, redemption, defeasance or discharge of those Liabilities (or other liabilities or obligations).

“PBGC” means the Pension Benefit Guaranty Corporation of the United States established pursuant to Section 4002 of ERISA (or any entity succeeding to all or any of its functions under ERISA).

“Permitted Acquisition” means any acquisitions or investments:

- (A) which are made in the ordinary course of the day to day business of the acquiring company;
- (B) which are funded by equity or debt subordinated on terms acceptable to the Majority Lenders (acting reasonably);
- (C) which are permitted in accordance with the terms of the RBL Facility Agreement; or

(D) which are approved by the Majority Lenders (acting reasonably),

provided in each case that such acquisition or investment may not take place in Iran, Libya, Myanmar, North Korea, Sudan, Syria, Cuba, Crimea or any territory or country or with any person which is subject to a Sanctions Regime or on a Sanctions List or any territory or country designated by the Majority Lenders (acting reasonably).

"Permitted Disposals" means any sale, lease, transfer or other disposal:

- (A) made in the ordinary course of business of the disposing entity;
- (B) by a Non-Ghana Obligor of assets in exchange for other assets comparable or superior as to type, value and quality;
- (C) by a Non-Ghana Obligor made for fair value and on an arm's length basis;
- (D) by a Non-Ghana Obligor which is not reasonably likely to have a Material Adverse Effect;
- (E) of obsolete or redundant assets or waste;
- (F) by a Non-Ghana Obligor to another member of the Group;
- (G) made with the prior written consent of Majority Lenders;
- (H) permitted in accordance with the terms of the RBL Facility Agreement or any "Finance Document" (as defined therein);
- (I) by a Non-Ghana Obligor where the higher of the market value or consideration receivable (when aggregated with the higher of the market value or consideration receivable for any other sale, lease, transfer or other disposal, other than any permitted under paragraphs (A) to (F) above) does not exceed USD 50 million (or its equivalent in another currency or currencies) in any financial year; or
- (J) of a Guarantor which is to retire pursuant to the terms of clause 23.7 (*Resignation of a Guarantor on disposal*).

"Permitted Financial Indebtedness" means any Financial Indebtedness (provided that the Financial Indebtedness under limbs (A) and (B) below shall not, in aggregate, exceed USD 2,500 million):

- (A) arising under or contemplated by the Facility and/or the Facility as defined under the RBL Facility Agreement;

- (B) of any Ghana Obligor arising under any Project Finance;
- (C) arising under or contemplated by the Finance Documents and/or which is permitted in accordance with the terms of any "Finance Document" as defined under the RBL Facility Agreement, other than the Financial Indebtedness described in limb (A) above;
- (D) incurred pursuant to a guarantee for HY Notes or any other debt that ranks *pari passu* with the Facility; or
- (E) subordinated to the Lenders on terms approved by the Majority Lenders (each acting reasonably),

in each case, without double counting.

"Permitted Party" has the meaning given to it in clause 22.7 (*Disclosure of information*).

"Permitted Security" means:

- (A) any netting or set-off arrangement entered into by any member of the Group in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances;
- (B) any Security Interest arising by operation of law or in the ordinary course of business (including pursuant to the counterparty's standard terms of business) and any Security Interest arising pursuant to a Petroleum Agreement, joint operating agreement or unit operating agreement in each case in favour of the counterparties to such agreement;
- (C) any Security Interest over or affecting any asset acquired by a member of the Group after the date of this Agreement if:
 - (i) the Security Interest was not created in contemplation of the acquisition of that asset by a member of the Group;
 - (ii) the principal amount secured has not been increased in contemplation of, or since the acquisition of, that asset by a member of the Group; and
 - (iii) the Security Interest is removed or discharged within six Months of the date of acquisition of such asset;
- (D) any Security Interest over or affecting any asset of any company which becomes a member of the Group after the date of this Agreement, where the Security Interest is created prior to the date on which that company becomes a member of the Group, if:

- (i) the Security Interest was not created in contemplation of the acquisition of that company;
 - (ii) the principal amount secured has not increased in contemplation of, or since the acquisition of, that company; and
 - (iii) the Security Interest is removed or discharged within six Months of that company becoming a member of the Group;
- (E) any Security Interest entered into pursuant to any Finance Document;
- (F) any Security Interest over or affecting goods (or documents of title or contracts of insurance relating to such goods) arising in the course of trade or receivables financing in the ordinary course of business;
- (G) any Security Interest provided in substitution for any Permitted Security over the same or substituted assets;
- (H) any Security Interest arising as a result of a disposal which is not prohibited under clause 20.8 (*Disposals*);
- (I) any Security Interest created or permitted to subsist with the prior written consent of the Majority Lenders;
- (J) any Security Interest which is permitted in accordance with the terms of the RBL Facility Agreement or with the terms of any "Finance Document" (as defined therein); and
- (K) any Security Interest which is granted in favour of the providers of any Project Finance to a Ghana Obligor.

"Permitted Transferee" shall have the meaning given to that term in clause 8.3 (*Change of Control*).

"Petroleum Agreement" means a petroleum licence, sharing or concession agreement with a governmental entity or national oil company (NOC).

"Private Equity Shareholder" means any funds affiliated with Warburg Pincus and Blackstone Capital Partners or the Blackstone Group.

"Private Equity Shareholder Affiliate" means any Affiliate of a Private Equity Shareholder, any trust of which a Private Equity Shareholder or any of its Affiliates is a trustee, any partnership of which a Private Equity Shareholder or any of its Affiliates is a partner and any trust, fund or other entity which is managed by, or is under the control of, a Private Equity Shareholder or any of its Affiliates, provided that any such trust, fund

or other entity which has been established for at least 6 Months solely for the purpose of making, purchasing or investing in loans or debt securities and which is managed or controlled independently from all other trusts, funds or other entities managed or controlled by a Private Equity Shareholder or any of its Affiliates which have been established for the primary or main purpose of investing in the share capital of companies shall constitute a Private Equity Shareholder Affiliate.

"Process Agent" has the meaning given to it in clause 41 (*Service of Process*).

"Project Finance" means any Financial Indebtedness to finance the ownership, acquisition, development, operation and/or maintenance of any asset or business (a **"Project"**) and incurred by an Obligor in respect of which the person or person to whom any such Financial Indebtedness is, or may be, owed has or have no recourse to any member of the Group for the repayment thereof other than:

- (A) recourse to such Obligor for amounts limited to the cash flow from the Project; and/or
- (B) recourse to such Obligor generally, which recourse is limited to a claim for damages (other than liquidated damages and damages required to be calculated in a specified way) for breach of an obligation, representation or warranty (not being a payment obligation, representation or warranty or an obligation, representation or warranty to procure payment by another or an obligation, representation or warranty to comply or to procure compliance by another with any financial ratios or other test of financial condition) by the person against whom such recourse is available; and/or
- (C) if such Obligor has been established specifically for the purpose of constructing, developing, owning and/or operating the Project and such Obligor owns no other significant assets and carries on no other material business, recourse to all of the assets and undertaking of such Obligor and/or the shares in the capital of such Obligor and/or shareholder loans made to such Obligor and/or the shares in the capital of any direct or indirect holding company whose only material assets are a direct or indirect equity interest in such Obligor.

"QFC" has the meaning assigned to the term "qualified financial contract" in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

"QFC Credit Support" has the meaning given to it in clause 44(A) (*Acknowledgement Regarding Any Support QFCs*).

"Qualifying Bank" means an internationally recognised bank:

- (A) which is not on a Sanctions List or subject to a sanctions regime issued, imposed or administered by the United States, the United Kingdom, any member country of the European Union or the European Union itself or the United Nations (or any agency of any of them) (a "**Sanctions Regime**"); or
- (B) which does not have its principal place of business in a country which is subject to a Sanctions Regime; or
- (C) which is not a bank whose principal place of business is in a country notified by the Company to the Facility Agent prior to signing of this Agreement, or
- (D) whose long-term unguaranteed, unsecured securities or debt is rated at least Baa3 (Moody's) or a comparable rating from an internationally recognised credit rating agency (except that this shall not be a requirement if an Event of Default is continuing).

"**RBL Facility Agreement**" means the English law governed facility agreement dated 28 March 2011 between, amongst others, KEFI as original borrower, KEO, KEI, KED and KEG as original guarantors, BNP Paribas as the original facility agent and the original lenders named therein (as amended or as amended and restated or as refinanced from time to time).

"**RBL Security Agent**" means the "Security Agent" as defined in the RBL Facility Agreement.

"**Receiver**" means a receiver or receiver and manager or administrative receiver of the whole or any part of the Charged Property.

"**Reference Rate Supplement**" means a document which:

- (A) is agreed in writing by the Company, the Facility Agent (in its own capacity) and the Facility Agent (acting on the instructions of the Majority Lenders);
- (B) specifies the relevant terms which are expressed in this Agreement to be determined by reference to Reference Rate Terms; and
- (C) has been made available to the Company and each Finance Party.

"**Reference Rate Terms**" means the terms set out in Schedule 14 (*Reference Rate Terms*) or in any Reference Rate Supplement.

"**Regulation U**" or "**Regulation X**" means Regulation U or X, as the case may be, of the Board of Governors of the Federal Reserve System of the United States, as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"Relevant Nominating Body" means any applicable central bank, regulator or other supervisory authority or a group of them, or any working group or committee sponsored or chaired by, or constituted at the request of, any of them or the Financial Stability Board.

"Reorganisation" means (without limitation) any transaction, deemed transaction, step, procedure or agreement, including (but without limitation) the transfer, distribution, contribution or settlement of assets and/or liabilities.

"Repeating Representations" means the representations set out under clauses 18.1 (*Status*), 18.2 (*Legal validity*), 18.3 (*Non-conflict*), 18.4 (*Powers and authority*), 18.5 (*Authorisations*), 18.8 (*Financial Statements and other factual information*), 18.9 (*Proceedings pending or threatened*), 18.10 (*Breach of laws*), 18.11 (*Ranking of security*), 18.12 (*Pari passu ranking*), 18.13 (*No immunity*), 18.14 (*Ownership of Obligors*), 18.15 (*Sanctions*), 18.16 (*Anti-corruption law*) and 18.21 (*Beneficial Ownership*).

"Replacement Lender" has the meaning given to that term in clause 8.11 (*Right of repayment and cancellation in relation to a single Lender*) of this Agreement.

"Replacement Reference Rate" means a reference rate which is:

- (A) formally designated, nominated or recommended as the replacement for the RFR by:
 - (i) the administrator of the RFR (provided that the market or economic reality that such reference rate measures is the same as that measured by the RFR); or
 - (ii) any Relevant Nominating Body,and if replacements have, at the relevant time, been formally designated, nominated or recommended under both paragraphs, the **"Replacement Reference Rate"** will be the replacement under paragraph (ii) above;
- (B) in the opinion of the Majority Lenders and the Company, generally accepted in the international or any relevant domestic syndicated loan markets as the appropriate successor to the RFR; or
- (C) in the opinion of the Majority Lenders and the Company, an appropriate successor to the RFR.

"Reporting Day" means the day (if any) specified as such in the Reference Rate Terms.

"Reporting Time" means the relevant time (if any) specified as such in the Reference Rate Terms.

"Required Approvals" means all material approvals, licenses, consents and authorisations necessary in connection with the execution, delivery, performance or enforcement of any Finance Document.

"Resignation Letter" means a letter substantially in the form set out in Schedule 7 (*Form of Resignation Letter*).

"Resolution Authority" means any body which has authority to exercise any Write-down and Conversion Powers.

"Restricted Party" means a person that is:

- (A) listed on, or (directly or indirectly) owned or controlled (as such terms are defined by the relevant Sanctions Authority) by one or more persons listed on, or acting on behalf of a person listed on, any Sanctions List;
- (B) located in, incorporated under the laws of, or owned or (directly or indirectly) controlled by, or acting on behalf of, a person located in or organized under the laws of a country or territory that is the target of country-wide or territory-wide Sanctions; or
- (C) otherwise a target of Sanctions ("**target of Sanctions**" signifying a person with whom a US person or other national of a Sanctions Authority would be prohibited or restricted by law from engaging in trade, business or other activities).

"RFR" means the rate specified as such in the Reference Rate Terms.

"RFR Banking Day" means any day specified as such in the Reference Rate Terms.

"RFR Replacement Event" means the occurrence of any of the following events:

- (A) the methodology, formula or other means of determining the RFR has, in the opinion of the Majority Lenders and the Original Borrower, materially changed;
- (B)
 - (i)
 - (a) the administrator of the RFR or its supervisor publicly announces that such administrator is insolvent; or

- (b) information is published in any order, decree, notice, petition or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body which reasonably confirms that the administrator of the RFR is insolvent,

provided that, in each case, at that time, there is no successor administrator to continue to provide the RFR;

- (ii) the administrator of the RFR publicly announces that it has ceased or will cease, to provide the RFR permanently or indefinitely and, at that time, there is no successor administrator to continue to provide the RFR;
 - (iii) the supervisor of the administrator of the RFR publicly announces that the RFR has been or will be permanently or indefinitely discontinued; or
 - (iv) the administrator of the RFR or its supervisor announces that the RFR may no longer be used; or
- (C) the administrator of the RFR determines that the RFR should be calculated in accordance with its reduced submissions or other contingency or fallback policies or arrangements and either:
- (i) the circumstance(s) or event(s) leading to such determination are not (in the opinion of the Majority Lenders and the Original Borrower) temporary; or
 - (ii) the RFR is calculated in accordance with any such policy or arrangement for a period no less than 30 days; or
- (D) in the opinion of the Majority Lenders and the Original Borrower, the RFR is otherwise no longer appropriate for the purposes of calculating interest under this Agreement.

“Rollover Loan” means one or more Loans:

- (A) made or to be made on the same day that a maturing Loan is due to be repaid;
- (B) the aggregate amount of which is equal to or less than the amount of the maturing Loan; and
- (C) made or to be made to the same Borrower for the purpose of refinancing a maturing Loan.

“Sanctions” means the sanctions laws, regulations, embargoes or restrictive measures administered, enacted or enforced by:

- (A) the United States government;
- (B) the United Nations;
- (C) the European Union (or any of its members states);
- (D) the United Kingdom; or
- (E) the respective governmental institutions and agencies of any of the foregoing, including, without limitation the Office of Foreign Assets Control of the United States Department of Treasury, the United States Department of State, the United States Department of Commerce and Her Majesty’s Treasury,

(each a **“Sanction Authority”** and together, the **“Sanctions Authorities”**).

“Sanctions Regime” has the meaning given to it in paragraph (A) of the definition of **“Qualifying Bank”**.

“Sanctions List” means the **“Specially Designated Nationals and Blocked Persons”** list maintained by the Office of Foreign Assets Control of the United States Department of Treasury, the Consolidated List of Financial Sanctions Targets and the Investments Ban List maintained by Her Majesty’s Treasury, or any similar lists maintained by, or public announcement of Sanctions designation made by, any of the Sanctions Authorities.

“SEC” means the United States Securities and Exchange Commission or any successor thereto.

“Second Currency” has the meaning given to it in clause 15.1 (*Currency indemnity*).

“Secured Liabilities” means at any time and without double counting, all present and future obligations and liabilities (actual or contingent) of each Obligor (whether or not for the payment of money and including any obligation to pay damages for breach of contract) which are, or are expressed to be, or may become due, owing or payable to any or all of the Secured Parties under or in connection with any of the Finance Documents (including all obligations and liabilities due, owing or payable under or pursuant to clause 3.2 (*Additional Commitments*)), together with all costs, charges and expenses incurred by the Security and Intercreditor Agent or any Secured Party which any Obligor is obliged to pay under any Finance Document.

“Secured Party” means a Finance Party, a Receiver or any Delegate.

“Secured Property” means:

- (A) the Transaction Security expressed to be granted in favour of the Security and Intercreditor Agent as trustee for the Secured Parties and all proceeds of that Transaction Security;
- (B) all obligations expressed to be undertaken by an Obligor to pay amounts in respect of the Liabilities to the Security and Intercreditor Agent as trustee for the Secured Parties and secured by the Transaction Security together with all representations and warranties expressed to be given by an Obligor in favour of the Security and Intercreditor Agent as trustee for the Secured Parties; and
- (C) any other amounts or property, whether rights, entitlements, choses in action or otherwise, actual or contingent, which the Security and Intercreditor Agent is required by the terms of the Finance Documents to hold as trustee on trust for the Secured Parties.

“Security and Intercreditor Agent’s Spot rate of Exchange” means, in respect of the conversion of one currency (the **“First Currency”**) into another currency (the **“Second Currency”**) the Security and Intercreditor Agent’s spot rate of exchange for the purchase of the Second Currency with the First Currency in the London foreign exchange market at or about 11:00 am (London time) on a particular day, which shall be notified by the Security and Intercreditor Agent in accordance with clause 25.7(C) (*Security and Intercreditor Agent’s obligations*).

“Security Document” means:

- (A) the Deed of Guarantee;
- (B) any document entered into after the date of this Agreement by any of the Obligors creating any guarantee, indemnity, Security Interest or other assurance against financial loss in favour of any of the Secured Parties as security for any of the Secured Liabilities; and
- (C) any Security Interest granted under any covenant for further assurance in any of the documents set out in paragraph (B) above.

“Security Interest” means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or a guarantee or indemnity or, in each case, any other agreement or arrangement having a similar effect.

“Service Document” has the meaning given to it in clause 41 (*Service of Process*).

“Shareholder Distribution” means the declaration, making or payment of a distribution to a shareholder (which shall include the payment of any loans provided by a shareholder).

“Single Employer Plan” means any “employee pension benefit plan,” as defined in Section 3(3) of ERISA (other than a Multiemployer Plan), that is subject to Title IV of ERISA and in respect of which any Obligor or ERISA Affiliate has any obligation or liability, contingent or otherwise.

“Specified CFC” has the meaning given to it in clause 26.4(A)(i) (*US Guarantee Limitations*).

“Specified Time” means 11:00 a.m. London time on the relevant Quotation Day.

“Sterling” means the lawful currency of the United Kingdom.

“Stock Exchange” means an organised and regulated financial market for the buying and selling of interests in financial instruments where any securities issued by any Obligor are listed from time to time.

“Sum” has the meaning given to it in clause 15.1 (*Currency indemnity*).

“Supported QFC” has the meaning given to it in clause 44(A) (*Acknowledgement Regarding Any Support QFCs*).

“Tax” means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

“Termination Date” means 31 December 2024 or, if not a Business Day, the immediately preceding Business Day.

“Third Parties Act” means the Contracts (Rights of Third Parties Act) 1999.

“Total Commitments” means the aggregate of the Commitments of the Lenders, being USD 250 million at the date of this Agreement.

“Total Interest Payable” means, in relation to the Group for any Measurement Period, all interest and other financing charges paid or payable and incurred by the Group during that Measurement Period.

“Total Interest Receivable” means, in relation to the Group for any Measurement Period, all interest and other financing charges received or receivable by the Group during that Measurement Period.

“Transaction Security” means any Security Interests created or evidenced or expressed to be created or evidenced under or pursuant to the Security Documents.

“Transfer Certificate” means a certificate substantially in the form set out in Schedule 5 (*Form of Transfer Certificate*) of this Agreement or any other form agreed between the Facility Agent and the Company.

“Transfer Date” means, in relation to a transfer, the later of:

- (A) the proposed Transfer Date specified in the Transfer Certificate; and
- (B) the date on which the Facility Agent executes the Transfer Certificate.

“Trust Indenture” means the indenture(s) pursuant to which all or any of the HY Notes are constituted or any other agreement under which HY Notes are constituted and any other agreement under which any guarantee for the HY Notes is given (including, but not limited to, the Deed of Guarantee).

“UK Bail-in Legislation” means Part I of the United Kingdom Banking Act 2009 and any other law or regulation applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (otherwise than through liquidation, administration or other insolvency proceedings).

“UK CRD IV” means:

- (A) CRR as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the **“Withdrawal Act”**);
- (B) the law of the United Kingdom or any part of it, which immediately before IP completion day (as defined in the European Union (Withdrawal Agreement) Act 2020 (**“WAA”**)) implemented CRD and its implementing measures;
- (C) direct EU legislation (as defined in the Withdrawal Act), which immediately before IP completion day (as defined in the WAA) implemented EU CRD IV as it forms part of domestic law of the United Kingdom by virtue of the Withdrawal Act; and
- (D) any law or regulation of the United Kingdom which introduces into domestic law of the United Kingdom a provision which is equivalent to a provision set out in CRR or CRD and/or implements Basel III standards.

“Unpaid Sum” means any sum due and payable but unpaid by an Obligor under the Finance Documents.

“US” or **“United States”** means the United States of America, its territories, possessions, any state of the United States, the District of Columbia and other areas subject to the jurisdiction of the United States of America.

“US Borrower” means a Borrower that is a “United States Person” as defined in section 7701(a)(30) of the Code, including an entity that is disregarded as separate from such United States Person for US federal income tax purposes.

“US Obligor” means an Obligor whose jurisdiction of organisation is within the United States.

“US Special Resolution Regimes” means has the meaning given to it in clause 44(A) (*Acknowledgement Regarding Any Support QFCs*).

“USA Patriot Act” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56 of the United States, as amended.

“US Solvent” and **“US Solvency”** mean, with respect to any person on a particular date, that on such date:

- (A) the fair value of the property of such person is greater than the total amount of liabilities, including, without limitation, contingent liabilities, of such person;
- (B) such person does not intend to, and does not believe that it will, incur debts or liabilities beyond such person's ability to pay as such debts and liabilities mature; and
- (C) such person is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which such person's property would constitute an unreasonably small capital.

The amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

“US Tax Obligor” means:

- (A) a Borrower which is resident for tax purposes in the United States of America; or
- (B) an Obligor some or all of whose payments under the Finance Documents are from sources within the United States for US federal income tax purposes.

“USD” or **“US Dollar”** means the lawful currency of the United States of America.

“Utilisation” means a utilisation of the Facility by way of a Loan.

“Utilisation Date” means the date of a Utilisation, being the date on which a Loan is to be made.

“Utilisation Request” means a notice substantially in the form set out in Schedule 4 (*Utilisation Request*) of this Agreement.

“VAT” means:

- (A) any value added tax imposed by the Value Added Tax Act 1994;
- (B) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and
- (C) any other tax of a similar nature, whether imposed in the United Kingdom or in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraphs (A) or (B) above, or imposed elsewhere.

“WCTP Block” means West Cape Three Points area offshore Ghana, being the area described in Annex 1 of the WCTP PA, but excluding any portions of such area in respect of which Contractor’s rights thereunder are from time to time relinquished or surrendered pursuant to the WCTP PA.

“WCTP PA” means the petroleum agreement dated 22 July 2004 between the Government of Ghana, represented by the Minister, the GNPC, KEG and EO in respect of the West Cape Three Points Block offshore Ghana (and all amendments and supplements thereto).

“Write-down and Conversion Powers” means:

- (A) in relation to any Bail-In Legislation described in the EU Bail-In Legislation Schedule from time to time, the powers described as such in relation to that Bail-In Legislation in the EU Bail-In Legislation Schedule;
- (B) in relation to the UK Bail-in Legislation, any powers under that UK Bail-In Legislation to cancel, transfer, or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that UK Bail-In Legislation that are related to or ancillary to any of those powers; and
- (C) in relation to any other applicable Bail-In Legislation other than the UK Bail-in Legislation:

- (i) any powers under that Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers; and
- (ii) any similar or analogous powers under that Bail-In Legislation.

1.2 Construction of particular terms

- (A) Unless a contrary indication appears, any reference in this Agreement to:
 - (i) “this Agreement” shall be construed as a reference to the agreement or document in which such reference appears together with all recitals and Schedules thereto;
 - (ii) a reference to “**assets**” includes properties, revenues and rights of every description;
 - (iii) an “**authorisation**” or “**consent**” shall be construed as including any authorisation, consent, approval, resolution, licence, exemption, permission, recording, notarisisation, filing or registration;
 - (iv) an “**authorised officer**” shall be construed, in relation to any Party, as a reference to a director or other person duly authorised by such Party as notified by such Party to the Facility Agent as being authorised to sign any agreement, certificate or other document or to take any decision or action, as applicable. The provision of any certificate or the making of any certification by any authorised officer of an Obligor shall not create for that authorised officer any personal liability to the Finance Parties;
 - (v) a “**calendar year**” is a reference to a period starting on (and including) 1 January and ending on (and including) the immediately following 31 December;
 - (vi) a “**certified copy**” shall be construed as a reference to a copy of that document, certified by an authorised officer of the relevant Party

delivering it to be a complete, accurate and up-to-date copy of the original document;

- (vii) a “**clause**” shall, subject to any contrary indication, be construed as a reference to a clause of the agreement or document in which such reference appears;
- (viii) “**continuing**” shall, in relation to any Default or Event of Default, be construed as meaning that such Default or Event of Default has not been remedied or waived;
- (ix) a Lender’s “**cost of funds**” in relation to its participation in a Loan is a reference to the average cost (determined either on an actual or a notional basis) which that Lender would incur if it were to fund, from whatever source(s) it may reasonably select, an amount equal to the amount of that participation in that Loan for a period equal in length to the Interest Period of that Loan;
- (x) the Agent’s “**cost of funds**” is a reference to the average cost (determined either on an actual or a notional basis) which the Agent would incur if it were to fund, from whatever source(s) it may reasonably select, an amount equal to the amount referred to in paragraph (B) of clause 28.3 (*Clawback*);
- (xi) the “**equivalent**” on any given date in any currency (the “first currency”) of an amount denominated in another currency (the “second currency”) is a reference to the amount of the first currency which could be purchased with the amount of the second currency at the spot rate of exchange quoted by the Facility Agent in the normal course of business at or about 11.00 a.m. on such date for the purchase of the first currency with the second currency in the London foreign exchange markets for delivery on the second Business Day thereafter;
- (xii) the “**group**” of any person, shall be construed as a reference to that person, its subsidiaries and any holding company of that person and all other subsidiaries of any such holding company, from time to time;
- (xiii) a “**holding company**” of a company or corporation shall be construed as a reference to any company or corporation of which the first-mentioned company or corporation is a subsidiary;
- (xiv) “**include**” or “**including**” shall be deemed to be followed by “without limitation” or “but not limited to” whether or not they are followed by such phrase or words of like import;

- (xv) a **"Month"** is a reference to a period starting on one day in a calendar month and ending on the numerically corresponding day in the next succeeding calendar month, subject to adjustment in accordance with the rules specified as Business Day Conventions in the Reference Rate Terms. (and references to **"Months"** shall be construed accordingly);
- (xvi) a **"person"** shall be construed as a reference to any person, trust, firm, company, corporation, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) of two or more of the foregoing;
- (xvii) a reference to a **"regulation"** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law but, if not having the force of law, being a regulation, rule, official directive, request or guideline with which a prudent person carrying on the same or a similar business to an Obligor would comply) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation;
- (xviii) a **"right"** shall be construed as including any right, title, interest, claim, remedy, discretion, power or privilege, in each case whether actual, contingent, present or future;
- (xix) a **"Schedule"** shall, subject to any contrary indication, be construed as a reference to a schedule of the agreement or document in which such reference appears;
- (xx) a **"subsidiary"** of a company or corporation means a subsidiary undertaking within the meaning of section 1162 of the Companies Act 2006 which shall be construed as a reference to any company or corporation:
 - (a) which is controlled, directly or indirectly, by the first-mentioned company or corporation;
 - (b) more than half the issued share capital of which is beneficially owned, directly or indirectly, by the first-mentioned company or corporation; or
 - (c) which is a subsidiary of another subsidiary of the first-mentioned company or corporation,

and, for these purposes, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body;

- (xxi) the “**winding-up**”, “**dissolution**” or “**administration**” of a company or corporation shall be construed so as to include any equivalent or analogous proceedings under the law of the jurisdiction in which such company or corporation is incorporated or any jurisdiction in which such company or corporation carries on business including the seeking of liquidation, bankruptcy, winding-up, reorganisation, dissolution, administration, receivership, judicial custodianship, administrative receivership, arrangement, adjustment, protection or relief of debtors;
- (xxii) a “**year**” is a reference to a period starting on one day in a Month in a calendar year and ending on the numerically corresponding day in the same Month in the next succeeding calendar year, save that, where any such period would otherwise end on a day which is not a Business Day, it shall end on the next succeeding Business Day, unless that day falls in the Month succeeding that in which it would otherwise have ended, in which case it shall end on the immediately preceding Business Day Provided that, if a period starts on the last Business Day in a Month, that period shall end on the last Business Day in that later Month (and references to “**years**” shall be construed accordingly);
and
- (xxiii) a provision of law is a reference to that provision as amended and re-enacted.

(B) A reference in this Agreement to a page or screen of an information service displaying a rate shall include:

- (i) any replacement page of that information service which displays that rate; and
- (ii) the appropriate page of such other information service which displays that rate from time to time in place of that information service,

and, if such page or service ceases to be available, shall include any other page or service displaying that rate specified by the Facility Agent after consultation with the Company.

(C) A reference in this Agreement to a Central Bank Rate shall include any successor rate to, or replacement rate for, that rate.

- (D) Any Reference Rate Supplement overrides anything in:
 - (i) Schedule 14 (*Reference Rate Terms*); or
 - (ii) any earlier Reference Rate Supplement.
- (E) A Compounding Methodology Supplement relating to the Daily Non-Cumulative Compounded RFR Rate or the Cumulative Compounded RFR Rate overrides anything relating to that rate in:
 - (i) Schedule 15 (*Daily Non-Cumulative Compounded RFR Rate*) or Schedule 16 (*Cumulative Compounded RFR Rate*), as the case may be; or
 - (ii) any earlier Compounding Methodology Supplement.
- (F) Any provision of clause 8.2 (*Illegality*) and clause 20.18 (*Application of the Loans*) shall not apply to or in favour of any Finance Party (other than any Finance Party which has notified the Facility Agent that the following carve-out shall not apply to it or any of its directors, officers or employees) or any director, officer or employee thereof, to the extent that such provisions would expose the Finance Party or any director, officer or employee thereof to liability under any applicable anti-boycott or blocking law, regulation or statute.

1.3 Interpretation

- (A) Words importing the singular shall include the plural and vice versa.
- (B) Words indicating any gender shall include each other gender.
- (C) Unless a contrary indication appears, a reference used in any Finance Document or in any notice given under or in connection with any Finance Document to:
 - (i) any party or person shall be construed so as to include its and any subsequent successors, permitted transferees and permitted assigns in accordance with their respective interests;
 - (ii) a "Finance Document" or any other agreement or instrument is (other than a reference to a "Finance Document" or any other agreement or instrument in "original form") a reference to that Finance Document, or other agreement or instrument, as amended, novated, supplemented, extended or restated; and

(iii) a time of day shall, save as otherwise provided in any agreement or document, be construed as a reference to Amsterdam time.

(D) Section, Part, Clause and Schedule headings contained in, and any index or table of contents to, any agreement or document are for ease of reference only.

1.4 Third Party Rights

(A) A person who is not a party to this Agreement has no right under the Third Parties Act to enforce or enjoy the benefit of any term of this Agreement.

(B) Notwithstanding any term of any Finance Document, this Agreement may be rescinded or varied without the consent of any person who is not a Party hereto.

PART 2
CONDITIONS PRECEDENT

2. CONDITIONS PRECEDENT

2.1 Conditions Precedent to first Utilisation

The Company may not deliver a Utilisation Request unless the Facility Agent has received all of the documents and other evidence listed in Part I of Schedule 3 (*Conditions Precedent*) in form and substance satisfactory to the Facility Agent (acting reasonably), or their delivery has otherwise been waived in accordance with clause 2.4 (*Waivers of Conditions Precedent*). The Facility Agent (acting reasonably) shall notify the Company and the Lenders promptly upon being so satisfied.

2.2 Conditions Precedent to each Utilisation

The Lenders will only be obliged to comply with clause 6.5 (*Lenders' participation*) if, on the proposed Utilisation Date:

- (A) no Default or Event of Default is continuing or will result from the proposed Loan; and
- (B) an Authorised Signatory of the relevant Borrower certifies that the Repeating Representations to be made by each Obligor are, in the light of the facts and circumstances then existing, true and correct in all material respects (or, in the case of a Repeating Representation that contains a materiality concept, true and correct in all respects).

2.3 Waivers of Conditions Precedent

- (A) The Facility Agent, acting in accordance with the instructions of all the Lenders, may waive the requirement under clause 2.1 (*Conditions Precedent to first Utilisation*) to deliver any one or more of the documents and other evidence listed in Part I of Schedule 3 (*Conditions Precedent*).
- (B) Satisfaction of any of the conditions set out in clause 2.2 (*Conditions Precedent to each Utilisation*) may be waived by the Facility Agent acting in accordance with the instructions of the Majority Lenders.
- (C) Any waiver effected by the Facility Agent in accordance with this clause shall be binding on all Parties.
- (D) For the avoidance of doubt, no Utilisation may be made under the Facility, until the Facility Agent has confirmed all relevant Conditions Precedent have been

satisfied (acting reasonably) or waived in accordance with this clause 2 (*Conditions Precedent*).

PART 3
OPERATION OF THE FACILITY

3. THE FACILITY

3.1 Facility Commitment amounts

- (A) Subject to the terms of the Finance Documents, the Lenders have agreed to make available to the Borrowers a US Dollar revolving credit facility on the terms and conditions set out in this Agreement (the “**Facility**”) in an aggregate amount equal to the Total Commitments.
- (B) The Facility may be utilised by way of Loans (which, during the Availability Period only, shall include Rollover Loans).

3.2 Additional Commitments

- (A) KEL may notify the Facility Agent (such notice being an “**Additional Commitment Notice**”) that it has agreed with any Lender or any other bank or financial institution (in each case, an “**Additional Lender**”) to increase the Total Commitments by the provision of additional commitments under the Facility (each such increase or, as the case may be, assumption in commitments being an “**Additional Commitment**”), provided that:
 - (i) the Additional Commitment Notice shall be delivered prior to the expiry of the Availability Period;
 - (ii) no Event of Default is continuing or would arise as a result of the provision of the Additional Commitment;
 - (iii) the terms of the Additional Commitment shall, for all purposes of this Agreement, be treated pursuant to the terms of this Agreement in the same manner as the existing Commitments; and
 - (iv) the Total Commitments will not exceed USD 300 million as a result of such Additional Commitment unless the Majority Lenders have provided their consent to an increase above USD 300 million.
- (B) Each Additional Commitment Notice shall:
 - (i) confirm that the requirements of paragraph (A) above are fulfilled; and
 - (ii) specify the date upon which the Additional Commitment is anticipated to be made available to the Borrowers (the “**Additional Commitment Date**”); and

- (C) In the event that an Additional Lender is not a Party to this Agreement, KEL shall procure that on or prior to the Additional Commitment Date, such Additional Lender delivers a Lender Accession Notice duly completed and signed on behalf of the Additional Lender and specifying its Additional Commitment to the Facility Agent.
- (D) Subject to the conditions in paragraph (B) and (C) above being met, from the relevant Additional Commitment Date:
- (i) the Additional Lender shall make available the relevant Additional Commitment for Utilisation under the Facility in accordance with the terms of this Agreement (as amended);
 - (ii) the Additional Commitment shall rank *pari passu* with respect to existing Commitments; and
 - (iii) any necessary rebalancing of the Commitments and outstandings under the Facility and the Additional Commitment provided by the Additional Lender to ensure that they are pro rata (the “**New Commitment Rebalancing**”) will be made by a Borrower either:
 - (a) making utilisations from the Additional Commitment within five Business Days of the relevant Additional Commitment Date in priority to utilisations from Commitments under the Facility or to effect a prepayment under the Facility to the existing Lenders (which amount may be redrawn by the Borrowers); or
 - (b) making its first utilisation under the Additional Commitment on the last day of the then Interest Period,at that Borrower's election, in each case to procure, as far as practicable, any New Commitment Rebalancing, following which all utilisations shall be made pro rata.
- (E) Each Additional Lender shall become a party to the Finance Documents (and be entitled to share in the Security Interests created under the Security Documents and benefit from the Deed of Guarantee, in accordance with the terms of the Finance Documents) if such Additional Lender accedes to the Finance Documents in accordance with the Finance Documents.
- (F) Each party (other than the relevant Additional Lender) irrevocably authorises and instructs the Facility Agent to execute on its behalf any Lender Accession Notice which has been duly completed and signed on behalf of that proposed Additional Lender and each Party agrees to be bound by such accession. The

Facility Agent must promptly sign any such Lender Accession Notice (and in any event within three Business Days of receipt).

- (G) The Facility Agent shall only be obliged to execute a Lender Accession Notice delivered to it by an Additional Lender once the Facility Agent (acting reasonably) has, to the extent that the necessary information is not already available to it, received all required information to comply with all necessary “know your customer” or other similar checks under all applicable laws and regulations in relation to the accession of such Additional Lender.
- (H) On the date that the Facility Agent executes a Lender Accession Notice:
 - (i) the Additional Lender party to that Lender Accession Notice, each other Finance Party and the Obligors shall acquire the same rights and assume the same obligations between themselves as they would have acquired and assumed had that Additional Lender been a Lender on the date of this Agreement with the rights and/or obligations acquired or assumed by it as a result of that accession and with the Commitment specified by it as its Additional Commitment; and
 - (ii) that Additional Lender shall become a Party to this Agreement as a “Lender”.
- (I) Clause 22.4 (*Limitation of responsibility of Existing Lenders*) shall apply mutatis mutandis in this clause 3.2 in relation to an Additional Lender as if references in that clause to:
 - (i) an “**Existing Lender**” were references to all the Lenders immediately prior to the relevant increase;
 - (ii) the “**New Lender**” were references to that “Additional Lender”; anda “re-transfer” and “re-assignment” were references to respectively a “transfer” and “assignment”.

3.3 Amendments to Finance Documents

The Parties shall, acting reasonably, make such amendments to the Finance Documents as may be necessary to increase the Total Commitments pursuant to clause 3.2 (*Additional Commitments*) and to enable each Additional Lender to accede to the Finance Documents and provide its Additional Commitment hereunder. The Facility Agent may effect, on behalf of the Finance Parties, any such amendment. Any Lender Accession Notice or accession in respect of any Finance Document entered into, or any amendment to the Finance Documents effected pursuant to clause 3.2 (*Additional*

Commitments) above, by the Facility Agent, the Additional Lender or the Original Borrower, shall be binding on all Parties.

4. FINANCE PARTIES' RIGHTS AND OBLIGATIONS

- (A) The obligations of each Finance Party under the Finance Documents are several. Failure by a Finance Party to perform its obligations under any Finance Documents to which it is a Party does not affect the obligations of any other Party under the Finance Documents. No Finance Party is responsible for the obligations of any other Finance Party under the Finance Documents.
- (B) The rights of each Finance Party under or in connection with the Finance Documents to which it is a Party are separate and independent rights and any debt arising under the Finance Documents to a Finance Party from an Obligor shall be a separate and independent debt in respect of which a Finance Party shall be entitled to enforce its rights in accordance with paragraph (C) below. The rights of each Finance Party include any debt owing to that Finance Party under the Finance Documents and, for the avoidance of doubt, any part of a Loan or any other amount owed by an Obligor which relates to a Finance Party's participation in a Facility or its role under a Finance Document (including any such amount payable to the Facility Agent on its behalf) is a debt owing to that Finance Party by that Obligor.
- (C) A Finance Party may, except as otherwise stated in the Finance Documents, separately enforce its rights under the Finance Documents.

5. PURPOSE

5.1 Purpose

- (A) Subject to paragraph (B) below, the proceeds of any Loan may only be used by a Borrower towards the general corporate purposes of the Group.
- (B) For the avoidance of doubt, the Obligors shall not use the proceeds of any Loan for the purpose of making a Shareholder Distribution, except in instances where the payment of a Shareholder Distribution is mandatory under the rules of any Stock Exchange.

5.2 Monitoring

No Finance Party is bound to monitor or verify the application of any Loan made pursuant to the Finance Documents.

6. UTILISATION

6.1 Availability Period

Subject to the satisfaction of the relevant Conditions Precedent, the Facility shall be available for drawing during the Availability Period.

6.2 Delivery of a Utilisation Request

A Borrower may borrow a loan under the Facility by delivery to the Facility Agent of a duly completed Utilisation Request not later than 10:00 am on the third Business Day prior to the proposed Utilisation Date and the Facility Agent shall deliver such Utilisation Request to the Lenders on the Business Day of receipt of the same by it. For this purpose, if the Facility Agent receives the Utilisation Request on a day which is not a Business Day or after 10:00 am on a Business Day, it will be treated as having received the Utilisation Request on the following Business Day.

6.3 Completion of a Utilisation Request

- (A) Each Utilisation Request is irrevocable and will not be regarded as having been duly completed unless:
- (i) the proposed Utilisation Date is a Business Day within the Availability Period;
 - (ii) the amount of the Utilisation complies with clause 6.4 (*Amount*); and
 - (iii) the proposed Interest Period complies with clause 10 (*Interest Periods*).
- (B) Only one Loan may be requested in each Utilisation Request and a maximum of 3 Utilisation Requests may be requested in any one Month.
- (C) A Borrower may not deliver a Utilisation Request if as a result of the proposed Utilisation ten (10) or more Loans would be outstanding.

6.4 Amount

The amount of any proposed Loan under the Facility must be:

- (A) a minimum of USD 1 million (or, in any event, such lesser amount as the Facility Agent may agree acting on the instructions of the Majority Lenders); and
- (B) in integral multiples of USD 1 million (or, in any event, such lesser amount as the Facility Agent may agree acting on the instructions of the Majority Lenders),

or, if less, the Available Facility.

6.5 Lenders' participation

- (A) If the conditions set out in this Agreement have been met, each Lender shall make its participation in the relevant Loan available by the Utilisation Date through its Facility Office in accordance with the terms of this Agreement.
- (B) The amount of a Lender's participation in that Loan will be equal to the proportion borne by its Available Commitment to the Available Facility immediately prior to the making of the relevant Loan.
- (C) In providing the notification to the Lender pursuant to clause 6.2 (*Delivery of a Utilisation Request*), the Facility Agent shall notify each Lender of the amount of each Loan and the amount of its participation in each such Loan.

PART 4
PAYMENTS, CANCELLATION, INTEREST AND FEES

7. REPAYMENT

7.1 Repayment of Loans

- (A) Each Borrower which has drawn a Loan shall repay that Loan on the last day of its Interest Period.
- (B) Without prejudice to each Borrower's obligation under paragraph (A) above, if:
- (i) one or more Loans are to be made available to a Borrower:
 - (a) on the same day that a maturing Loan is due to be repaid by that Borrower;
 - (b) in whole or in part for the purpose of refinancing the maturing Loan; and
 - (ii) the proportion borne by each Lender's participation in the maturing Loan to the amount of that maturing Loan is the same as the proportion borne by that Lender's participation in the new Loans to the aggregate amount of those new Loans,

the aggregate amount of the new Loans shall, unless the Company notifies the Facility Agent to the contrary in the relevant Utilisation Request, be treated as if applied in or towards repayment of the maturing Loan so that:

- (a) if the amount of the maturing Loan exceeds the aggregate amount of the new Loans:
 - (1) the relevant Borrower will only be required to make a payment under clause 28.1 (*Payments to the Facility Agent*) in an amount equal to that excess; and
 - (2) each Lender's participation in the new Loans shall be treated as having been made available and applied by the relevant Borrower in or towards repayment of that Lender's participation in the maturing Loan and that Lender will not be required to make a payment under clause 28.1 (*Payments to the Facility Agent*) in respect of its participation in the new Loans; and

- (b) if the amount of the maturing Loan is equal to or less than the aggregate amount of the new Loans:
 - (1) the relevant Borrower will not be required to make a payment under clause 28.1 (*Payments to the Facility Agent*); and
 - (2) each Lender will be required to make a payment under clause 28.1 (*Payments to the Facility Agent*) in respect of its participation in the new Loans only to the extent that its participation in the new Loans exceeds that Lender's participation in the maturing Loan and the remainder of that Lender's participation in the new Loans shall be treated as having been made available and applied by the relevant Borrower in or towards repayment of that Lender's participation in the maturing Loan.

8. PREPAYMENT AND CANCELLATION

8.1 General

- (A) Subject to there being no Event of Default continuing and other than an obligation to make a prepayment upon a Change of Control, any mandatory prepayments in respect of the Facility shall, unless otherwise specified in this Agreement, be paid within 60 days after the date on which the event giving rise to the obligation to make the prepayment occurs.
- (B) Any amount prepaid may only be redrawn if such prepayment and Utilisation:
 - (i) is not contrary to any other term of this Agreement; and
 - (ii) occurs prior to the expiry of the Availability Period.
- (C) Any prepayment shall be made with accrued interest on the amount prepaid and without premium or penalty.
- (D) Unless a contrary indication appears in this Agreement, when any prepayment of the whole or part of a Loan takes place, each Lender's participation in the relevant Loan shall be reduced rateably.

8.2 Illegality

- (A) If it becomes unlawful (including as a result of any Sanctions) in any applicable jurisdiction for a Lender (an "**Illegality Lender**") to perform any of its obligations

as contemplated by the Finance Documents, or to fund or maintain its participation in any Utilisation or it becomes unlawful for any Affiliate of a Lender for that Lender to do so:

- (i) that Lender shall promptly notify the Facility Agent upon becoming aware of that event;
- (ii) upon the Facility Agent notifying the Company, the Commitment of that Lender will be immediately cancelled; and
- (iii) each Borrower shall either:
 - (a) if the Lender so requires, repay that Lender's participation in the Utilisations made to that Borrower on the last day of the Interest Period for each Utilisation occurring after the Facility Agent has notified that Borrower or, if earlier, the date specified by the Lender in the notice delivered to the Facility Agent (being no earlier than the last day of any applicable grace period permitted by law); or
 - (b) replace that Lender in accordance with paragraph (B) of clause 8.11 (*Right of repayment and cancellation in relation to a single Lender*) on or before the first date applicable under paragraph (i) above in respect of which a payment is due and payable.

(B) If it becomes unlawful (including as a result of any Sanctions) in any applicable jurisdiction for any Borrower to perform any of its obligations as contemplated by the Finance Documents:

- (i) that Borrower shall promptly notify the Facility Agent upon becoming aware of that event;
- (ii) the Facility Agent shall notify the Lenders; and
- (iii) that Borrower shall repay each Utilisation made to it on the last day of the Interest Period for that Utilisation occurring after the Facility Agent has notified the Lenders or, if earlier, the last day of any applicable grace period permitted by law.

8.3 Change of Control

(A) Upon a Change of Control:

- (i) the relevant Obligor shall promptly notify the Facility Agent upon becoming aware of the occurrence of that event; and

- (ii) upon receiving the notice referred to in paragraph (i) above, the Facility Agent shall promptly:
 - (a) notify the Lenders; and
 - (b) request confirmation from the Lenders as to whether they require a mandatory prepayment to be made pursuant to this Clause 8.3,

and, if the Majority Lenders so require, the Facility Agent shall, on not less than 30 days written notice to the Company, cancel the Commitments and each Borrower shall repay each Lender's participation in any Utilisations on the last day of the then current period under the Facility, together with accrued interest and all other amounts accrued under the Finance Documents.

(B) For the purpose of paragraph (A) above, "**Change of Control**" means any person (or persons with whom they act in concert) other than a Permitted Transferee acquiring, directly or indirectly, more than 50 per cent. of the ordinary share capital in any Ghana Obligor, KEGHL or KEGI carrying a right to vote in general meetings of that company. For the avoidance of doubt, a Change of Control shall not occur on an IPO of any Private Equity Shareholder (directly or indirectly) in the Original Borrower, or an IPO of any Ghana Obligor, KEGHL or KEGI.

(C) For the purposes of paragraph (B) above, any persons includes more than one person acting in concert and a "**Permitted Transferee**" means:

- (i) a Private Equity Shareholder;
- (ii) a Private Equity Shareholder Affiliate or an Affiliate of KEH, so long as they remain an Affiliate (including any funds associated with Warburg Pincus and Blackstone Capital Partners or the Blackstone Group); or
- (iii) a person who is otherwise approved by the Majority Lenders (acting reasonably) provided that any Lender which does not grant its approval may, on not less than 30 days written notice to the Facility Agent and the Company, demand that its participation in the Facility be prepaid in full and that its Commitment be immediately cancelled, provided that the Company may, in accordance with paragraph (B) of clause 8.11 (*Right of repayment and cancellation in relation to a single Lender*), procure the replacement of that Lender or the transfer of its participation and Commitment to another Lender (with that Lender's consent) rather than such prepayment and cancellation provided that such replacement or

transfer is completed within the relevant notice period given by the relevant Lender. If such replacement or transfer does not occur within the relevant period, that Lender's participation in the Facility shall be immediately due and payable in full by each Borrower and its Commitment immediately cancelled.

8.4 Ghana Petroleum Agreement Medium Sale Event

Upon a Ghana Petroleum Agreement Medium Sale Event:

- (A) the Original Borrower shall promptly notify the Facility Agent upon becoming aware of the occurrence of that event; and
- (B) upon receiving the notice referred to in paragraph (A) above, the Facility Agent shall promptly:
 - (a) notify the Lenders; and
 - (b) request confirmation from the Lenders as to whether they require a mandatory prepayment to be made pursuant to this Clause 8.4,

and, if the Majority Lenders so require, the Facility Agent shall, on not less than 30 days' written notice to the Company, cancel the Commitments of the Lenders, on a pro rata basis, by the Ghana Petroleum Agreement Medium Sale Event Cancellation Amount and the Borrowers shall repay each Lender's participation in any Utilisations pro rata, by the Ghana Petroleum Agreement Medium Sale Event Prepayment Amount, within 30 days after the Ghana Petroleum Agreement Medium Sale Event, together with accrued interest and all other amounts accrued under the Finance Documents.

8.5 Ghana Petroleum Agreement Large Sale Event

Upon a Ghana Petroleum Agreement Large Sale Event:

- (A) the Original Borrower shall promptly notify the Facility Agent upon becoming aware of the occurrence of that event; and
- (B) the Facility Agent shall, on not less than 30 days' written notice to the Company, cancel the Commitments of the Lenders and the Borrowers shall repay each Lender's participation in any Utilisations within 30 days after the Ghana Petroleum Agreement Large Sale Event, together with accrued interest and all other amounts accrued under the Finance Documents.

8.6 Cash sweep

- (A) If any Loan is outstanding on a Cash Sweep Calculation Date, the Company shall:
- (i) by the date falling 30 days after such Cash Sweep Calculation Date, supply to the Facility Agent an Excess Cash statement in the form set out in Schedule 13 (*Excess Cash Statement*) (an “**Excess Cash Statement**”) setting out the Excess Cash calculation as at such Cash Sweep Calculation Date; and
 - (ii) subject to paragraph (C) below, within 30 days after the date on which the Excess Cash Statement is delivered or required to be delivered pursuant to paragraph (i) above, repay the outstanding Loans (in whole or in part) in an amount equal to or more than 50 per cent. of the Excess Cash (or, if less, the amount of the outstanding Loans).
- (B) Any amount prepaid pursuant to this clause 8.6 may be redrawn, unless such prepayment and Utilisation occurs after the expiry of the Availability Period.
- (C) Where applicable laws and regulations or the terms of the RBL Facility Agreement and/or GoM Loan operate to prohibit cash from being distributed up to the Company, such cash which is prohibited from being distributed up to the Company will not constitute Excess Cash and the Company shall only be required to make prepayments pursuant to paragraph (A) above to the extent that it has Excess Cash available to do so. For the avoidance of doubt, KEGHL and KEGI are not prevented by the RBL Facility Agreement from upstreaming cash to the Company.
- (D) Subject to paragraph (C) above, the Company shall exercise its rights as shareholder of the other Group members, and the Company shall ensure that each Group member shall exercise its rights as shareholder to procure that each other member of the Group shall, upstream to the Borrower any Excess Cash to the extent required to enable the Company to comply with paragraph (A) above.
- (E) This clause 8.6 shall not apply if no Loan is outstanding on a Cash Sweep Calculation Date.

8.7 Capital Markets and Loan Transactions

- (A) If any Loan is outstanding on the date that the Company completes a Capital Markets and Loan Transaction and receives the proceeds of such Capital Markets and Loan Transaction, the Company shall, within 30 days after receipt by the Company of such Net Proceeds, repay the outstanding Loans (in whole

or, if the Net Proceeds are less than the outstanding Loans, in part) using the Net Proceeds of such Capital Markets and Loan Transaction.

- (B) If there are any Net Proceeds remaining after prepayment of the outstanding Loans (or after allocation of Net Proceeds to be applied in prepayment of the outstanding Loans), the Company will be free to use the remaining Net Proceeds for any purpose not otherwise restricted by this Agreement.
- (C) Any amount prepaid pursuant to this clause 8.7 may be redrawn, unless such prepayment and Utilisation occurs after the expiry of the Availability Period.
- (D) This clause 8.7 shall not apply if no Loan is outstanding on the date that the Company completes a Capital Markets and Loan Transaction and receives the proceeds of such Capital Markets and Loan Transaction.

8.8 Increase in Lender Commitment

In circumstances where the Commitment of any Lender is increased (excluding any increase as a result of an assumption of Additional Commitment pursuant to clause 3.2 (*Additional Commitments*) or a transfer made pursuant to clause 22 (*Changes to the Lenders*)), any other Lender shall (provided that such Lender voted against such increase) have the unilateral right to instruct the Facility Agent to, on not less than 30 days written notice to the Company, cancel the Commitment of that other Lender and require the Borrowers to repay that other Lender's participation in any Utilisations in full, on the last day of the then current interest period under the Facility, together with accrued interest and all other amounts accrued under the Finance Documents.

8.9 Financial Covenants

In circumstances where the Majority Lenders have given their consent to amend any provision of clause 19 (*Financial Covenants*), any other Lender shall (provided that such Lender did not give such consent) have the unilateral right to instruct the Facility Agent to, on not less than 30 days written notice to the Company, cancel the Commitment of that other Lender and require the Borrowers to repay that other Lender's participation in any Utilisations in full, on the last day of the then current interest period under the Facility, together with accrued interest and all other amounts accrued under the Finance Documents.

8.10 Automatic Cancellation

At the close of business in Amsterdam on the last Business Day of the Availability Period for the Facility, the undrawn Commitment of each Lender under the Facility at that time shall be automatically cancelled.

8.11 Voluntary Cancellation

- (A) The Company may, by giving not less than ten Business Days' (or such shorter period as the Majority Lenders may agree) prior written notice to the Facility Agent, without penalty, cancel the Available Facility in whole or in part (but if in part, in a minimum amount of USD 1 million or, if less, the relevant Commitments in the Available Facility). The relevant Commitments in respect of the Facility will be cancelled on a date specified in such notice, being a date not earlier than ten Business Days after the relevant notice is received by the Facility Agent.
- (B) Any valid notice of cancellation will be irrevocable and will specify the date on which the cancellation shall take effect. No part of any Commitment which has been cancelled or which is the subject of a notice of cancellation may subsequently be utilised.
- (C) When any cancellation of Commitments under the Facility takes effect, each Lender's Available Commitment under the Facility will be reduced by an amount which bears the same proportion to the total amount being cancelled as its Available Commitment under the Facility bears to the Available Facility (at that time).

8.12 Voluntary Prepayment of Loans

- (A) Subject to paragraphs (B) and (C) below, a Utilisation may be prepaid whether in whole or in part by a Borrower without penalty upon ten RFR Banking Days' prior written notice to the Facility Agent.
- (B) Any valid notice of prepayment will be irrevocable and, unless a contrary indication appears in this Agreement, will specify the date on which the cancellation shall take effect. Any amount prepaid or repaid may not be redrawn if such prepayment or repayment and Utilisation occurs after the expiry of the Availability Period.
- (C) A maximum of (six (6) voluntary prepayments may be made in any twelve (12) Month period.
- (D) Prepayment shall take effect on the date specified in the notice of prepayment.

8.13 Right of repayment and cancellation in relation to a single Lender

- (A) If:

- (i) the Company reasonably believes that the sum payable to any Lender by an Obligor is required to be increased under clause 13.2 (*Tax gross-up*);
- (ii) the Company receives a notice from the Facility Agent under clause 13.3 (*Tax Indemnity*) or clause 14.1 (*Increased costs*);
- (iii) any Lender is or becomes a Non-Funding Lender; or
- (iv) any Lender is or becomes entitled to increase its rate of interest further to clause 11.2 (*Market disruption*),

the Company may, while (in the case of paragraph (i) and (ii) above) the circumstance giving rise to the belief or notice continues or (in the case of (iii) or (iv) above) the relevant circumstance continues:

- (a) give the Facility Agent notice of cancellation of the Commitment of that Lender and its intention to procure the repayment of that Lender's participation in the Utilisations;
- (b) in the case of a Non-Funding Lender or Illegality Lender, give the Facility Agent notice of cancellation of the Available Commitment of that Lender in relation to the Facility and reinstate all or part of such Available Commitment in accordance with paragraph (B) below; or
- (c) replace that Lender in accordance with paragraph (B) below.

(B) The Company may:

- (i) in the circumstances set out in paragraph (A) above or pursuant to clause 8.1 (*General*) or clause 8.2 (*Illegality*) or clause 8.3(A)(ii) (*Change of Control*), replace an Existing Lender (as defined in clause 22 (*Changes to the Lenders*)), with one or more other Lenders (which need not be Existing Lenders) (each a "**Replacement Lender**"), which have agreed to purchase all or part of the Commitment and participations of that Existing Lender in Utilisations made to a Borrower pursuant to an assignment or transfer in accordance with the provisions of clause 22 (*Changes to the Lenders*); or
- (ii) in the circumstances set out in paragraph (A)(iv)(a) of this clause 8.13, cancel the Available Commitments of the Non-Funding Lender or Illegality Lender in respect of the Facility and procure that one or more Replacement Lenders assume Commitments under the Facility in an aggregate amount not exceeding the Available Commitment of the

relevant Non-Funding Lender or Illegality Lender in relation to the Facility,

in each case on condition that:

- (a) each assignment or transfer under this paragraph (B) shall be arranged by the Company (with such reasonable assistance from the Existing Lender as the Company may reasonably request); and
- (b) no Existing Lender shall be obliged to make any assignment or transfer pursuant to this paragraph (B) unless and until:
 - (1) it has received payment from the Replacement Lender or Replacement Lenders in an aggregate amount equal to the outstanding principal amount of the participations in the Utilisations owing to the Existing Lender, together with accrued and unpaid interest (to the extent that the Facility Agent has not given a notification under clause 22.9 (*Pro rata interest settlement*)) and fees and all other amounts payable to the Existing Lender under this Agreement; and
 - (2) the requirements under clause 17.8 (*"Know your customer" and "customer due diligence" requirements*) have been satisfied in respect of the Replacement Lender.
- (C) On receipt of a notice from the Company referred to in paragraph (A) above, the Commitment of that Lender shall immediately be reduced to zero.
- (D) On the last day of each Interest Period which ends after the Company has given notice of cancellation under paragraph (A) above (or, if earlier, the date specified by the Company in that notice), the relevant Borrower shall repay that Lender's participation in the relevant Utilisation.
- (E) Paragraphs (A) and (B) do not in any way limit the obligations of any Finance Party under clause 16.1 (*Mitigation*).

9. INTEREST

9.1 Calculation of interest

- (A) The rate of interest on each Loan for any day during an Interest Period is the percentage rate per annum which is the aggregate of the applicable:

(i) Margin; and

(ii) Compounded Reference Rate for that day.

(B) If any day during an Interest Period for a Loan is not an RFR Banking Day, the rate of interest on that Loan for that day will be the rate applicable to the immediately preceding RFR Banking Day.

9.2 Payment of interest

A Borrower shall pay accrued interest on each Loan on the last day of each Interest Period.

9.3 Default interest

(A) If an Obligor fails to pay any amount payable by it under a Finance Document on its due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment (both before and after judgment) at a rate which is 1.0 per cent. higher than the rate which would have been payable if the overdue amount had, during the period of non-payment, constituted a Loan in the currency of the overdue amount for successive Interest Periods, each of a duration selected by the Facility Agent (acting reasonably). Any interest accruing under this clause shall be immediately payable by the Obligor on demand by that Facility Agent.

(B) Default interest (if unpaid) arising on an overdue amount will be compounded with the overdue amount at the end of each Interest Period applicable to that overdue amount but will remain immediately due and payable.

9.4 Notifications

The Facility Agent shall promptly upon an Interest Payment being determinable notify:

(A) the relevant Borrower of that Interest Payment;

(B) each relevant Lender of the proportion of that Interest Payment which relates to that Lender's participation in the relevant Loan; and

(C) the relevant Lenders and the relevant Borrower of:

(i) each applicable rate of interest relating to the determination of that Interest Payment; and

(ii) to the extent it is then determinable, the Market Disruption Rate (if any) relating to the relevant Loan,

provided that the Facility Agent shall not be required to make notifications on a day which is not a Business Day.

10. INTEREST PERIODS

10.1 Selection of Interest Periods

- (A) A Borrower shall select an Interest Period for a Loan in the Utilisation Request for that Loan.
- (B) Subject to this Clause 10.1, a Borrower may select an Interest Period of 1, 3 or 6 Months or such other period as may be agreed between a Borrower and the Facility Agent (acting on the instructions of all the Lenders).
- (C) No Interest Period shall be longer than six Months.
- (D) No Interest Period for a Loan under the Facility shall extend beyond the Termination Date.

10.2 Non-Business Days

In respect of any Loan or Unpaid Sum, any rules specified as "Business Day Conventions" in the Reference Rate Terms shall apply to each Interest Period for that Loan or Unpaid Sum.

11. CHANGES TO THE CALCULATION OF INTEREST

11.1 Absence of RFR or Central Bank Rate

If there is no applicable RFR or Central Bank Rate for the purposes of calculating the Daily Non-Cumulative Compounded RFR Rate for an RFR Banking Day during an Interest Period for a Loan, Clauses 11.2 (*Market disruption*) and 11.3 (*Alternative basis of interest or funding*) shall apply.

11.2 Market disruption

- (A) If a Market Disruption Event occurs in relation to a Loan for any Interest Period or Clause 11.1 (*Absence of RFR or Central Bank Rate*) applies, the rate of interest on each Lender's share of that Loan for the Interest Period shall be the percentage rate per annum which is the sum of:
 - (i) the Margin; and
 - (ii) the weighted average of the rates notified to the Facility Agent by each Lender as soon as practicable and in any event by the Reporting Time,

to be that which expresses as a percentage rate per annum its cost of funds relating to its participation in that Loan.

- (B) In this Agreement “**Market Disruption Event**” means if, before the Reporting Time, the Facility Agent receives notifications from a Lender or Lenders (whose participations in a Loan exceed 35 per cent. of that Loan) that its cost of funds relating to its participation in that Loan would be materially in excess of the Market Disruption Rate.
- (C) The Facility Agent shall notify the relevant Borrower immediately upon receiving notice from the Lender(s).
- (D) If this Clause 11.2 applies but any Lender does not notify a rate to the Facility Agent by the Reporting Time, the rate of interest shall be calculated on the basis of the rates notified by the remaining Lenders.

11.3 Alternative basis of interest or funding

- (A) If a Market Disruption Event occurs or Clause 11.1 (*Absence of RFR or Central Bank Rate*) applies and the Facility Agent or the relevant Borrower so requires, the Facility Agent and the relevant Borrower shall enter into negotiations (for a period of not more than thirty (30) days) with a view to agreeing a substitute basis for determining the rate of interest.
- (B) Any alternative basis agreed pursuant to paragraph (A) above shall, with the prior consent of all the Lenders and the relevant Borrower, be binding on all Parties.

11.4 DELETED

11.5 Tax Information

- (A) Subject to paragraph (D) below, each Party shall, within ten Business Days of a reasonable request by another Party:
 - (i) confirm to that other Party whether it is:
 - (a) a FATCA Exempt Party; or
 - (b) not a FATCA Exempt Party;
 - (ii) supply to that other Party such forms, documentation and other information relating to its status under FATCA or CRS as that other Party reasonably requests for the purposes of that other Party's compliance with FATCA or CRS; and

- (iii) supply to that other Party such forms, documentation and other information relating to its status as that other Party reasonably requests for the purposes of that other Party's compliance with any other law, regulation, or exchange of information regime.

- (B) Each Party agrees to the disclosure by the other Party of information required to be disclosed under FATCA or CRS to the Cayman Islands Tax Information Authority or equivalent authority and any other foreign government body as required by FATCA or CRS. Such information may include, without limitation, confidential information such as financial information and any information relating to any shareholders, principals, partners, beneficial owners (direct or indirect) or controlling persons (direct or indirect) of such Party.

- (C) If a Party confirms to another Party pursuant to paragraph (A)(i) above that it is a FATCA Exempt Party and it subsequently becomes aware that it is not, or has ceased to be a FATCA Exempt Party, that Party shall notify that other Party reasonably promptly.

- (D) Paragraph (A) or (B) above shall not oblige any Finance Party to do anything, and paragraph (A)(iii) above shall not oblige any other Party to do anything, which would or might in its reasonable opinion constitute a breach of:
 - (i) any law or regulation;
 - (ii) any fiduciary duty; or
 - (iii) any duty of confidentiality.

- (E) If a Party fails to confirm whether or not it is a FATCA Exempt Party or to supply forms, documentation or other information requested in accordance with paragraph (A)(i) or (A)(ii) above (including, for the avoidance of doubt, where paragraph (D) above applies), then such Party shall be treated for the purposes of the Finance Documents (and payments under them) as if it is not a FATCA Exempt Party until such time as the Party in question provides the requested confirmation, forms, documentation or other information.

- (F) Any Lender that is entitled to an exemption from or reduction of withholding Tax (including US backup withholding) with respect to payments made under any Finance Document shall deliver to the relevant Borrower and the Facility Agent, at the time or times reasonably requested by the relevant Borrower or the Facility Agent, such properly completed and executed documentation reasonably requested by the relevant Borrower or the Facility Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. Notwithstanding anything to the contrary in the preceding

sentence, the completion, execution and submission of such documentation (other than such documentation set forth in (i), (ii) and (iii) of this paragraph (F), below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender. Without limiting the generality of the foregoing:

- (i) each Lender that is not a "United States Person" within the meaning of section 7701(a)(30) of the Code shall deliver to the relevant Borrower and the Facility Agent two duly executed copies of whichever of the following IRS Forms is applicable:
 - (a) in the case of a Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Finance Document, IRS Form W-8BEN-E or Form W-8BEN establishing an exemption from, or reduction of, US federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Finance Document, IRS Form W-8BEN-E or Form W-8BEN establishing an exemption from, or reduction of, US federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty; or
 - (b) in the case of a Lender claiming that the payments of interest or that any other applicable payments under any Finance Document are effectively connected with the conduct of a trade or business in the United States, executed copies of IRS Form W-8 ECI; or
 - (c) in the case of a Lender claiming the benefits of the exemption for portfolio interest under section 881(c) of the Code, (x) a certificate substantially in the form of Part I of Schedule 11 (*Form of U.S. Tax Compliance Certificate*) to the effect that such Lender is not a "bank" within the meaning of section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the relevant Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code (a "U.S. Tax Compliance Certificate") and (y) executed copies of IRS Form W-8BEN-E or Form W-8BEN; or

- (d) to the extent a Lender is not the beneficial owner, IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN-E or Form W-8BEN, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Lender is a partnership and one or more direct or indirect partners of such Lender are claiming the portfolio interest exemption, such Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Part II of Schedule 11 (*Form of U.S. Tax Compliance Certificate*) on behalf of each such direct and indirect partner; or
 - (e) in case of a Lender that is a foreign government, an international organization, or a foreign organization where the income earned is not effectively connected with the conduct of a trade or business in the United States, executed copies of IRS Form W-8EXP; or
 - (ii) any Lender that is a "United States Person" within the meaning of section 7701(a)(30) of the Code shall deliver to the relevant Borrower and the Facility Agent two duly executed copies of IRS Form W-9 certifying that such Lender is exempt from US federal backup withholding; or
 - (iii) each Lender shall deliver to the Facility Agent any withholding statement or other document, authorisation or waiver as the Facility Agent may require to certify or establish the status of such Lender under FATCA or other similar law or regulation.
- (G) The Facility Agent shall provide any withholding certificate, withholding statement, document, authorisation or waiver it receives from a Lender pursuant to paragraph (F) above to the relevant Borrower (to the extent not also provided to the relevant Borrower by the relevant Lender).
- (H) If any withholding certificate, withholding statement, document, authorisation or waiver provided to a Borrower or the Facility Agent by a Lender pursuant to paragraph (F) above is or becomes materially inaccurate or incomplete, that Lender shall promptly update it and provide such updated withholding certificate, withholding statement, document, authorisation or waiver to the relevant Borrower and the Facility Agent unless it is unlawful for the Lender to do so (in which case the Lender shall promptly notify the relevant Borrower and the Facility Agent). The Facility Agent shall provide any such updated withholding certificate, withholding statement, documentation, authorisation or

waiver to the relevant Borrower (to the extent not also provided to the relevant Borrower by the relevant Lender).

- (I) Each Borrower and the Facility Agent may rely on any withholding certificate, withholding statement, document, authorisation or waiver it receives from a Lender pursuant to paragraph (F) or (H) above without further verification. The Facility Agent shall not be liable for any action taken by it under or in connection with paragraphs (F), (G) or (H) above.
- (J) Without prejudice to any other term of this Agreement, if a Lender fails to supply any withholding certificate, withholding statement, document, authorisation, waiver or information in accordance with paragraph (F) above, or any withholding certificate, withholding statement, document, authorisation, waiver or information provided by a Lender to the Facility Agent is or becomes materially inaccurate or incomplete, then such Lender shall indemnify the Facility Agent, within three Business Days of demand, against any cost, loss, Tax or liability (including, without limitation, for negligence or any other category of liability whatsoever) incurred by the Facility Agent (including any related interest and penalties) in acting as Facility Agent under the Finance Documents as a result of such failure.
- (K) Each Lender shall deliver the forms, certificates and documentation described in (i), (ii) and (iii) of paragraph (F) above to the relevant Borrower and the Facility Agent:
 - (i) with respect to each Borrower, on or prior to the first date after the date hereof on which a payment from such Borrower is required hereunder, establishing an exemption from U.S. federal withholding Tax in the case of a Borrower that is not a "United States Person" within the meaning of section 7701(a)(30) of the Code, (as if such Borrower were a US Tax Obligor);
 - (ii) with respect to each Borrower, if a Lender becomes a party to this Agreement after the date hereof, on or prior to the first date after the date such Lender becomes a party to this Agreement, on which a payment from such Borrower is required hereunder,
 - (a) establishing, for so long as such Borrower is not a "United States Person" within the meaning of section 7701(a)(30) of the Code, an exemption from U.S. federal withholding Tax (as if such Borrower were a US Tax Obligor), or
 - (b) establishing an applicable exemption from or reduction of U.S. federal withholding Tax;

- (iii) upon a change in circumstances making any information on the form, certificate or documentation previously provided incorrect or inapplicable and thus requiring a new or additional form, certificate or documentation; and
- (iv) when reasonably requested by a Borrower (it being understood that if a form, certificate or documentation previously delivered by a Lender to a Borrower is valid under applicable law, a request by the Borrower for the same form, certificate or documentation (including a newer version thereof) more than 30 days in advance of its anticipated expiration or obsolescence shall not be a reasonable request).

12. FEES

12.1 Commitment fee

- (A) The Original Borrower shall pay to the Facility Agent for the account of each Lender a commitment fee at a rate equal to 30 per cent. per annum of the Margin.
- (B) The accrued commitment fee is payable quarterly (on each of 31 March, 30 June, 30 September and 31 December) in arrears on any undrawn and uncanceled portion of the Commitments for the period from and including the date of this Agreement until and including the last day of the Availability Period.
- (C) Notwithstanding paragraphs (A) and (B) above, the Original Borrower shall not be required to pay any such commitment fees to the Facility Agent for the account of any Lender during the period in which such Lender is a Non-Funding Lender.

12.2 Front end fees

The Original Borrower shall pay to each Mandated Lead Arranger, front end fees in the amount and at the times agreed in a Fee Letter.

12.3 Facility Agent fee

The Original Borrower shall pay to the Facility Agent (for its own account) an agency fee in the amount and at the times agreed in a Fee Letter.

12.4 Security and Intercreditor Agent fee

The Original Borrower shall pay to the Security and Intercreditor Agent (for its own account) a fee in the amount and at the times agreed in a Fee Letter.

PART 5
TAXES, INCREASED COSTS AND INDEMNITIES

13. TAX GROSS UP AND INDEMNITIES

13.1 Definitions

(A) In this Agreement:

“**Tax Credit**” means a credit against, relief or remission for, or repayment of any Tax.

“**Tax Deduction**” means a deduction or withholding for or on account of Tax from a payment under a Finance Document, other than a FATCA Deduction.

“**Tax Payment**” means either the increase in a payment made by an Obligor to a Finance Party under clause 13.2 (*Tax gross-up*) or a payment under clause 13.3 (*Tax Indemnity*).

13.2 Tax gross-up

- (A) Each Obligor shall make all payments to be made by it without any Tax Deduction, unless a Tax Deduction is required by law.
- (B) The Company shall promptly upon becoming aware that an Obligor must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Facility Agent accordingly.
- (C) If a Tax Deduction is required by law to be made by an Obligor, the amount of the payment due from that Obligor shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.
- (D) If an Obligor is required to make a Tax Deduction, that Obligor shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.
- (E) Within thirty days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Obligor making that Tax Deduction shall deliver to the Facility Agent for the Finance Party entitled to the payment evidence reasonably satisfactory to that Finance Party (acting reasonably) that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

- (F) If an Obligor makes any payment to a Finance Party in respect of or relating to a Tax Deduction, but such Obligor was not obliged to make such payment, the relevant Finance Party shall within five Business Days of demand refund such payment to such Obligor.
- (G) Notwithstanding anything to the contrary under this clause 13.2 (*Tax gross-up*), paragraph (C) of this clause 13.2 (*Tax gross-up*) shall not apply, and no Party shall be required to increase any payment in respect of which it makes a Tax Deduction, to the extent such Tax Deduction is attributable to:
- (i) in the case of a Lender, US federal withholding Tax imposed on amounts payable to or for the account of such Lender under any Finance Document pursuant to a law in effect on the date hereof or, if later, the date such Lender becomes a Lender (other than pursuant to an assignment request by the relevant Borrower under clause 8.13 (*Right of repayment and cancellation in relation to a single Lender*)), except to the extent that, pursuant to this clause 13.2 (*Tax gross-up*), additional amounts with respect to such Tax Deduction were payable to such Lender's assignor immediately before such Lender became a party hereto; or
 - (ii) in the case of any Lender, US federal withholding Tax imposed on amounts payable to or for the account of such Lender under any Finance Document pursuant to a law in effect on the date such Lender changes its Facility Office, except to the extent that, pursuant to this clause 13.2 (*Tax gross-up*), additional amounts with respect to such Tax Deduction were payable to such Lender immediately before it changed its Facility Office; or
 - (iii) United States federal Taxes arising from a Lender's failure to comply with paragraph (F) of clause 11.5 (*Tax Information*) where that Lender is entitled to an exemption from or reduction of withholding Tax.

13.3 Tax Indemnity

- (A) Except as provided below, the Borrowers shall (within five Business Days of demand by the Facility Agent) indemnify a Finance Party against any loss, liability or cost which that Finance Party determines will be or has been (directly or indirectly) suffered by that Finance Party for or on account of Tax by that Finance Party in respect of a Finance Document.
- (B) Paragraph (A) above shall not apply:

- (i) with respect to the Tax assessed on a Finance Party under the law of any jurisdiction in which:
 - (a) that Finance Party is incorporated or, if different, the jurisdiction (or jurisdictions) in which that Finance Party is treated as resident for tax purposes; or
 - (b) that Finance Party's Facility Office is located in respect of amounts received or receivable in that jurisdiction;

if in either such case that Tax is imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by that Finance Party or that Finance Party's Facility Office;

- (ii) to the extent a loss, liability or cost is compensated for by an increased payment under clause 13.2 (*Tax gross-up*);
- (iii) to the extent a loss, liability or cost relates to a FATCA Deduction required to be made by a Party;
- (iv) to the extent a loss, liability or cost is attributable to an amount that would have been compensated for, but was not so compensated solely because one of the exclusions in paragraph (G) in clause 13.2 (*Tax gross-up*) applied; or
- (v) with respect to any Tax assessed prior to the date which is 180 days prior to the date on which the relevant Finance Party requests such a payment from the Company, unless a determination of the amount claimed could only be made on or after the first of those dates.

(C) A Finance Party making, or intending to make a claim under paragraph (A) above shall promptly notify the Facility Agent of the event which will give, or has given, rise to the claim, following which the Facility Agent shall provide to the Company a copy of the notification by such Finance Party.

(D) A Finance Party shall, on receiving a payment from an Obligor under this clause, notify the Facility Agent. The Finance Parties will undertake to use reasonable endeavours to obtain reliefs and remissions for taxes and deductions and to reimburse that Obligor for reliefs, remissions or credits obtained (but without any obligation to arrange its tax affairs other than as it sees fit nor to disclose any information about its tax affairs).

13.4 Tax Credit

- (A) If:-
- (i) an Obligor makes a Tax Payment, and
 - (ii) a Tax Credit is attributable either to an increased payment of which that Tax Payment forms part, or to that Tax Payment, and
 - (iii) that Finance Party has obtained, utilised and retained that Tax Credit,

the Finance Party shall pay an amount to the Obligor which that Finance Party reasonably determines will leave it (after that payment) in the same after-Tax position as it would have been in but for its utilisation of the Tax Credit.

- (B) Nothing in this clause will:
- (i) interfere with the rights of any Finance Party to arrange its affairs in whatever manner it thinks fit; or
 - (ii) oblige any Finance Party to disclose any information relating to its Tax affairs or computations.

13.5 Stamp Taxes

The Company shall, within five Business Days of demand, pay and indemnify each Finance Party against any cost, loss or liability that Finance Party incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of any Finance Document other than in respect of an assignment or transfer by a Lender.

13.6 Value added tax

- (A) All consideration expressed to be payable under a Finance Document by any Party to a Finance Party shall be deemed to be exclusive of any VAT. If VAT is chargeable on any supply made by any Finance Party to any Party in connection with a Finance Document, that Party shall pay to the Finance Party (in addition to and at the same time as paying the consideration) an amount equal to the amount of the VAT against delivery of an appropriate VAT invoice.
- (B) Where a Finance Document requires any Party to reimburse a Finance Party for any costs or expenses, that obligation shall be deemed to extend to all VAT incurred by the Finance Party in respect of the costs or expenses to the extent that the Finance Party reasonably determines that neither the Finance Party nor any other member of any VAT group of which it is a member is entitled to credit or repayment of the VAT.

13.7 FATCA Deduction

- (A) Each Party may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction, and no Party shall be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction.
- (B) Each Party shall promptly, upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of such FATCA Deduction), and in any case at least three Business Days prior to making a FATCA Deduction, notify the Party to whom it is making the payment and, on or prior to the day on which it notifies that Party, shall also notify the Company, the Facility Agent and the other Finance Parties.

14. INCREASED COSTS

14.1 Increased costs

- (A) Subject to clause 14.3 (*Exceptions*) a Borrower shall, within five Business Days of a demand by the Facility Agent, pay for the account of a Finance Party the amount of any Increased Costs incurred by that Finance Party or any of its Affiliates as a result of the introduction of or any change in (or in the interpretation, administration or application by any governmental body or regulatory Authority of) any law or regulation (whether or not having the force of law, but if not, being of a type with which that Finance Party or Affiliate is expected or required to comply), or as a result of the implementation or application of, or compliance with, Basel III, CRD IV or any law or regulation that implements or applies Basel III or CRD IV.
- (B) In this Agreement "**Increased Costs**" means:
 - (i) a reduction in the rate of return from the Facility or on a Finance Party's (or its Affiliate's) overall capital;
 - (ii) an additional or increased cost; or
 - (iii) a reduction of any amount due and payable under any Finance Document,

which is (a) material and (b) incurred or suffered by a Finance Party or any of its Affiliates but only to the extent that it is attributable to that Finance Party having entered into its Commitment or funding or performing its obligations under any Finance Document.

14.2 Increased cost claims

- (A) A Finance Party intending to make a claim pursuant to clause 14.1 (*Increased costs*) shall notify the Facility Agent of the event giving rise to the claim, following which the Facility Agent shall promptly notify the Company.
- (B) Each Finance Party shall provide a certificate confirming the amount of its Increased Costs.

14.3 Exceptions

- (A) Clause 14.1 (*Increased costs*) does not apply to the extent any Increased Cost is:
 - (i) attributable to a Tax Deduction required by law to be made by an Obligor provided that this clause is without prejudice to any rights which the affected Lender may have under clause 13.2 (*Tax gross-up*) to receive a grossed up payment;
 - (ii) attributable to a FATCA Deduction required to be made by a Party;
 - (iii) the subject of a claim under clause 13.3 (*Tax Indemnity*) (or might be or have been the subject of a claim under clause 13.3 (*Tax Indemnity*) but for any of the exclusions in paragraph (B) of clause 13.3 (*Tax Indemnity*));
 - (iv) incurred prior to the date which is 180 days prior to the date on which the Finance Party makes a claim in accordance with clause 14.2 (*Increased cost claims*), unless a determination of the amount incurred could only be made on or after the first of those dates;
 - (v) attributable to the wilful breach by the relevant Finance Party or any of its Affiliates of any law or regulation; or
 - (vi) attributable to the implementation or application of or compliance with the “International Convergence of Capital Measurement and Capital Standards, a Revised Framework” published by the Basel Committee on Banking Supervision in June 2004 in the form existing on the date of this Agreement (but excluding any amendment contained in Basel III) (“**Basel II**”) or any other law or regulation which implements Basel II (whether such implementation, application or compliance is by a government, regulator, Finance Party or any of its Affiliates).
- (B) In this clause 14.3 (*Exceptions*), a reference to a “**Tax Deduction**” has the same meaning given to the term in clause 13.1 (*Definitions*).

15. OTHER INDEMNITIES

15.1 Currency indemnity

(A) If any sum due from an Obligor under the Finance Documents (a “**Sum**”), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the “**First Currency**”) in which that Sum is payable into another currency (the “**Second Currency**”) for the purpose of:

- (i) making or filing a claim or proof against that Obligor; or
- (ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

that Obligor shall as an independent obligation, within five Business Days of demand, indemnify each Finance Party to whom that Sum is due against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (a) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (b) the rate or rates of exchange available to that person at the time of its receipt of that Sum.

(B) Each Obligor waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency or currency unit other than that in which it is expressed to be payable.

15.2 Other indemnities

Each Obligor shall, within five Business Days of demand, indemnify each Finance Party against any cost, loss or liability incurred by that Finance Party as a result of:

- (A) the occurrence of any Event of Default;
- (B) a failure by an Obligor to pay any amount due under a Finance Document on its due date;
- (C) funding, or making arrangements to fund, its participation in a Utilisation requested by a Borrower in a Utilisation Request but not made by reason of a Default or an act or omission on the part of an Obligor; and
- (D) a Utilisation (or part of a Utilisation) not being prepaid in accordance with a notice of prepayment given by a Borrower.

15.3 Indemnity to the Agents

Each Obligor shall promptly on demand, indemnify each Agent against:

- (A) any cost, loss or liability incurred by that Agent (acting reasonably) as a result of:
- (i) investigating any event which it reasonably believes is a Default;
 - (ii) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised by an Obligor; or
 - (iii) instructing lawyers, accountants, tax advisers, surveyors or other professional advisers or experts as permitted under this Agreement; and
- (B) any cost, loss or liability (including for negligence or any other category of liability whatsoever) incurred by that Agent (otherwise than by reason of that Agent's gross negligence or wilful misconduct) (or, in the case of any cost, loss or liability pursuant to clause 28.9 (*Disruption to Payment Systems etc.*) notwithstanding the relevant Agent's negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the relevant Agent) in acting as Agent under the Finance Documents, where such cost, loss or liability arises from any action, suit, claim, investigation or proceeding which is commenced or threatened by a third party or any Finance Party against that Agent.

16. MITIGATION BY THE LENDERS

16.1 Mitigation

- (A) Each Finance Party shall, in consultation with the Company, use all reasonable endeavours to mitigate or remove any circumstances which arise and which would result in any facility ceasing to be available or any amount becoming payable under or pursuant to, or cancelled pursuant to, any of clause 8.2 (*Illegality*), clause 13.2 (*Tax gross-up*), clause 14.1 (*Increased costs*) or clause 11.2 (*Market disruption*) including (but not limited to) transferring its rights and obligations under the Finance Documents to another Affiliate or Facility Office.
- (B) Paragraph (A) above does not in any way limit the obligations of any Obligor under the Finance Documents.
- (C) Each Finance Party shall notify the Facility Agent as soon as it becomes aware that any circumstances of the kind described in paragraph (A) above have arisen or may arise. The Facility Agent shall notify the Company promptly of any such notification from a Finance Party.

16.2 Limitation of liability

- (A) Each Obligor shall promptly indemnify each Finance Party for all costs and expenses reasonably incurred by that Finance Party as a result of steps taken by it under clause 16.1 (*Mitigation*).
- (B) A Finance Party is not obliged to take any steps under clause 16.1 (*Mitigation*) if, in the *bona fide* opinion of that Finance Party (acting reasonably), to do so might in any way be prejudicial to it.

PART 6
FINANCIAL INFORMATION

17. INFORMATION UNDERTAKINGS

The undertakings in this clause remain in force from the date of this Agreement until the Discharge Date.

17.1 Books of account and auditors

Each Obligor shall:

- (A) keep proper books of account relating to its business; and
- (B) appoint and maintain as its auditors any Auditor.

17.2 Financial statements

- (A) The Original Borrower shall supply to the Facility Agent (in sufficient copies as most recently notified by the Facility Agent as being sufficient to allow one copy for each Lender):
 - (i) as soon as they become available, but in any event within 180 days of the end of each financial year, its audited consolidated financial statements for that financial year; and
 - (ii) within 90 days of the end of each quarter, its unaudited quarterly consolidated financial statements for that period.
- (B) If during any financial year of any Borrower there is a material change in the nature and extent of the accounting transactions which that Borrower enters into, it shall promptly inform the Facility Agent thereof and that Borrower shall, if instructed to do so by the Facility Agent (acting on the instructions of the Majority Lenders (acting reasonably)), supply to the Facility Agent (in sufficient copies for each Lender), as soon as they become available, but in any event within 180 days of request, its audited consolidated financial statements for its last financial year.

17.3 Year-end

No Borrower shall change its Accounting Reference Date without the consent of the Majority Lenders.

17.4 Form of financial statements

- (A) The Original Borrower must ensure that each set of financial statements supplied under this Agreement:
 - (i) is certified by an Authorised Signatory of the relevant Borrower as a true and correct copy; and
 - (ii) gives (if audited) a true and fair view of, or (if unaudited) fairly represents, the financial condition of the relevant Borrower for the period to the date on which those financial statements were drawn up.
- (B) Unless otherwise agreed with the Facility Agent, all accounts delivered under this Agreement shall be prepared in accordance with the Approved Accounting Principles.
- (C) The Original Borrower must notify the Facility Agent of any material change to the manner in which any audited financial statements delivered under this Agreement are prepared.
- (D) If requested by the Facility Agent, the Original Borrower must supply to the Facility Agent:
 - (i) a full description of any change notified under paragraph (B) above and the adjustments which would be required to be made to those financial statements in order to cause them to use the accounting policies, practices, procedures and reference period upon which such financial statements were prepared prior to such change; and
 - (ii) sufficient information, in such detail and format as may be required by the Facility Agent (acting reasonably), to enable the Lenders to make a proper comparison between the financial position shown by the set of financial statements prepared on the changed basis and its most recent audited financial statements delivered to the Facility Agent under this Agreement prior to such change.

17.5 Compliance Certificate

- (A) A Borrower must supply to the Facility Agent a Compliance Certificate with each set of financial statements sent to the Facility Agent under clauses 17.2 (*Financial statements*), above certifying the matters specified in clause 17.4(A) above and compliance with the financial covenants in clauses 19.1 (*Debt cover ratio*) and 19.2 (*Interest cover ratio*) below.

- (B) A Compliance Certificate supplied in accordance with paragraph (A) above must be signed by two Authorised Signatories of the relevant Borrower.

17.6 Information: Miscellaneous

Each Obligor shall supply to the Facility Agent, in sufficient copies for all the Lenders, if the Facility Agent so requests:

- (A) all documents dispatched by each Obligor to its Shareholders (or any class of them) or its creditors generally, at the same time as they are dispatched;
- (B) promptly after becoming aware of them, the details of any material litigation, arbitration or administrative proceedings which are currently threatened or pending against any Guarantor or any member of the Group; and
- (C) promptly, such further information regarding the financial condition, assets, business and operations of any Guarantor or any member of the Group as any Finance Party (acting through the Facility Agent) may reasonably request.

17.7 Notification of Default

Each Obligor must notify the Facility Agent of any Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence.

17.8 “Know your customer” and “customer due diligence” requirements

- (A) If:
 - (i) the introduction of or any change in (or in the interpretation, administration or application by any government or regulatory Authority of) any law or regulation (having the force of law) made after the date of this Agreement;
 - (ii) any change in the status of an Obligor (or of a holding company of an Obligor (including a change in the public company status of KEL)) or the composition of the shareholders of an Obligor (or of a holding company of an Obligor (other than a change in the composition of the shareholders of KEL)) after the date of this Agreement; or
 - (iii) a proposed assignment or transfer by a Lender of any of its rights and obligations under this Agreement to a party that is not a Lender prior to such assignment or transfer,

obliges any Agent or any Lender (or, in the case of paragraph (C) below, any prospective new Lender) to comply with “know your customer”, “customer due

diligence” or similar identification procedures in circumstances where the necessary information is not already available to it (or, in the case of paragraph (C) below, cannot be provided by the transferring Lender from information already provided to it), the Company shall, as soon as reasonably practicable upon the request of the relevant Agent or the relevant Lender, supply, or procure the supply of, such reasonable documentation and other evidence as is within an Obligor’s possession and control to enable such Agent or such Lender to comply with all necessary “know your customer”, “customer due diligence” or other similar checks required under the relevant laws and regulations, including the USA Patriot Act.

- (B) Each Lender shall promptly upon the request of the Facility Agent supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Facility Agent (for itself) in order for the Facility Agent, as the case may be, to carry out and be satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.
- (C) The Original Borrower shall, by not less than 10 Business Days’ prior written notice to the Facility Agent, notify the Facility Agent (which shall promptly notify the Lenders) of its intention to request that one of KEL’s subsidiaries becomes an Additional Guarantor pursuant to this Agreement.
- (D) Following the giving of any notice pursuant to paragraph (C) above, if the accession of such Additional Guarantor obliges the Facility Agent or any Lender to comply with “know your customer” or similar identification procedures in circumstances where the necessary information is not already available to it, the Original Borrower shall promptly upon the request of the Facility Agent or any Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Facility Agent (for itself or on behalf of any Lender) or any Lender (for itself or on behalf of any prospective new Lender) in order for the Facility Agent or such Lender or any prospective new Lender to carry out and be satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations pursuant to the accession of such subsidiary to this Agreement as an Additional Guarantor.

17.9 Use of websites

- (A) Except as provided below, each Obligor may deliver any information under this Agreement to the Facility Agent by posting it on to an electronic website if:

- (i) it maintains or has access to an electronic website for this purpose and provides the Facility Agent with the details and password to access the website and the information; and
- (ii) the information posted is in a format required by this Agreement or is otherwise agreed between each Obligor and the Facility Agent (whose approval shall not be unreasonably withheld or delayed).

The Facility Agent must supply each relevant Lender with the address of and password for the website.

- (B) Notwithstanding the above, the Company must supply to the Facility Agent in paper form a copy of any information posted on the website together with sufficient copies for:
 - (i) any Lender who notifies the Facility Agent in writing (copied to each Obligor) that it does not wish to receive information via the website; and
 - (ii) within ten Business Days of request, any other Lender, if that Lender so requests.
- (C) Each Obligor must promptly upon becoming aware of its occurrence, notify the Facility Agent if:
 - (i) the website cannot be accessed;
 - (ii) the website or any information on the website is infected by any electronic virus or similar software;
 - (iii) the password for the website is changed; or
 - (iv) any information to be supplied under this Agreement is posted on the website or amended after being posted.
- (D) If the circumstances in sub-paragraph (C)(i) or (C)(ii) above occur, an Obligor must supply any information required under this Agreement in paper form until the circumstances giving rise to the notification are no longer continuing and the information can be provided in accordance with paragraph (A) above.

17.10 DAC6

- (A) In this clause 17.10, "DAC6" means the Council Directive of 25 May 2018 (2018/822/EU) amending Directive 2011/16/EU.

- (B) Each Obligor shall supply to the Facility Agent (in sufficient copies for all the Lenders, if the Facility Agent so requests):
- (i) promptly upon the making of such analysis or the obtaining of such advice, any analysis made or advice obtained on whether any transaction contemplated by the Finance Documents or any transaction carried out (or to be carried out) in connection with any transaction contemplated by the Finance Documents contains a hallmark as set out in Annex IV of DAC6, provided that, for the avoidance of doubt, nothing in this clause requires any Obligor to make such analysis or obtain such advice; and
 - (ii) promptly upon the making of such reporting and to the extent permitted by applicable law and regulation, any reporting made to any governmental or taxation authority by or on behalf of any member of the Group or by any adviser to such member of the Group in relation to DAC6 or any law or regulation which implements DAC6 and any unique identification number issued by any governmental or taxation authority to which any such report has been made (if available).

PART 7
REPRESENTATIONS, COVENANTS, EVENTS OF DEFAULT

18. REPRESENTATIONS

Each Obligor makes the representations and warranties set out in this clause to each Finance Party and acknowledges that each Finance Party has entered into the Finance Documents in full reliance on those representations and warranties.

18.1 Status

(A) It is a limited liability company or an exempted company or a corporation (as the case may be), duly incorporated or duly formed (as applicable) and validly existing under the laws of its jurisdiction of incorporation or formation.

(B) It has the power to own its assets and carry on its business as it is being conducted.

18.2 Legal validity

Each Finance Document to which it is a party constitutes, or will constitute when executed, its valid, legally binding and enforceable obligations in accordance with its terms (subject to any limitation on enforcement under law or general principles of equity or qualifications which are specifically set out in any legal opinion delivered as a Condition Precedent) and that, so far as it is aware having made all due and careful enquiries, each Finance Document is in full force and effect.

18.3 Non-conflict

The entry into and performance by it of, and the transactions contemplated by the Finance Documents to which it is a party do not conflict with:

(A) any applicable law or regulation;

(B) its constitutional documents; or

(C) any agreement binding upon it,

to the extent which has, or could reasonably be expected to have, a Material Adverse Effect.

18.4 Powers and authority

It has (or had at the relevant time) the power and authority to execute and deliver the Finance Documents to which it is a party and it has the power and authority to perform

its obligations under the Finance Documents to which it is a party and the transactions contemplated thereby.

18.5 Authorisations

All Required Approvals have been obtained or effected and are in full force and effect (where a failure to do so has or could reasonably be expected to have a Material Adverse Effect).

18.6 Stamp and registration duties

There is no stamp or registration duty or similar Tax or charge in respect of any Finance Document, which has not been made or paid within applicable time periods (where a failure to do so has, or could reasonably be expected to have, a Material Adverse Effect).

18.7 No Default

No Default has occurred and is outstanding.

18.8 Financial Statements and other factual information

(A) The most recent audited financial statements and interim financial statements delivered to the Facility Agent in accordance with clause 17.2 (*Financial statements*) (which, at date of this Agreement, is the unaudited financial statements of the Original Borrower as at 30 September 2021):

- (i) have been prepared in accordance with the Approved Accounting Principles (if relevant); and
- (ii) (if audited) give a true and fair view of, or (if unaudited) fairly represent, its financial condition for the relevant period.

(B) All factual information provided by or under the express direction of any Borrower to the Finance Parties in connection with the Facility was believed by that Borrower at the time it was so provided to be true in all material respects.

18.9 Proceedings pending or threatened

Except as disclosed to the Facility Agent in writing prior to the date of this Agreement, no litigation, arbitration or administrative proceeding is pending or threatened which could reasonably be expected to be adversely determined against it and which, if so determined, has, or could reasonably be expected to have, a Material Adverse Effect.

18.10 Breach of laws

- (A) It has not breached any law or regulation which has, or could reasonably be expected to have, a Material Adverse Effect.
- (B) It is in compliance with all environmental laws, a breach of which could reasonably be expected to give rise to a liability on it which has, or could reasonably be expected to have, a Material Adverse Effect and, so far as it is aware having made due and careful enquiry, there is no environmental claim outstanding against it which, if adversely determined, would give rise to a liability on it which has, or could reasonably be expected to have, a Material Adverse Effect.

18.11 Ranking of security

Subject to any limitations on enforcement under law or general principles of equity or qualifications set out in any legal opinion delivered as a Condition Precedent, each Security Document when executed confers the Security Interests it purports to confer over the assets referred to in that Security Document and those assets are not subject to any other Security Interest that is not permitted pursuant to clause 20.6 (*Negative pledge*).

18.12 Pari passu ranking

Its payment obligations under the Finance Documents rank at least *pari passu* with all its other present unsecured obligations, except for obligations mandatorily preferred by law applying to companies generally.

18.13 No immunity

In any proceedings taken in any relevant jurisdiction in relation to the Finance Documents (or any of them), it shall not be entitled to claim for itself or any of its assets immunity from suit, execution or attachment or other legal process.

18.14 Ownership of Obligors

- (A) The Company beneficially owns, indirectly, all of the issued share capital of the Guarantors and the Borrowers (other than the Company).
- (B) The issued share capital of the Guarantors and the Borrowers is fully paid up and, to the extent beneficially owned by the Company, free of all encumbrances or other third party rights.
- (C) To the extent that a member of the Group has entered into a Security Document that creates, or purports to create, a Security Interest over any shares:

- (i) such shares are free from any restrictions as to transfer or registration (including pursuant to the creation or enforcement of any Security Interest); and
- (ii) no company whose shares are subject to such Security Interest and which is incorporated in the United Kingdom keeps information in respect of its members on the central register kept by the registrar at Companies House.

18.15 Sanctions

Neither the Obligors, nor any member of the Group, nor (to the knowledge of any Obligor) any of its or the Group's respective directors, officers, employees, nor any persons acting on the Group's behalf:

- (A) is a Restricted Party or is engaging in or has engaged in any transaction or conduct that could reasonably be expected to result in it becoming a Restricted Party; or
- (B) has received notice of, or is aware of, any claim, action, suit, proceeding or investigation against it with respect to Sanctions by any Sanctions Authority,

provided that this representation is not made to or for the benefit of a Finance Party (other than any Finance Party which has notified the Facility Agent that the following carve-out shall not apply to it or any of its directors, officers or employees) or any director, officer or employee thereof, to the extent that this provision would expose the Finance Party or any director, officer or employee thereof to liability under any applicable anti-boycott or blocking law, regulation or statute.

18.16 Anti-corruption law

- (A) Each member of the Group has conducted its businesses in compliance with applicable anti-corruption and anti-money laundering laws and regulations and has instituted and maintains and enforces policies and procedures designed to promote and achieve compliance with such laws and regulations.
- (B) Each Obligor confirms no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving that Obligor with respect to anti-corruption and anti-money laundering laws is pending and, to the best of that Obligor's knowledge, no such actions, suits or proceedings are threatened or contemplated.
- (C) No member of the Group, nor any of their directors, officers, agents or representatives, have, for the purpose of gaining or maintaining unlawful or improper benefits for the Group, directly or indirectly: (i) violated applicable anti-

corruption laws or made, undertaken, offered to make, promised to make or authorized the payment or giving of a prohibited payment; (ii) used funds or other assets, or made any promise or undertaking in such regard, for the establishment or maintenance of a secret or unrecorded fund; or (iii) made any false or fictitious entries in any books or records of any member of the Group relating to any prohibited payment with respect to the transactions contemplated by this Agreement.

18.17 Federal Reserve Regulations

- (A) No Obligor is engaged, principally or as one of its important activities, in the business of purchasing or carrying Margin Stock or extending credit for the purpose of purchasing or carrying Margin Stock.
- (B) No part of the proceeds of any Loan will be used, whether directly or indirectly, for any purpose that would entail a violation of Regulation U or Regulation X of the Board of Governors of the Federal Reserve System of the U.S.

18.18 Investment Companies

No Obligor (i) is and, (ii) after giving effect to any Utilisation and the application of the proceeds thereof, will be, an “investment company” as defined in the US Investment Company Act of 1940, as amended (the “**1940 Act**”).

18.19 Employee Benefit Plans

- (A) No ERISA Event has occurred or is reasonably expected to occur that has resulted in or is reasonably expected to result in a Material Adverse Effect.
- (B) All US Obligors and their ERISA Affiliates (as applicable) are in compliance with all applicable provisions and requirements of ERISA and the Code and the regulations thereunder with respect to each Single Employer Plan, except for instances of non-compliance that would not reasonably be expected to result in a material adverse effect on the ability of the Obligors (taken as a whole) to perform their obligations under the Finance Documents.

18.20 Solvency

Each US Obligor and each of its subsidiaries which is organised under the laws of any state of the US is US Solvent.

18.21 Beneficial Ownership

- (A) The Original Borrower does not qualify as a “legal entity customer” under the Beneficial Ownership Regulation.

(B) To the extent furnished, the information included in a Beneficial Ownership Certification is true and correct in all respects.

18.22 Tax Affairs

- (A) Each Obligor and each Subsidiary has properly and timely filed all income Tax returns and all other material Tax returns, declarations and reports that it is required by applicable Tax law to file;
- (B) all such Tax returns, declarations and reports were true, correct and complete in all material respects; and
- (C) all Taxes owed by or on behalf of each Obligor and each Subsidiary under applicable Tax laws have been timely paid, except where:
 - (i) such Taxes are being contested in good faith; and
 - (ii) adequate reserves are being maintained for those Taxes and the costs required to contest them which have been disclosed in its latest financial statements delivered to the Facility Agent under clause 17.2 (*Financial statements*).

18.23 Times for making representations

- (A) The representations set out in this clause 18 are made by each Obligor on the date of this Agreement. Each Repeating Representation is deemed to be repeated by each Obligor on the date of each Utilisation Request, each Utilisation Date and on the first day of each Interest Period.
- (B) When a representation is repeated, it is applied to the facts and circumstances existing at the time of repetition.

19. FINANCIAL COVENANTS

19.1 Debt cover ratio

The Company undertakes that on each Calculation Date the ratio of Consolidated Total Net Borrowings to EBITDAX of the Group for the Measurement Period shall be less than or equal to 3.50:1.00.

19.2 Interest cover ratio

The Company undertakes that on each Calculation Date the ratio of EBITDAX of the Group to the Net Interest Payable of the Group for the Measurement Period shall be greater than or equal to 2.25:1.00.

19.3 Calculation of ratios upon a Calculation Trigger Event

- (A) The Company will give written notice to the Facility Agent of the anticipated occurrence of any Calculation Trigger Event together with pro forma calculations of the ratio of Consolidated Total Net Borrowings to EBITDAX of the Group and EBITDAX of the Group to the Net Interest Payable of the Group for the relevant Measurement Period.
- (B) The pro forma calculations referred to in paragraph (A) above will incorporate all debt and interest of the Group, ignoring any debt that must be mandatorily prepaid as a result of the relevant Calculation Trigger Event (and also ignoring any related interest) and including any debt envisaged to be incurred (and including any interest that would have been payable had that debt been incurred at the beginning of the relevant Measurement Period) by the Group pursuant to the relevant Calculation Trigger Event as though that debt had been incurred at the beginning of the relevant Measurement Period.
- (C) The Company may only proceed with a Calculation Trigger Event which is listed in paragraph (B)(iv) or (B)(v) of the definition of Calculation Date if the pro forma calculations referred to in paragraph (A) above show that the financial covenants in clause 19.1 (*Debt cover ratio*) and in clause 19.2 (*Interest cover ratio*) would be met for the relevant Measurement Period, or otherwise only with the consent of the Majority Lenders.
- (D) The Company may only proceed with a Calculation Trigger Event which is listed in paragraph (B)(i), (B)(ii) or (B)(iii) of the definition of Calculation Date if the pro forma calculations referred to in paragraph (A) above show that the financial covenants in clause 19.1 (*Debt cover ratio*) and in clause 19.2 (*Interest cover ratio*) would be met for the relevant Measurement Period, or otherwise only with the consent of each Lender.

20. GENERAL UNDERTAKINGS

The undertakings in this clause shall remain in force from the date of this Agreement until the Discharge Date.

20.1 Corporate existence

Each Obligor shall maintain its corporate existence.

20.2 Authorisations

Each Obligor shall promptly obtain and comply with Required Approvals where a failure to do so would have a Material Adverse Effect.

20.3 Compliance with laws

Each Obligor shall comply with all laws and regulations (including compliance with environmental laws, permits and licences) applicable to it where failure to do so would have a Material Adverse Effect.

20.4 Pari passu ranking

Each Obligor shall ensure that at all times its payment obligations to the Finance Parties under the Finance Documents rank at least *pari passu* as to priority of payment with all its other present and future unsecured and unsubordinated Financial Indebtedness, except for claims mandatorily preferred by operation of law applying generally.

20.5 Security

Each Obligor shall undertake all actions reasonably necessary (including the making or delivery of filings and payment of fees) to maintain the Security Interests under the Security Documents to which it is a party in full force and effect (including the priority thereof).

20.6 Negative pledge

- (A) Other than Permitted Security, a Ghana Obligor shall not create or permit to exist any Security Interest over any of its assets.
- (B) Other than as permitted under limbs (A), (B), (E), (F) (other than in respect of receivables financing), (H) or (I) of the definition of Permitted Security, KEGI and KEGHL shall not create or permit to exist any Security Interest over any of their assets.
- (C) Notwithstanding paragraph (B) above, KEGHL shall not create or permit to exist any Security Interest over its shares in KEGI.
- (D) Notwithstanding paragraph (B) above, other than any Security Interest created by way of a floating charge pursuant to a "Finance Document" (as defined in the RBL Facility Agreement), KEO shall not create or permit to exist any Security Interest over its shares in KEGHL.
- (E) Notwithstanding paragraph (B) above, other than as permitted under limbs (A), (B), (E), (F) (other than in respect of receivables financing), (H) or (I) of the definition of Permitted Security and any Security Interest granted by the GOM Obligors in connection with the GoM Loan, the GOM Obligors shall not create or permit to exist any Security Interest over any of their assets, provided that the GOM Obligors may create or permit to exist any Security Interest over any of their assets in favour of the providers of Financial Indebtedness to any member

of the Group for the purposes of an acquisition if pro forma calculations of the ratio of Consolidated Total Net Borrowings to EBITDAX of the Group for the 12 Month period ending with the latest quarterly consolidated financial statements filed by the Company with the U.S. Securities and Exchange Commission before the occurrence of such Financial Indebtedness (being the “**Measurement Period**” for the purposes of these pro forma calculations), incorporating the secured Financial Indebtedness envisaged to be incurred by the Group (including any interest that would have been payable had that Financial Indebtedness been incurred at the beginning of the relevant Measurement Period) and the earnings before interest, taxes, depreciation, amortisation and exploration of the assets, business or companies envisaged to be acquired by the Group as though that Financial Indebtedness had been incurred, and the assets, business or companies acquired, at the beginning of the Measurement Period show no increase in the ratio of Consolidated Total Net Borrowings to EBITDAX of the Group as a result of such secured Financial Indebtedness, taking into account the assets, business or companies envisaged to be acquired by the Group.

- (F) Paragraph (E) above will cease to apply from the date on which the Company certifies in a Compliance Certificate delivered pursuant to clause 17.5(A) that the ratio of Consolidated Total Net Borrowings to EBITDAX of the Group calculated pursuant to clause 19.3 (*Calculation of ratios on Calculation Date*) for any Measurement Period is less than 1.50:1.00.

20.7 Change of business

KEL shall procure that no substantial change is made to the general nature of the business of the Obligors or the Group taken as a whole from that carried on by the Group as at the date of this Agreement.

20.8 Disposals

- (A) Subject to clauses 8.4 (*Ghana Petroleum Agreement Medium Sale Event*), 8.5 (*Ghana Petroleum Agreement Large Sale Event*) and 19.3 (*Calculation of ratios on Calculation Date*), other than Permitted Disposals, an Obligor shall not, either in a single transaction or in a series of transactions and whether related or not, dispose of all or a material part of its assets.
- (B) Notwithstanding any other provision of this Agreement or any other Finance Document, KEO shall have full flexibility and discretion to deal with its subsidiaries and its and their assets, other than its interests in:
- (i) any other Obligor;

- (ii) the assets of any other Obligor; or
- (iii) any asset which is the subject of a Security Document,

in such manner as it sees fit and at its discretion including, but without limitation, the flexibility to sell, farm-out, dispose of, transfer, grant Security Interests over, distribute by way of dividend, restructure, consolidate or merge or otherwise part with ownership and possession of such subsidiary and/or assets.

20.9 Financial Indebtedness

Notwithstanding any other provision of this Agreement, in the event that the holders of HY Notes benefit from provisions relating to the restriction of Financial Indebtedness of the Group which are more onerous than those set out in this Agreement, KEL shall incorporate into this Agreement, *mutatis mutandis*, clauses which are equivalent to the relevant provisions of the HY Notes.

20.10 Ghana Financial Indebtedness

Other than Permitted Financial Indebtedness, a Ghana Obligor shall not incur any Financial Indebtedness.

20.11 Guarantees

Except in the case of Permitted Financial Indebtedness, no Ghana Obligor may, without the approval of the Majority Lenders (acting reasonably), enter into guarantees or indemnities in respect of obligations or liabilities of any person (excluding Ghana Obligors).

20.12 Mergers

No Obligor may enter into any amalgamation, consolidation, demerger, merger, division or reconstruction or winding-up without the consent of the Majority Lenders, except on a solvent basis and in circumstances where the Obligor remains the legal entity following such amalgamation, consolidation, demerger, merger, division or reconstruction or winding-up. The restriction in this clause 20.12 (*Mergers*) shall not apply to any DGE Rationalisation Event.

20.13 Ghana Obligor loans

- (A) Except as provided in paragraph (B) below, no Ghana Obligor may be a creditor in respect of any Financial Indebtedness.
- (B) Paragraph (A) does not apply to:

- (i) any loans made pursuant to a loan agreement between any Ghana Obligors;
- (ii) any credit provided under a Project Agreement;
- (iii) any trade credit in the ordinary course of day to day business;
- (iv) loans or other credit not exceeding USD 100 million (or its equivalent in other currencies) in aggregate at any one time;
- (v) any loans permitted under the RBL Facility Agreement; or
- (vi) any other credit approved by the Majority Lenders (acting reasonably).

20.14 Non-Ghana Obligor loans

- (A) Except as provided in paragraph (B) below, no Non-Ghana Obligor may be a creditor in respect of any Financial Indebtedness.
- (B) Paragraph (A) above does not apply to:
 - (i) any loans made in the ordinary course of day to day business;
 - (ii) any loans made to a member of the Group;
 - (iii) loans or other credit not exceeding USD 50 million (or its equivalent in other currencies) in aggregate at any one time; or
 - (iv) any other loans or credit approved by the Majority Lenders (acting reasonably).

20.15 Tax affairs

Each Obligor shall:

- (A) timely and properly file or cause to be filed all income Tax returns and all other material Tax returns, declarations and reports that it or a Subsidiary is required by applicable Tax law to file, and all such Tax returns, declarations and reports will be true, correct and complete in all material respects;
- (B) pay or cause to be paid all Taxes owed by such Obligor or its Subsidiaries, within the time period allowed without incurring penalties unless and only to the extent that:
 - (i) such payment is being contested in good faith; and

- (ii) adequate reserves are being maintained for those Taxes and the costs required to contest them which have been disclosed in its latest financial statements delivered to the Facility Agent under clause 17.2 (*Financial statements*).

20.16 Permitted Acquisitions

No Ghana Obligor may, without the prior written consent of the Facility Agent (acting on the instructions of the Majority Lenders (acting reasonably)), make any acquisition of, or investment in, any assets, rights or property (but excluding for the avoidance of doubt any payment of Financing Costs or Project Costs (in each case as defined in the RBL Facility Agreement)) which is not a Permitted Acquisition.

20.17 Distributions

- (A) Subject to paragraph (C) below, each Obligor may make, declare or pay a Shareholder Distribution, subject to there being no Default or Event of Default continuing and provided that no Default or Event of Default would occur by making such Shareholder Distribution.
- (B) For the avoidance of doubt, nothing in paragraph (A) above shall restrict an Obligor from making a Shareholder Distribution at any time (including at a time when a Default or an Event of Default is continuing) to the extent that the payment of such Shareholder Distribution is mandatory under the rules of any Stock Exchange.
- (C) In the event that KEL issues HY Notes and agrees, under the terms of the HY Notes and any related documentation, to restrictions on the ability to make Shareholder Distributions which are different to those set out in this clause 20.17, KEL shall agree to be bound by the same restrictions set out therein as if those provisions were set out, *mutatis mutandis*, in full in this Agreement.

20.18 Application of the Loans

- (A) No Borrower shall (and the Original Borrower shall ensure that no other member of the Group shall) permit or authorise any other person to, directly or indirectly, use, lend, make payments of, contribute or otherwise make available, all or any part of the proceeds of any Loan or other transaction(s) contemplated by this Agreement to fund or facilitate any trade, business or other activities:
 - (i) relating to, involving or for the benefit of any Restricted Party; and/or
 - (ii) in any other manner that would result in any member of the Group or a Finance Party or its US Affiliate being in breach of any Sanctions or becoming a Restricted Party.

- (B) No Obligor shall (and the Original Borrower shall ensure that no other member of the Group shall) fund all or part of any payment under the Facility out of proceeds derived, directly or indirectly, from any trade, business or other activities with a Restricted Party or in any other manner that would reasonably be expected to result in any member of the Group or a Finance Party or its US Affiliate being in breach of any Sanctions (if and to the extent applicable to any of them) or becoming a Restricted Party.
- (C) Each Obligor shall (and the Original Borrower shall procure that each member of the Group shall) comply with Sanctions and maintain in effect and enforce policies and procedures designed to ensure such compliance.

20.19 Anti-corruption law

- (A) No Borrower shall (and the Original Borrower shall ensure that no other member of the Group will) directly or indirectly use the proceeds of the Facility for any purpose which would breach, or cause a Finance Party to breach, the Bribery Act 2010, the United States Foreign Corrupt Practices Act of 1977 (15 USC. §§ 78dd-1 et seq.) or other similar legislation applicable to it or the Finance Parties.
- (B) Each Obligor shall (and the Original Borrower shall ensure that each other member of the Group will):
 - (i) conduct its businesses in compliance with applicable anti-corruption and anti-money laundering laws and regulations; and
 - (ii) maintain and enforce policies and procedures designed to promote and achieve compliance with such laws and regulations, including the United States Foreign Corrupt Practices Act of 1977.
- (C) In connection with the transactions contemplated by this Agreement, no Obligor will (and the Company shall ensure that no other member of the Group will), directly or indirectly, authorize, offer, promise, or make payments of anything of value, including but not limited to cash, cheques, wire transfers, tangible and intangible gifts, favors, services, and those entertainment and travel expenses that go beyond what is reasonable and customary and of modest value to: (i) an executive, official, employee or agent of a governmental department, agency or instrumentality, (ii) a director, officer, employee or agent of a wholly or partially government-owned or controlled company or business, (iii) a political party or official thereof, or candidate for political office, (iv) a Foreign Public Official, or (v) any other person; while knowing or having a reasonable belief that all or some portion will be used for the purpose of: (1) influencing any act, decision or failure to act by any such person in his or her official capacity, (2) inducing any such person to use his or her influence with a government or instrumentality to

affect any act or decision of such government or entity, or (3) securing an unlawful advantage; in order to obtain, retain or direct business.

20.20 Insurance

The Company and each Ghana Obligor shall maintain insurances, with reputable independent insurance companies or underwriters, on and in relation to their respective business and assets against those risks and to the extent as is usual for companies carrying on the same or substantially similar business.

20.21 Information undertakings

In the event that the RBL Facility Agreement is repaid and either not replaced or replaced by a facility with obligations relating to the supply of information which are substantially less onerous than those set out in the RBL Facility Agreement, KEL shall incorporate into this Agreement for information purposes only, *mutatis mutandis*, clauses which are equivalent to the following clauses of the RBL Facility Agreement (as such clauses existed as at the first date of this Agreement): clauses 24.6 (*Project Information and Hedging Information*), 24.8 (*Sources and Uses*), 24.9 (*Approved Development*) and 24.10 (*Compliance with Remedial Plan*).

20.22 Constitutional documents

Each Obligor shall notify the Facility Agent of any amendment to any of its constitutional documents in a manner that has, or could reasonably be expected to have, a Material Adverse Effect.

20.23 RBL Facility Agreement

KEL shall procure that no amendment or waiver of any term of the RBL Facility Agreement (or the "Finance Documents", as defined therein) may be made if the amendment or waiver is:

- (A) an amendment or waiver constituting an increase in the Margin (as defined in the KEFI Intercreditor Agreement), or the inclusion of an additional margin, relating to the Senior Liabilities (as defined in the KEFI Intercreditor Agreement) (as applicable) other than such an increase or addition which is contemplated by the Senior Finance Documents (as defined in the KEFI Intercreditor Agreement) as at the date of this Agreement;
- (B) an amendment or waiver constituting an increase in, or addition of, any fees or commission other than such an increase or addition which is contemplated by the Senior Finance Documents (as defined in the KEFI Intercreditor Agreement) as at the date of this Agreement or which is as a result of a refinancing of the Senior Liabilities (as defined in the KEFI Intercreditor Agreement); or

- (C) any amendment or waiver of the equity cure provisions in clause 29.2 (*Breach of financial covenant*) of the RBL Facility Agreement in relation to breaches of the “LLCR”, “FLCR”, “ICR” or “DCR” financial covenants (each as defined in the RBL Facility Agreement).

20.24 Trust Indenture

- (A) Pursuant to clause 20.9 (*Financial Indebtedness*) above, KEL undertakes that it will not incur, and will procure that no member of the Group incurs, Financial Indebtedness which would not be permitted pursuant to the requirements of Section 4.09 (*Limitation of Debt*) of the Trust Indenture. This clause 20.24 shall apply only for so long as Section 4.09 of the Trust Indenture is in effect.
- (B) KEL shall supply to the Facility Agent (in sufficient copies as notified by the Facility Agent) a conformed copy of the Trust Indenture within 10 Business Days following any amendment, restatement or waiver thereof.

20.25 Compliance with US Regulations

No Obligor shall (and the Original Borrower shall ensure that no other member of the Group will) become an “investment company” as such term is defined in the 1940 Act.

20.26 ERISA reporting requirements

Each US Obligor shall promptly and in any event within 10 Business Days after such Obligor knows or has reason to know that any ERISA Event has occurred that would reasonably be expected to have a Material Adverse Effect, deliver to the Facility Agent a statement describing such ERISA Event and the action, if any, that such Obligor or the applicable ERISA Affiliate has taken and proposes to take with respect thereto.

20.27 Beneficial Ownership Certification notification

To the extent that a Beneficial Ownership Certification has been delivered pursuant to this Agreement, the Company shall promptly, and in any event within 10 Business Days after such change, notify the Facility Agent of any change in the information provided in such Beneficial Ownership Certification that would result in a change to the list of beneficial owners identified in such certification.

21. EVENTS OF DEFAULT

Each of the events or circumstances set out in this clause is an Event of Default (save for clauses 21.16 (*Acceleration*) and 21.17 (*Automatic Acceleration*)), unless otherwise stated.

21.1 Non-payment

An Obligor does not pay any amount payable by it to any Finance Party (or to the Facility Agent for its own account) under the Finance Documents in the manner and on the date required under the Finance Documents within five Business Days of its due date.

21.2 Breach of financial covenant

The Company does not comply with the provisions of the Financial Covenants, provided that where the debt cover ratio in clause 19.1 (*Debt cover ratio*) or interest cover ratio in clause 19.2 (*Interest cover ratio*) has been breached, the Borrowers shall have 45 days within which to remedy any breach of the relevant financial covenant by means of a prepayment and/or a cancellation of the Facility where any prepayment is funded by the provision of Additional Debt subordinated on terms acceptable to the Majority Lenders (acting reasonably), or by the contribution of equity to the capital of a Borrower or by taking such other remedial action as may be approved by the Majority Lenders provided always that the Company shall be entitled to remedy any such breach not more than twice in total and not more than once in any 12 Month period.

21.3 Breach of other obligations

An Obligor does not comply with any other provision of the Finance Documents to which it is either a party or in respect of which it agrees to be bound pursuant to clauses 27.3 (*Authority of Facility Agent, the Company and the Security and Intercreditor Agent*) and 27.4 (*Accession to the KEFI Intercreditor Agreement*) and becomes bound pursuant to clauses 2.5 (*Agreement binding on Junior Obligors*) and 2.6 (*Agreement binding on Senior Obligors*) of the KEFI Intercreditor Agreement and clause 2.5 (*Agreement binding on Obligors*) of the KEL Intercreditor Agreement (other than in respect of non-payment or breach of a Financial Covenant), unless the non-compliance is:

- (A) capable of remedy; and
- (B) remedied within 30 days of the earlier of the Facility Agent giving notice or the Obligor becoming aware of the non-compliance.

21.4 Misrepresentation

Any representation or statement made or deemed to be made by an Obligor in the Finance Documents is or proves to have been incorrect or misleading in any material respect when made or deemed to be made (or, in the case of a representation or statement that contains a materiality concept, is or proves to have been incorrect or misleading in any respect when made or deemed to be made), unless the misrepresentation is:

- (A) capable of remedy; and
- (B) remedied within 30 days of the earlier of the Facility Agent giving notice or the relevant Obligor becoming aware of the misrepresentation,

provided that paragraphs (A) and (B) will not apply to any representation made or deemed to be made by an Obligor under clause 18.15 (*Sanctions*) and clause 18.16 (*Anti-corruption law*).

21.5 Cross-default

- (A) Any Financial Indebtedness of any Obligor is not paid when due nor within any applicable grace period.
- (B) Any Financial Indebtedness of any Obligor is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described) and such amount is not paid when due.
- (C) Notwithstanding paragraphs (A) and (B) above, no Event of Default will occur under this clause if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness is less than USD 100 million (or its equivalent in any other currency or currencies) or if the relevant event or default has been waived, or if such event or default is caused by a Disruption Event, provided that, in the case of a Disruption Event the requisite payment is made within five Business Days.

21.6 Insolvency

Any of the following occurs in respect of an Obligor:

- (A) it is, or is deemed for the purposes of any law to be, unable to, or admits its inability to, pay its debts as they fall due or is or becomes insolvent or a moratorium is declared in relation to its indebtedness generally; or
- (B) it stops or suspends or threatens to suspend, or announces an intention to stop or suspend making payment of all or any class of its debts as they fall due in default of the obligation to make the relevant payment.

21.7 Insolvency proceedings

- (A) Except as provided in paragraph (B) below, any of the following occurs in respect of an Obligor:
 - (i) a written resolution is passed or a resolution is passed at a meeting of its shareholders, directors or other officers to petition for or to file

documents with a court or any registrar for its winding-up, administration or dissolution;

- (ii) any person presents a petition, or files documents with a court or any registrar for its winding-up, administration or dissolution;
- (iii) an order for its winding-up, administration or dissolution is made;
- (iv) any liquidator, provisional liquidator, trustee in bankruptcy, judicial custodian, compulsory manager, receiver, administrative receiver, administrator or similar officer is appointed in respect of it or any material part of its assets;
- (v) a moratorium is declared in relation to the indebtedness of an Obligor;
- (vi) its shareholders, directors or other officers request the appointment of, or give notice of their intention to appoint a liquidator, trustee in bankruptcy, judicial custodian, compulsory manager, provisional liquidator, receiver, administrative receiver, administrator or similar officer;
- (vii) any composition, compromise, assignment or arrangement is made with any of its creditors; or
- (viii) any other analogous step or procedure is taken in any jurisdiction.

(B) Paragraph (A) does not apply to:

- (i) any step or procedure which is part of (x) a re-organisation of an Obligor on a solvent basis with the consent of the Majority Lenders (acting reasonably) or (y) a DGE Rationalisation Event; or
- (ii) an IPO Reorganisation; or
- (iii) in the case of sub-paragraph (ii) or (iv) (or any step or procedure under sub-paragraph (vi) that is analogous to sub-paragraph (ii) or (iv)), if the relevant step, petition or filing is made by a person other than an Obligor, shareholder or their respective officers or directors and the relevant Obligor is taking steps in good faith and with due diligence for such proceedings or action to be stayed, discontinued, revoked or set aside and the same is stayed, discontinued, revoked or set aside within a period of 60 days; or

- (iv) any Enforcement Action that applies to assets having an aggregate value of less than USD 100 million (or its equivalent in other currencies).

21.8 Creditors' process

Any attachment, sequestration, distress, execution or analogous event affects any asset(s) of an Obligor, having an aggregate value of at least USD 15 million (or its equivalent in other currencies), and is not discharged within 45 days.

21.9 Unlawfulness and Invalidity of the Finance Documents

If all or any part of a Finance Document is not, or ceases to be, a legal, valid, binding and enforceable obligation of an Obligor, and

- (A) the Company fails, within 30 days of becoming aware of the matter, to procure the execution of a substitute agreement or agreements on substantially the same terms and with a commercially qualified party or parties acceptable to the Majority Lenders (acting reasonably); or
- (B) the matter is not otherwise remedied within 30 days of an Obligor becoming aware of the matter.

21.10 Cessation of Business

An Obligor ceases, or threatens to cease, all or a substantial part of its business (as carried on the date of this Agreement) other than pursuant to a DGE Rationalisation Event.

21.11 Expropriation

Any Government (or any other official central or local government body with due authority) states officially that it will take any step with a view to the seizure, expropriation, nationalisation, requisition or compulsory acquisition all or a material part of the assets of the Ghana Obligors or all or a material part of the rights of the Ghana Obligors in relation thereto and such act has, or could reasonably be expected to have, a Material Adverse Effect.

21.12 Repudiation of Finance Documents

Any Finance Document is repudiated or rescinded by an Obligor.

21.13 Material Litigation

Any material litigation, arbitration or administrative proceedings are commenced, threatened or pending against an Obligor which could reasonably be expected to be adversely determined against it and which, if so determined, has, or would have, a Material Adverse Effect.

21.14 Material Adverse Effect

Any event which, in the opinion of the Majority Lenders (acting reasonably), has a Material Adverse Effect but only following consultation between the Facility Agent and the Company over a period of not less than 30 days with a view to agreeing steps of mitigation (each Party acting reasonably with a view to appropriate remedial action being taken).

21.15 ERISA Event of Default

Any ERISA Event shall have occurred that would reasonably be expected to have a Material Adverse Effect.

21.16 Acceleration

Subject to the terms of the Intercreditor Agreements, on and at any time after the occurrence of an Event of Default which is continuing, the Facility Agent may, and shall if so directed by the Majority Lenders, by notice to the Original Borrower:

- (A) cancel the Total Commitments whereupon they shall immediately be cancelled;
- (B) declare that all or part of the Loans, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, whereupon they shall become immediately due and payable; and/or
- (C) declare that all or part of the Loans be payable on demand, whereupon they shall immediately become payable on demand by the Facility Agent on the instructions of the Majority Lenders; and/or
- (D) exercise or direct the Security and Intercreditor Agent to exercise any or all of its rights, remedies, powers or discretions under any of the Finance Documents.

21.17 Automatic Acceleration

If an Event of Default under Clause 21.6 (*Insolvency*) or Clause 21.7 (*Insolvency proceedings*) shall occur in respect of a US Obligor which is a Borrower in a US court of competent jurisdiction, then without notice to such Borrower or any other act by the

Facility Agent or any other person, the Available Commitments to such Borrower, interest thereon, and all other amounts owed by such Borrower under the Finance Documents shall become immediately due and payable without presentment, demand, protest or notice of any kind, all of which are expressly waived.

21.18 Notification of Event of Default

The Facility Agent shall notify the Security and Intercreditor Agent of the occurrence of any Event of Default.

PART 8
CHANGES TO LENDERS AND OBLIGORS AND ROLES

22. CHANGES TO THE LENDERS

22.1 Assignments and transfers and changes in Facility Office by the Lenders

Subject to this clause, a Lender (the “**Existing Lender**”) may:

- (A) (i) assign any of its rights; or
- (ii) transfer by novation any of its rights and obligations,

to an Affiliate, another Lender, an Affiliate of another Lender or a Qualifying Bank, another bank or financial institution, any insurance or reinsurance company or to a trust or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets or such other institution as the Original Borrower may agree in writing (the “**New Lender**”), or

- (B) change its Facility Office.

22.2 Conditions of assignment and transfer or change in Facility Office

- (A) The consent of the Company is required for an assignment or transfer by an Existing Lender, unless the assignment or transfer is (i) to, or in favour of, another Lender or to a special purpose vehicle set up by a Lender or Affiliate of any Lender where a Security Interest over securities issued by such special purpose vehicle is to be created in favour of a federal reserve or central bank (including, for the avoidance of doubt, the European Central Bank), an Affiliate of a Lender or a Qualifying Bank, or (ii) made at a time when an Event of Default is continuing.
- (B) The consent of the Company is required for a change in Facility Office to a different jurisdiction. In the case of a change of Facility Office for which the Company’s consent is not required, the Lender must notify the Company of the new Facility Office promptly on the change taking effect.
- (C) The consent of the Company to an assignment or transfer or change in Facility Office must not be unreasonably withheld or delayed (and will be deemed to have been given five Business Days after the relevant Lender has requested it unless consent is expressly refused by the Company within that time).
- (D) An assignment will only be effective on:

- (i) receipt by the Facility Agent of written confirmation from the New Lender (in form and substance satisfactory to the Facility Agent) that the New Lender will assume the same obligations to the other Finance Parties as it would have been under if it was a Lender on the date of this Agreement;
 - (ii) the New Lender entering into the documentation required for it to accede as a party to the relevant Finance Documents (including, but not limited to, the Intercreditor Agreements);
 - (iii) performance by the Facility Agent of all necessary “know your customer” or other similar checks under all applicable laws and regulations in relation to such assignment to a New Lender (such checks not to be unreasonably held or delayed), the completion of which the Facility Agent shall promptly notify to the Existing Lender and the New Lender; and
 - (iv) recordation of the assignment in the Loan Register.
- (E) A transfer will only be effective if the procedure set out in clause 22.5 (*Procedure for transfer*) is complied with and if such transfer is recorded in the Loan Register.
- (F) If:
- (i) a Lender assigns or transfers any of its rights or obligations under the Finance Documents or changes its Facility Office; and
 - (ii) as a result of circumstances existing at the date the assignment, transfer or change occurs, an Obligor would be obliged to make a payment to the New Lender or Lender acting through its new Facility Office under clause 13 (*Tax Gross Up and Indemnities*) or clause 14 (*Increased Costs*),
- then the New Lender or Lender acting through its new Facility Office is only entitled to receive payment under those clauses to the same extent as the Existing Lender or Lender acting through its previous Facility Office would have been if the assignment, transfer or change had not occurred.
- (G) Each New Lender, by executing the relevant Transfer Certificate confirms, for the avoidance of doubt, that the Facility Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance with the Finance Documents on or

prior to the date on which the transfer or assignment becomes effective in accordance with this Agreement.

- (H) Any assignment or transfer of part of the Existing Lender's rights and/or obligations must be a minimum of USD 5 million (or, if less, the entire Commitment of the Existing Lender) and must not result in the Existing Lender retaining less than USD 5 million, unless the assignment or transfer is made at a time when an Event of Default is continuing.
- (I) The Facility Agent shall only be obliged to execute an assignment agreement delivered to it by the Existing Lender and the New Lender once it is satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to the assignment to such New Lender.
- (J) Notwithstanding any other provision in the Finance Documents, the Company hereby agrees that Barclays Bank PLC may assign any of its rights or transfer any of its rights or obligations under the Finance Documents (in either case, in accordance with the mechanics set out in this Agreement) to Barclays Bank Ireland PLC at any time without the consent of the Company and Barclays Bank Ireland PLC shall assume and acquire the same rights and obligations against the other parties to the Finance Documents as if Barclays Bank Ireland PLC was an original party to the Finance Documents.

22.3 Assignment or transfer fee

The New Lender shall, on the date upon which an assignment or transfer takes effect, pay to the Facility Agent (for its own account) a fee of USD 2,500.

22.4 Limitation of responsibility of Existing Lenders

- (A) Unless expressly agreed to the contrary, an Existing Lender makes no representation or warranty and assumes no responsibility to a New Lender for:
 - (i) the legality, validity, effectiveness, adequacy or enforceability of the Finance Documents or any other documents;
 - (ii) the financial condition of any Obligor;
 - (iii) the performance and observance by any Obligor of its obligations under the Finance Documents or any other documents; or
 - (iv) the accuracy of any statements (whether written or oral) made in or in connection with any Finance Document or any other document,

and any representations or warranties implied by law are excluded.

- (B) Each New Lender confirms to the Existing Lender and the other Finance Parties that it:
 - (i) has made (and shall continue to make) its own independent investigation and assessment of the financial condition and affairs of each Obligor and its related entities in connection with its participation in the Facility and has not relied exclusively on any information provided to it by the Existing Lender in connection with any Finance Document; and
 - (ii) will continue to make its own independent appraisal of the creditworthiness of each Obligor and its related entities whilst any amount is or may be outstanding under the Finance Documents or any Commitment is in force.
- (C) Nothing in any Finance Document obliges an Existing Lender to:
 - (i) accept a re-transfer or re-assignment from a New Lender of any of the rights and obligations assigned or transferred under this clause; or
 - (ii) support any losses directly or indirectly incurred by the New Lender by reason of the non-performance by any Obligor of its obligations under the Finance Documents or otherwise.

22.5 Procedure for transfer

- (A) Subject to the conditions set out in clause 22.2 (*Conditions of assignment and transfer or change in Facility Office*) a transfer is effected in accordance with paragraph (C) below when the Facility Agent executes an otherwise duly completed Transfer Certificate delivered to it by the Existing Lender and the New Lender. The Facility Agent shall, as soon as reasonably practicable after receipt by it of a duly completed Transfer Certificate appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Transfer Certificate on behalf of the other Finance Parties and the Obligors as well as itself, and notify the Company of the date of the transfer and name of the New Lender. Each Finance Party and each Obligor irrevocably authorises the Facility Agent to sign such a Transfer Certificate on its behalf.
- (B) The Facility Agent shall only be obliged to execute a Transfer Certificate delivered to it by the Existing Lender and the New Lender once it is satisfied it has complied with all necessary “know your customer” or other similar checks

under all applicable laws and regulations in relation to the transfer to such New Lender.

(C) Subject to clause 22.9 (*Pro rata interest settlement*), on the Transfer Date:

- (i) to the extent that in the Transfer Certificate the Existing Lender seeks to transfer by novation its rights and obligations under the Finance Documents, each of the Obligors and the Existing Lender shall be released from further obligations towards one another under the Finance Documents and their respective rights against one another under the Finance Documents shall be cancelled (being the “**Discharged Rights and Obligations**”);
- (ii) each of the Obligors and the New Lender shall assume obligations towards one another and/or acquire rights against one another which differ from the Discharged Rights and Obligations only insofar as that Obligor and the New Lender have assumed and/or acquired the same in place of that Obligor and the Existing Lender;
- (iii) the Facility Agent, each Mandated Lead Arranger, the New Lender and the other Finance Parties shall acquire the same rights and assume the same obligations between themselves as they would have acquired and assumed had the New Lender been a Lender on the date of this Agreement with the rights and/or obligations acquired or assumed by it as a result of the transfer and to that extent such Finance Parties and the Existing Lender shall each be released from further obligations to each other under the Finance Documents; and
- (iv) the New Lender shall become a Party as a “**Lender**”.

22.6 Copy of Transfer Certificate or Lender Accession Notice to the Original Borrower

The Facility Agent shall, as soon as reasonably practicable after it has executed a Transfer Certificate or Lender Accession Notice, send to the Company a copy of that Transfer Certificate or Lender Accession Notice.

22.7 Disclosure of information

- (A) Any Finance Party, its officers and agents may disclose to any of its Affiliates (including its head office, representative and branch offices in any jurisdiction) (each a “**Permitted Party**”) and:
 - (i) to any person (or through) whom that Finance Party assigns or transfers (or may potentially assign or transfer) all or any of its rights and

obligations under this Agreement (or any adviser on a need to know basis advising such person on any of the foregoing);

- (ii) to a professional adviser or a service provider of the Permitted Parties on a need to know basis advising such person on the rights and obligations under the Finance Documents or to an auditor of any Permitted Party on a need to know basis;
- (iii) with (or through) whom that Finance Party enters into (or may potentially enter into) any sub-participation in relation to, or any other transaction under which payments are to be made by reference to, this Agreement or any Obligor (and to any of that person's Affiliates, Related Funds, Representatives or any adviser of any of the foregoing on a need to know basis advising such person on the rights and obligations under the Finance Documents);
- (iv) to any person appointed by that Finance Party or by a person to whom paragraph (i) above applies to provide administration or settlement services in respect of one or more of the Finance Documents (including in relation to the trading of participations in respect of the Finance Documents, such Confidential Information as may be required to be disclosed to enable such service provider to provide any of the services referred to in this paragraph (iv) if the service provider to whom the Confidential Information is to be given has entered into a confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for Use With Administration/Settlement Service Providers or such other form of confidentiality undertaking agreed between the Company and the relevant Finance Party) only on a need to know basis;
- (v) to any rating agency (provided only general terms are disclosed in relation to the rating of a portfolio of assets), insurer or insurance broker, a direct or indirect provider of credit protection in respect of the Finance Party's participation in the Facility only on a need to know basis;
- (vi) to whom and to the extent that information is required to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation;
- (vii) subject to paragraph (B) below, to whom and to the extent that information is required to be disclosed in connection with, and for the

purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes;

(viii) to any other party to this Agreement; or

(ix) to any person with the consent of the Original Borrower,

any information about any Obligor, the Group and the Finance Documents as that Finance Party shall consider appropriate if, in relation to paragraphs (i) to (iv) and (ix) above, the person to whom the information is to be given has entered into a Confidentiality Undertaking (unless such person is already subject to professional confidentiality requirements which are no less stringent than those which are set out in a Confidentiality Undertaking) and provided that it shall itself ensure that all such information is kept confidential and is protected with security measures and a degree of care that would apply to its own confidential information.

- (B) If a Finance Party is required to make any disclosure in accordance with paragraph (A)(vii) above, it shall promptly notify the Original Borrower upon becoming aware of that requirement, save that there shall be no requirement to notify (1) where prohibited under law or regulation, (2) where prohibited under the applicable rules relating to the relevant procedure or situation described in paragraph (A)(vii), or (3) where notification would prejudice the position of the Finance Party under the relevant procedure or situation described in paragraph (A)(vii).
- (C) Nothing in any Finance Document shall prevent disclosure of any confidential information or other matter to the extent that preventing that disclosure would otherwise cause any transaction contemplated by the Finance Documents or any transaction carried out in connection with any transaction contemplated by the Finance Documents to become an arrangement described in Part II A 1 of Annex IV of Directive 2011/16/EU (DAC6).

22.8 Security over Lenders' rights

In addition to the other rights provided to Lenders under this clause 22, each Lender may without consulting with or obtaining consent from any Obligor, at any time charge, assign or otherwise create any Security Interest in or over (whether by way of collateral or otherwise) all or any of its rights under any Finance Document to secure obligations of that Lender including, without limitation:

- (A) any charge, assignment or other Security Interest to secure obligations to a federal reserve or central bank including, without limitation, where a Security Interest over securities issued by such special purpose vehicle is to be created

in favour of a federal reserve or central bank (including, for the avoidance of doubt, the European Central Bank); and

- (B) in the case of any Lender which is a fund, any charge, assignment or other Security Interest granted to any holders (or trustee or representatives of holders) of obligations owed, or securities issued, by that Lender as security for those obligations or securities,

except that no such charge, assignment or Security Interest shall:

- (i) release a Lender from any of its obligations under the Finance Documents or substitute the beneficiary of the relevant charge, assignment or Security Interest for the Lender as a party to any of the Finance Documents; or
- (ii) require any payments to be made by an Obligor other than or in excess of, or grant to any person any more extensive rights than, those required to be made or granted to the relevant Lender under the Finance Documents.

22.9 Pro rata interest settlement

- (A) If the Facility Agent has notified the Lenders that it is able to distribute interest payments on a “pro rata basis” to Existing Lenders and New Lenders then (in respect of any transfer pursuant to clause 22.5 (*Procedure for transfer*) the Transfer Date of which is after the date of such notification and is not on the last day of an Interest Period):

- (i) any interest or fees in respect of the relevant participation which are expressed to accrue by reference to the lapse of time shall continue to accrue in favour of the Existing Lender up to but excluding the Transfer Date (“**Accrued Amounts**”) and shall become due and payable to the Existing Lender (without further interest accruing on them) on the last day of the current Interest Period; and
- (ii) the rights assigned or transferred by the Existing Lender will not include the right to the Accrued Amounts, so that, for the avoidance of doubt:
 - (a) when the Accrued Amounts become payable, those Accrued Amounts will be payable to the Existing Lender; and
 - (b) the amount payable to the New Lender on that date will be the amount which would, but for the application of this clause 22.9 (*Pro rata interest settlement*), have been payable to it on that date, but after deduction of the Accrued Amounts.

- (B) In this clause 22.9 (*Pro rata interest settlement*) references to “**Interest Period**” shall be construed to include a reference to any other period for accrual of fees.
- (C) An Existing Lender which retains the right to the Accrued Amounts pursuant to this clause 22.9 (*Pro rata interest settlement*) but which does not have a Commitment shall be deemed not to be a Lender for the purposes of ascertaining whether the agreement of any specified group of Lenders has been obtained to approve any request for a consent, waiver, amendment or other vote of Lenders under the Finance Documents.

22.10 Register of Loans

The Facility Agent, acting solely for this purpose as a non-fiduciary agent of each Borrower, shall maintain at one of its offices a copy of each assignment or transfer delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the “**Loan Register**”). The entries in the Loan Register shall be conclusive absent manifest error, and each Borrower, the Facility Agent and the Lenders shall treat each person whose name is recorded in the Loan Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Loan Register shall be available for inspection by any Borrower or Lender, at any reasonable time and from time to time upon reasonable prior notice. For the avoidance of doubt, the Loan Register is intended to establish that any commitment, loan or other applicable obligation under any Finance Document is in registered form under section 5f.103-1(c) of the US Treasury regulations.

23. CHANGES TO THE OBLIGORS

23.1 Assignments and transfers by Obligors

No Obligor may assign any of its rights or transfer any of its rights or obligations under the Finance Documents.

23.2 Additional Borrowers

- (A) Subject to compliance with the provisions of paragraphs (C) and (D) of clause 17.8 (“*Know your customer*” and “*customer due diligence*” requirements), the Company may request that any of its subsidiaries becomes an Additional Borrower. That subsidiary shall become an Additional Borrower if:
 - (i) the Majority Lenders (or, if that Additional Borrower is incorporated in a jurisdiction in which no other Borrower is incorporated, all the Lenders) approve the addition of that subsidiary;

- (ii) the Additional Borrower is, or simultaneously becomes, a Guarantor;
 - (iii) the Company delivers to the Facility Agent a duly completed and executed Accession Letter;
 - (iv) the Company confirms that no Default is continuing or would occur as a result of that subsidiary becoming an Additional Borrower; and
 - (v) the Facility Agent has received all of the documents and other evidence listed in Part II of Schedule 3 (*Conditions Precedent*) in relation to that Additional Borrower, each in form and substance satisfactory to the Facility Agent.
- (B) The Facility Agent shall notify the Company and the Lenders promptly upon being satisfied (acting reasonably) that it has received (in form and substance satisfactory to it) all the documents and other evidence listed in Part II of Schedule 3 (*Conditions Precedent*).
- (C) In the event that an Additional Borrower becomes a party to this Agreement:
- (i) the Company, on behalf of all Obligors; and
 - (ii) the Facility Agent on behalf of all Finance Parties,

are hereby authorised to effect all amendments required to be made to the Finance Documents to which they are party to reflect the fact that such Additional Borrower has become a party to the Agreement.

23.3 Resignation of a Borrower

- (A) The Company may request that a Borrower (other than the Company) ceases to be a Borrower by delivering to the Facility Agent a Resignation Letter.
- (B) The Facility Agent shall accept a Resignation Letter and notify the Company and the Lenders of its acceptance if:
- (i) no Default is continuing or would result from the acceptance of the Resignation Letter (and the Company has confirmed this is the case); and
 - (ii) the relevant Borrower is under no actual or contingent obligations as a Borrower under any Finance Documents,

whereupon that company shall cease to be a Borrower and shall have no further rights or obligations under the Finance Documents.

23.4 Additional Guarantor

- (A) Subject to compliance with the provisions of paragraphs (C) and (D) of clause 17.8 (*"Know your customer" and "customer due diligence" requirements*), the Original Borrower may request that any of its subsidiaries becomes an Additional Guarantor and will procure that any HY Note Guarantor becomes an Additional Guarantor in accordance with, and as required under, clause 23.5 (*HY Note Guarantor*). That subsidiary shall become an Additional Guarantor if:
- (i) the Company delivers to the Facility Agent an Accession Letter duly completed and executed by that Additional Guarantor and the Company; and
 - (ii) the Facility Agent has received all of the documents and other evidence listed in Part II of Schedule 3 (*Conditions Precedent*) in relation to that Additional Guarantor, each in form and substance satisfactory to the Facility Agent.
- (B) The Facility Agent shall notify the Company and the Lenders promptly upon being satisfied (acting reasonably) that it has received (in form and substance satisfactory to it) all the documents and other evidence listed in Part II of Schedule 3 (*Conditions Precedent*).

23.5 HY Note Guarantor

- (A) In the event that any member of the Group which is not already a Guarantor becomes a HY Note Guarantor, then, subject to paragraph (B) below, the Company shall procure that such Group member becomes an Additional Guarantor pursuant to the procedures set out in clause 23.4 (*Additional Guarantor*) within 30 days of such Group member becoming a HY Note Guarantor.
- (B) The Company shall only be required to procure that a Group member becomes an Additional Guarantor as provided for in paragraph (A) above:
- (i) to the extent that such accession is legally possible;
 - (ii) provided that no director or officer of the relevant Group member shall be personally liable to any person as a consequence of the provision of the guarantee; and
 - (iii) subject to any restrictions or limitations in any contracts to which the Group member is subject as at the date on which the obligation under paragraph (A) above arises (and which were not agreed to or imposed in contemplation of the guarantee being given).

23.6 Repetition of Representations

Delivery of an Accession Letter constitutes confirmation by the relevant subsidiary that the Repeating Representations, and in addition, for any US Obligor acceding to the Finance Documents, the representations set out under Clause 18.17 (*Federal Reserve Regulations*), Clause 18.18 (*Investment Companies*), Clause 18.19 (*Employee Benefit Plans*), 18.20 (*Solvency*) and, to the extent applicable, paragraph (B) of Clause 18.21 (*Beneficial Ownership*) are true and correct in relation to it as at the date of delivery as if made by reference to the facts and circumstances then existing.

23.7 Resignation of a Guarantor on disposal

- (A) Where the Company intends to sell, transfer or dispose of its interest (whether direct or indirect) in a Guarantor to a third party, the Company may request that such Guarantor be released as a Guarantor by delivering to the Facility Agent a Resignation Letter.
- (B) The Facility Agent shall accept a Resignation Letter and notify the Company and the Lenders of its acceptance, subject only to the completion of the sale, transfer or disposal of the interest in that Guarantor, provided that:
 - (i) there is no Default continuing at the relevant time (unless such Default would itself be cured by the release of that Guarantor and its disposal);
 - (ii) no Default would result from the acceptance of such Resignation Letter; and
 - (iii) no payment is due from that Guarantor under the Deed of Guarantee.
- (C) The resignation of that Guarantor shall not be effective until the date of the relevant disposal, at which time that company shall cease to be a Guarantor and shall have no further rights or obligations under this Agreement as a Guarantor.

23.8 Resignation of a DGE Group Guarantor

- (A) If a DGE Group Guarantor (i) becomes a dormant company following the transfer of substantially all of its assets to another DGE Group Guarantor or (ii) is to be the subject of a DGE Rationalisation Event following the transfer of substantially all of its assets to another DGE Group Guarantor (in each case, a "**Retiring DGE Guarantor**"), KEL may request for the Retiring DGE Guarantor to be released as a Guarantor under this Agreement and the Deed of Guarantee by delivering a resignation letter substantially in the form set out in Schedule 12 (*Form of Resignation Letter (DGE Group Guarantor)*).

- (B) Notwithstanding anything to the contrary in this Agreement, each of the Lenders agrees that the Security and Intercreditor Agent is authorised to accept the resignation letter delivered under paragraph (A) above and, subject to clause 3.3 (*Reinstatement*) of the Deed of Guarantee, to release the Retiring DGE Guarantor as a Guarantor under this Agreement and the Deed of Guarantee, provided that:
- (i) there is no Default continuing at the relevant time (unless such Default would itself be cured by the release of that Retiring DGE Guarantor);
 - (ii) no Default would result from the acceptance of the resignation letter; and
 - (iii) no payment is due from that Retiring DGE Guarantor under the Deed of Guarantee.
- (C) The resignation of that DGE Guarantor shall be effective upon the acceptance by the Security and Intercreditor Agent of the resignation letter referred to in paragraph (A) above, at which time that company shall cease to be a Guarantor and shall have no further rights or obligations under this Agreement as a Guarantor.
- (D) Each Party to this Agreement agrees to execute and to do all such assurances, deeds, acts and things (including, without limitation, the giving of notices and the entry into any amendments) as KEL may reasonably request in writing on or after the date hereof in connection with a release of a Retiring DGE Guarantor under this Clause 23.8 (*Resignation of a DGE Group Guarantor*).

24. ROLE OF THE FACILITY AGENT AND THE ARRANGER

24.1 Appointment of the Facility Agent

- (A) Each Finance Party (other than the Facility Agent) appoints the Facility Agent to act in that capacity under and in connection with the Finance Documents.
- (B) Each other Finance Party authorises the Facility Agent to exercise the rights, powers, authorities and discretions specifically given to it under or in connection with the Finance Documents together with any other incidental rights, powers, authorities and discretions.

24.2 Duties of the Facility Agent

- (A) The Facility Agent shall promptly forward to a Party the original or a copy of any document which is delivered to the Facility Agent for that Party by any other Party.

- (B) Except where a Finance Document specifically provides otherwise, the Facility Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.
- (C) If the Facility Agent receives notice from a Party referring to this Agreement, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the Finance Parties.
- (D) If the Facility Agent is aware of the non-payment of any principal, interest, commitment fee or other fee payable to a Finance Party (other than to an Agent or a Mandated Lead Arranger) under this Agreement it shall promptly notify the other Finance Parties.
- (E) The Facility Agent's duties under the Finance Documents are solely mechanical and administrative in nature.

24.3 Role of the Mandated Lead Arrangers

Except as specifically provided in the Finance Documents, no Mandated Lead Arranger has obligations of any kind to any other Party under or in connection with any Finance Document.

24.4 No fiduciary duties

- (A) Except as specifically provided in the Finance Documents, nothing in this Agreement constitutes the Facility Agent or a Mandated Lead Arranger as a trustee or fiduciary of any other person.
- (B) Neither the Facility Agent nor any Mandated Lead Arranger shall be bound to account to any Lender for any sum or the profit element of any sum received by it for its own account.

24.5 Business with the Group

The Facility Agent and each Mandated Lead Arranger may accept deposits from, lend money to and generally engage in any kind of banking or other business with any member of the Group.

24.6 Rights and discretions of the Facility Agent

- (A) The Facility Agent may rely on:
 - (i) any representation, notice or document believed by it to be genuine, correct and appropriately authorised; and

- (ii) any statement made by a director, Authorised Signatory or employee of any person regarding any matters which may reasonably be assumed to be within his knowledge or within his power to verify.
- (B) The Facility Agent may assume (unless it has received notice to the contrary in its capacity as agent for the Lenders) that:
 - (i) no Default has occurred (unless it has actual knowledge of a Default arising under clause 21.1 (*Non-payment*));
 - (ii) any right, power, authority or discretion vested in any Party or the Lenders (or any consistent majority of Lenders) has not been exercised; and
 - (iii) any notice or request made by an Obligor (other than a Utilisation Request) is made on behalf of and with the consent and knowledge of all the Obligors.
- (C) The Facility Agent may engage, pay for and rely on the advice or services of any lawyers, accountants, surveyors or other experts.
- (D) The Facility Agent may act in relation to the Finance Documents through its personnel and agents.
- (E) The Facility Agent may disclose to any other Party any information it reasonably believes it has received as agent under this Agreement.
- (F) Notwithstanding any other provision of any Finance Document to the contrary, neither the Facility Agent nor any Mandated Lead Arranger is obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.

24.7 Lenders' instructions

- (A) Unless a contrary indication appears in a Finance Document, the Facility Agent shall (i) exercise any right, power, authority or discretion vested in it as Facility Agent in accordance with any instructions given to it by:
 - (i) all Lenders if the relevant Finance Document stipulates the matter is an all Lender decision; and
 - (ii) in all other cases, the Majority Lenders,

in each case, in accordance with this Agreement and the Intercreditor Agreements (or, if so instructed, refrain from exercising any right, power, authority or discretion vested in it as Facility Agent) and (ii) not be liable for any act (or omission) if it acts (or refrains from taking any action) in accordance with such instructions.

- (B) Save in the case of decisions stipulated to be a matter for any other Lender or group of Lenders under the relevant Finance Document and unless a contrary indication appears in a Finance Document, any instructions given to the Facility Agent by the Majority Lenders shall override any conflicting instructions given by any other Parties and will be binding on all Finance Parties save for the Security and Intercreditor Agent.
- (C) The Facility Agent may refrain from acting in accordance with any instructions of any Lender or group of Lenders in accordance with this Agreement and the Intercreditor Agreements until it has received such security as it may require for any cost, loss or liability (together with any associated VAT) which it may incur in complying with the instructions.
- (D) In the absence of instructions in accordance with this Agreement and the Intercreditor Agreements, the Facility Agent may act (or refrain from taking action) as it considers to be in the best interest of the Lenders.
- (E) The Facility Agent is not authorised to act on behalf of a Lender (without first obtaining that Lender's consent) in any legal or arbitration proceedings relating to any Finance Document.
- (F) The Facility Agent shall be entitled to request instructions, or clarification of any instruction, from the Majority Lenders (or, if the relevant Finance Document stipulates the matter is a decision for any other Lender or group of Lenders, from that Lender or group of Lenders) as to whether, and in what manner, it should exercise or refrain from exercising any right, power, authority or discretion and the Agent may refrain from acting unless and until it receives any such instructions or clarification that it has requested.
- (G) The Facility Agent shall act on the instructions of a Lender provided in connection with any split of its Commitment under Clause 37.5 (*Split voting*) and shall not be liable for any act (or omission) if it acts (or refrains from acting) in accordance with such instructions.

24.8 Responsibility for documentation

Neither the Facility Agent nor any Mandated Lead Arranger:

- (A) is responsible for the adequacy, accuracy and/or completeness of any information (whether oral or written) supplied by the Facility Agent, a Mandated Lead Arranger, an Obligor or any other person given in or in connection with any Finance Document; or
- (B) is responsible for the legality, validity, effectiveness, adequacy or enforceability of any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of or in connection with any Finance Document.

24.9 No duty to monitor

No Agent shall be bound to enquire:

- (A) whether or not any Default has occurred;
- (B) as to the performance, default or any breach by any Party of its obligations under any Finance Document; or
- (C) whether any other event specified in any Finance Document has occurred.

24.10 Exclusion of liability

- (A) Without limiting paragraph (B) below (and without prejudice to the provisions of paragraph (E) of clause 28.9 (*Disruption to Payment Systems etc.*)), the Facility Agent shall not be liable (including, without limitation, for negligence or any other category of liability whatsoever) for any action taken by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct.
- (B) No Party (other than the Facility Agent) may take any proceedings against any officer, employee or agent of the Facility Agent in respect of any claim it might have against it or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document and any officer, employee or agent of the Facility Agent may rely on this clause.
- (C) The Facility Agent will not be liable for any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by it if the Facility Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by it for that purpose.

24.11 Lenders' indemnity to the Facility Agent

Each Lender shall (in proportion to its share of the Total Commitments or, if the Total Commitments are then zero, to its share of the Total Commitments immediately prior to their reduction to zero) indemnify the Facility Agent within three Business Days of demand, against any cost, loss or liability (including, without limitation, in relation to any FATCA-related liability, for negligence or any other category of liability whatsoever) incurred by it (otherwise than by reason of the Facility Agent's gross negligence or wilful misconduct) (or, in the case of any cost, loss or liability pursuant to clause 28.9 (*Disruption to Payment Systems etc.*) notwithstanding the Facility Agent's negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Facility Agent) in acting as Facility Agent under the Finance Documents (unless the Facility Agent has been reimbursed by an Obligor pursuant to a Finance Document).

24.12 Resignation of the Facility Agent

- (A) The Facility Agent may resign and appoint one of its Affiliates acting through an office in the United Kingdom as successor by giving notice to the other Finance Parties and the Company.
- (B) Alternatively, the Facility Agent may resign by giving notice to the other Finance Parties and the Company, in which case the Majority Lenders may appoint a successor Facility Agent.
- (C) If the Majority Lenders have not appointed a successor Facility Agent in accordance with paragraph (B) above within 30 days after notice of resignation was given, the Facility Agent may (with the prior written consent of the Company) appoint a successor Facility Agent (acting through an office in the United Kingdom).
- (D) The retiring Facility Agent shall, at its own cost, make available to the successor Facility Agent such documents and records and provide such assistance as the successor Facility Agent may reasonably request for the purposes of performing its functions as Facility Agent under the Finance Documents. This obligation shall not apply in the event the Facility Agent is required to resign pursuant to paragraph (G) below.
- (E) The Facility Agent's resignation notice shall only take effect upon the appointment of a successor.
- (F) Upon the appointment of a successor, a retiring Facility Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of clause 15.3 (*Indemnity to the Agents*) and

this clause 24. Its successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.

(G) After consultation with the Company, the Majority Lenders may, by notice to the Facility Agent, require it to resign in accordance with paragraph (B) above.

(H) The Facility Agent shall resign in accordance with paragraph (B) above (and, to the extent applicable, shall use reasonable endeavours to appoint a successor Facility Agent pursuant to paragraph (C) above) if on or after the date which is three Months before the earliest FATCA Application Date relating to any payment to the Facility Agent under the Finance Documents, either:

- (i) the Facility Agent fails to respond to a request under clause 11.5 (*FATCA Information*) and the Company or a Lender reasonably believes that the Facility Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;
- (ii) the information supplied by the Facility Agent pursuant to clause 11.5 (*FATCA Information*) indicates that the Facility Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date; or
- (iii) the Facility Agent notifies the Company and the Lenders that the Facility Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;

and (in each case) the Company or a Lender reasonably believes that a Party will be required to make a FATCA Deduction that would not be required if the Facility Agent were a FATCA Exempt Party, and the Company or that Lender, by notice to the Facility Agent, requires it to resign.

24.13 Replacement of the Facility Agent

(A) If:

- (i) in relation to the Facility Agent (or its holding company), clause 21.6 (*Insolvency*) or clause 21.7 (*Insolvency proceedings*) (disregarding paragraph (B) of that clause) applies or has occurred; or
- (ii) if the Facility Agent or any of its Affiliates repudiates its obligations under the Facility or (in its capacity as Lender) becomes a Non-Funding Lender,

the Company shall be entitled to request that the Majority Lenders appoint within 10 Business Days either a co-Facility Agent or a replacement Facility Agent from one of their number or (subject to reasonable consultation with the Company), from outside the Lender group.

- (B) The Facility Agent to which either of the circumstances described in (A)(i) or (A)(ii) above applies (an “**Affected Facility Agent**”) shall cease to be entitled to fees in respect of its role upon becoming an Affected Facility Agent.
- (C) The Affected Facility Agent shall provide all assistance and documentation reasonably required to the Company and the other Lenders to enable the uninterrupted administration of the Facility. This shall include the provision to the Company on request and in any event, within five Business Days, of an up to date list of participants in the Facility including names and contact details.

24.14 Confidentiality

- (A) In acting as agent for the Finance Parties, the Facility Agent shall be regarded as acting through its agency division performing the role which shall be treated as a separate entity from any other of its divisions or departments.
- (B) If information is received by another division or department of the Facility Agent, it may be treated as confidential to that division or department and the Facility Agent shall not be deemed to have notice of it.

24.15 Facility Agent relationship with the Lenders

The Facility Agent may treat each Lender as a Lender, entitled to payments under this Agreement and acting through its Facility Office unless it has received not less than five Business Days’ prior notice from that Lender to the contrary in accordance with the terms of this Agreement.

24.16 Credit appraisal by the Lenders

Without affecting the responsibility of any Obligor for information supplied by it or on its behalf in connection with any Finance Document, each Lender confirms to the Facility Agent and each Mandated Lead Arranger that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Finance Document including but not limited to:

- (A) the financial condition, status and nature of any Guarantor and each member of the Group;
- (B) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document and any other agreement, arrangement or document entered into,

made or executed in anticipation of, under or in connection with any Finance Document;

- (C) whether that Lender has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under or in connection with any Finance Document, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document; and
- (D) the adequacy, accuracy and/or completeness of any information provided by the Facility Agent, any Party or by any other person under or in connection with any Finance Document, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document.

24.17 Deductions from amounts payable by Agents

If any Party owes an amount to the Facility Agent under the Finance Documents, the Facility Agent may, after giving notice to that Party, deduct an amount not exceeding that amount from any payment to that Party which the Facility Agent would otherwise be obliged to make under the Finance Documents and apply the amount deducted in or towards satisfaction of the amount owed. For the purposes of the Finance Documents, that Party shall be regarded as having received any amounts so deducted.

25. THE SECURITY AND INTERCREDITOR AGENT

25.1 Trust

- (A) The Security and Intercreditor Agent declares that it shall hold the Secured Property on trust for the Secured Parties on the terms contained in this Agreement.
- (B) Each of the Secured Parties to this Agreement agree that the Security and Intercreditor Agent shall have only those duties, obligations and responsibilities expressly specified in this Agreement or in the Security Documents to which the Security and Intercreditor Agent is expressed to be a party (and no others shall be implied).

25.2 No independent power

The Secured Parties shall not have any independent power to enforce, or have recourse to, any of the Transaction Security or to exercise any rights or powers arising under the Security Documents except through the Security and Intercreditor Agent.

25.3 KEL Intercreditor Agreement

At any time, if the KEL Intercreditor Agreement is in force and effect, this clause 25, clause 26 (*Change Of Security And Intercreditor Agent And Delegation*) and clause 31 (*Indemnities*) shall be ignored, shall have no force or effect and the Parties to this Agreement shall observe their respective rights and obligations under this Agreement as if this clause 25, clause 26 (*Change Of Security And Intercreditor Agent And Delegation*) and clause 31 (*Indemnities*) were removed in their entirety.

25.4 Instructions to Security and Intercreditor Agent and exercise of discretion

- (A) Subject to paragraphs (D) and (E) below, the Security and Intercreditor Agent shall act in accordance with any instructions given to it by the Majority Lenders or, if so instructed by the Majority Lenders, refrain from exercising any right, power, authority or discretion vested in it as Security and Intercreditor Agent and shall be entitled to assume that (i) any instructions received by it from the Facility Agent or a group of Lenders are duly given in accordance with the terms of the Finance Documents and (ii) unless it has received actual notice of revocation, that those instructions or directions have not been revoked.
- (B) The Security and Intercreditor Agent shall be entitled to request instructions, or clarification of any direction, from the Majority Lenders as to whether, and in what manner, it should exercise or refrain from exercising any rights, powers, authorities and discretions and the Security and Intercreditor Agent may refrain from acting unless and until those instructions or clarification are received by it.
- (C) Any instructions given to the Security and Intercreditor Agent by the Majority Lenders shall override any conflicting instructions given by any other Parties.
- (D) Paragraph (A) above shall not apply:
 - (i) where a contrary indication appears in this Agreement;
 - (ii) where this Agreement requires the Security and Intercreditor Agent to act in a specified manner or to take a specified action;
 - (iii) in respect of any provision which protects the Security and Intercreditor Agent's own position in its personal capacity as opposed to its role of Security and Intercreditor Agent for the Secured Parties.

- (E) In exercising any discretion to exercise a right, power or authority under this Agreement where either:
- (i) it has not received any instructions from the Majority Lenders as to the exercise of that discretion; or
 - (ii) the exercise of that discretion is subject to paragraph (D)(iii) above,

the Security and Intercreditor Agent shall do so having regard to the interests of all the Secured Parties.

25.5 Security and Intercreditor Agent's Actions

Without prejudice to the provisions of clause 25.4 (*Instructions to Security and Intercreditor Agent and exercise of discretion*), the Security and Intercreditor Agent may (but shall not be obliged to), in the absence of any instructions to the contrary, take such action in the exercise of any of its powers and duties under the Finance Documents as it considers in its discretion to be appropriate.

25.6 Security and Intercreditor Agent's discretions

The Security and Intercreditor Agent may:

- (A) assume (unless it has received actual notice to the contrary from the Facility Agent) that (i) no Default has occurred and no Obligor is in breach of or in default of its obligations under any of the Finance Documents and (ii) any right, power, authority or discretion vested by any Finance Document in any person has not been exercised;
- (B) engage, pay for and rely on the advice or services of any legal advisers, accountants, tax advisers, surveyors or other experts (whether obtained by the Security and Intercreditor Agent or by any other Secured Party) whose advice or services may at any time seem necessary, expedient or desirable;
- (C) rely upon any communication or document believed by it to be genuine and, as to any matters of fact which might reasonably be expected to be within the knowledge of a Secured Party, any Lender or an Obligor, upon a certificate signed by or on behalf of that person; and
- (D) refrain from acting in accordance with the instructions of any Secured Party (including bringing any legal action or proceeding arising out of or in connection with the Finance Documents) until it has received any indemnification and/or Security that it may in its discretion require (whether by way of payment in advance or otherwise) for all costs, losses and liabilities which it may incur in so acting.

25.7 Security and Intercreditor Agent's obligations

The Security and Intercreditor Agent shall promptly:

- (A) copy to the Facility Agent the contents of any notice or document received by it from any Obligor under any Finance Document;
- (B) forward to a Secured Party the original or a copy of any document which is delivered to the Security and Intercreditor Agent for that Secured Party by any other Party **provided that**, except where a Finance Document expressly provides otherwise, the Security and Intercreditor Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party;
- (C) to the extent that a Secured Party (other than the Security and Intercreditor Agent) is required to calculate a Dollar Currency Amount, and upon a request by that Secured Party, notify that Secured Party of the Security and Intercreditor Agent's Spot Rate of Exchange.

25.8 Excluded obligations

Notwithstanding anything to the contrary expressed or implied in the Finance Documents, the Security and Intercreditor Agent shall not:

- (A) be bound to enquire as to (i) whether or not any Default has occurred or (ii) the performance, default or any breach by an Obligor of its obligations under any of the Finance Documents;
- (B) be bound to account to any other Party for any sum or the profit element of any sum received by it for its own account;
- (C) be bound to disclose to any other person (including but not limited to any Secured Party) (i) any confidential information or (ii) any other information if disclosure would, or might in its reasonable opinion, constitute a breach of any law or be a breach of fiduciary duty; or
- (D) have or be deemed to have any relationship of trust or agency with, any Obligor.

25.9 Exclusion of liability

None of the Security and Intercreditor Agent, any Receiver nor any Delegate shall accept responsibility or be liable for:

- (A) the adequacy, accuracy or completeness of any information (whether oral or written) supplied by the Security and Intercreditor Agent or any other person in

or in connection with any Finance Document or the transactions contemplated in the Finance Documents, or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document;

- (B) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document, the Secured Property or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document or the Secured Property;
- (C) any losses to any person or any liability arising as a result of taking or refraining from taking any action in relation to any of the Finance Documents, the Secured Property or otherwise, whether in accordance with an instruction from the Facility Agent or otherwise unless directly caused by its gross negligence or wilful misconduct;
- (D) the exercise of, or the failure to exercise, any judgment, discretion or power given to it by or in connection with any of the Finance Documents, the Secured Property or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with, the Finance Documents or the Secured Property; or
- (E) any shortfall which arises on the enforcement or realisation of the Secured Property.

25.10 No proceedings

No Party (other than the Security and Intercreditor Agent, that Receiver or that Delegate) may take any proceedings against any officer, employee or agent of the Security and Intercreditor Agent, a Receiver or a Delegate in respect of any claim it might have against the Security and Intercreditor Agent, a Receiver or a Delegate or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document or any Secured Property and any officer, employee or agent of the Security and Intercreditor Agent, a Receiver or a Delegate may rely on this clause subject to the provisions of the Third Parties Rights Act.

25.11 Own responsibility

Without affecting the responsibility of any Obligor for information supplied by it or on its behalf in connection with any Finance Document, each Secured Party confirms to the Security and Intercreditor Agent that it has been, and will continue to be, solely

responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Finance Document including but not limited to:

- (A) the financial condition, status and nature of each Obligor;
- (B) the legality, validity, effectiveness, adequacy and enforceability of any Finance Document, the Secured Property and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document or the Secured Property;
- (C) whether that Secured Party has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under or in connection with any Finance Document, the Secured Property, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document or the Secured Property;
- (D) the adequacy, accuracy and/or completeness of any information provided by the Security and Intercreditor Agent or by any other person under or in connection with any Finance Document, the transactions contemplated by any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document; and
- (E) the right or title of any person in or to, or the value or sufficiency of any part of the Charged Property, the priority of any of the Transaction Security or the existence of any Security affecting the Charged Property,

and each Secured Party warrants to the Security and Intercreditor Agent that it has not relied on and will not at any time rely on the Security and Intercreditor Agent in respect of any of these matters.

25.12 No responsibility to perfect Transaction Security

The Security and Intercreditor Agent shall not be liable for any failure to:

- (A) require the deposit with it of any deed or document certifying, representing or constituting the title of any Obligor to any of the Charged Property;
- (B) obtain any licence, consent or other authority for the execution, delivery, legality, validity, enforceability or admissibility in evidence of any of the Finance Documents or the Transaction Security;
- (C) register, file or record or otherwise protect any of the Transaction Security (or the priority of any of the Transaction Security) under any applicable laws in any

jurisdiction or to give notice to any person of the execution of any of the Finance Documents or of the Transaction Security;

- (D) take, or to require any of the Obligors to take, any steps to perfect its title to any of the Charged Property or to render the Transaction Security effective or to secure the creation of any ancillary Security under the laws of any jurisdiction; or
- (E) require any further assurances in relation to any of the Security Documents.

25.13 Insurance by Security and Intercreditor Agent

- (A) The Security and Intercreditor Agent shall not be under any obligation to insure any of the Charged Property, to require any other person to maintain any insurance or to verify any obligation to arrange or maintain insurance contained in the Finance Documents. The Security and Intercreditor Agent shall not be responsible for any loss which may be suffered by any person as a result of the lack of or inadequacy of any such insurance.
- (B) Where the Security and Intercreditor Agent is named on any insurance policy as an insured party, it shall not be responsible for any loss which may be suffered by reason of, directly or indirectly, its failure to notify the insurers of any material fact relating to the risk assumed by such insurers or any other information of any kind, unless the Facility Agent shall have requested it to do so in writing and the Security and Intercreditor Agent shall have failed to do so within fourteen days after receipt of that request.

25.14 Custodians and nominees

The Security and Intercreditor Agent may appoint and pay any person to act as a custodian or nominee on any terms in relation to any assets of the trust as the Security and Intercreditor Agent may determine, including for the purpose of depositing with a custodian this Agreement or any document relating to the trust created under this Agreement and the Security and Intercreditor Agent shall not be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of any person appointed by it under this Agreement or be bound to supervise the proceedings or acts of any person.

25.15 Acceptance of title

The Security and Intercreditor Agent shall be entitled to accept without enquiry, and shall not be obliged to investigate, any right and title that any of the Obligors or Group Companies may have to any of the Charged Property and shall not be liable for or bound to require any Obligor or Group Company to remedy any defect in its right or title.

25.16 Refrain from illegality

Notwithstanding anything to the contrary expressed or implied in the Finance Documents, the Security and Intercreditor Agent may refrain from doing anything which in its opinion will or may be contrary to any relevant law, directive or regulation of any jurisdiction and the Security and Intercreditor Agent may do anything which is, in its opinion, necessary to comply with any such law, directive or regulation.

25.17 Business with the Obligors

The Security and Intercreditor Agent may accept deposits from, lend money to, and generally engage in any kind of banking or other business with any of the Obligors.

25.18 Winding up of trust

If the Security and Intercreditor Agent, with the approval of the Facility Agent, determines that (a) all of the Liabilities and all other obligations secured by the Security Documents have been fully and finally discharged and (b) none of the Secured Parties is under any commitment, obligation or liability (actual or contingent) to make advances or provide other financial accommodation to any Obligor pursuant to the Finance Documents:

- (A) the trusts set out in this Agreement shall be wound up and the Security and Intercreditor Agent shall release, without recourse or warranty, all of the Transaction Security and the rights of the Security and Intercreditor Agent under each of the Security Documents; and
- (B) any Retiring Security and Intercreditor Agent shall release, without recourse or warranty, all of its rights under each of the Security Documents.

25.19 Perpetuity period

The perpetuity period under the rule against perpetuities, if applicable to this Agreement, shall be the period of 125 years from the date of this Agreement.

25.20 Powers supplemental

The rights, powers and discretions conferred upon the Security and Intercreditor Agent by this Agreement shall be supplemental to the Trustee Act 1925 and the Trustee Act 2000 and in addition to any which may be vested in the Security and Intercreditor Agent by general law or otherwise.

25.21 Trustee division separate

- (A) In acting as trustee for the Secured Parties, the Security and Intercreditor Agent shall be regarded as acting through its trustee division which shall be treated as a separate entity from any of its other divisions or departments.
- (B) If information is received by another division or department of the Security and Intercreditor Agent, it may be treated as confidential to that division or department and the Security and Intercreditor Agent shall not be deemed to have notice of it.

25.22 Disapplication

Section 1 of the Trustee Act 2000 shall not apply to the duties of the Security and Intercreditor Agent in relation to the trusts constituted by this Agreement. Where there are any inconsistencies between the Trustee Act 1925 or the Trustee Act 2000 and the provisions of this Agreement, the provisions of this Agreement shall, to the extent allowed by law, prevail and, in the case of any inconsistency with the Trustee Act 2000, the provisions of this Agreement shall constitute a restriction or exclusion for the purposes of that Act.

25.23 Obligors: Power of Attorney

Each Obligor by way of security for its obligations under this Agreement irrevocably appoints the Security and Intercreditor Agent to be its attorney to do anything which that Obligor has authorised the Security and Intercreditor Agent or any other Party to do under this Agreement or is itself required to do under this Agreement but has failed to do (and the Security and Intercreditor Agent may delegate that power on such terms as it sees fit).

26. CHANGE OF SECURITY AND INTERCREDITOR AGENT AND DELEGATION

26.1 Resignation of the Security and Intercreditor Agent

- (A) The Security and Intercreditor Agent may resign and appoint one of its affiliates as successor by giving notice to the Company and the Lenders.
- (B) Alternatively the Security and Intercreditor Agent may resign by giving notice to the other Lenders in which case the Majority Lenders may appoint a successor Security and Intercreditor Agent.
- (C) If the Majority Lenders have not appointed a successor Security and Intercreditor Agent in accordance with paragraph (B) above within 30 days after the notice of resignation was given, the Security and Intercreditor Agent (after consultation with the Facility Agent) may appoint a successor Security and Intercreditor Agent.

- (D) The retiring Security and Intercreditor Agent (the "**Retiring Security and Intercreditor Agent**") shall, at its own cost, make available to the successor Security and Intercreditor Agent such documents and records and provide such assistance as the successor Security and Intercreditor Agent may reasonably request for the purposes of performing its functions as Security and Intercreditor Agent under the Finance Documents.
- (E) The Security and Intercreditor Agent's resignation notice shall only take effect upon (i) the appointment of a successor and (ii) the transfer of all of the Secured Property to that successor.
- (F) Upon the appointment of a successor, the Retiring Security and Intercreditor Agent shall be discharged from any further obligation in respect of the Finance Documents (other than its obligations under paragraph 25.18(B) (*Winding up of trust*) and under paragraph (D) above) but shall, in respect of any act or omission by it whilst it was the Security and Intercreditor Agent, remain entitled to the benefit of clauses 25 (*The Security And Intercreditor Agent*), clause 31.1 (*Obligors' indemnity*) and clause 31.3 (*Lenders' indemnity*). Its successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if that successor had been an original Party.
- (G) The Majority Lenders may, by notice to the Security and Intercreditor Agent, require it to resign in accordance with paragraph (B) above. In this event, the Security and Intercreditor Agent shall resign in accordance with paragraph (B) above but the cost referred to in paragraph (D) above shall be for the account of KEL.

26.2 Delegation

- (A) Each of the Security and Intercreditor Agent, any Receiver and any Delegate may, at any time, delegate by power of attorney or otherwise to any person for any period, all or any of the rights, powers and discretions vested in it by any of the Finance Documents.
- (B) That delegation may be made upon any terms and conditions (including the power to sub delegate) and subject to any restrictions that the Security and Intercreditor Agent, that Receiver or that Delegate (as the case may be) may, in its discretion, think fit in the interests of the Secured Parties and it shall not be bound to supervise, or be in any way responsible for any loss incurred by reason of any misconduct or default on the part of any such delegate or sub delegate.

26.3 Additional Security and Intercreditor Agents

- (A) The Security and Intercreditor Agent may at any time appoint (and subsequently remove) any person to act as a separate trustee or as a co-trustee jointly with it (i) if it considers that appointment to be in the interests of the Secured Parties or (ii) for the purposes of conforming to any legal requirements, restrictions or conditions which the Security and Intercreditor Agent deems to be relevant or (iii) for obtaining or enforcing any judgment in any jurisdiction, and the Security and Intercreditor Agent shall give prior notice to the Company and the Facility Agent of that appointment.
- (B) Any person so appointed shall have the rights, powers and discretions (not exceeding those conferred on the Security and Intercreditor Agent by this Agreement) and the duties and obligations that are conferred or imposed by the instrument of appointment.
- (C) The remuneration that the Security and Intercreditor Agent may pay to that person, and any costs and expenses (together with any applicable VAT) incurred by that person in performing its functions pursuant to that appointment shall, for the purposes of this Agreement, be treated as costs and expenses incurred by the Security and Intercreditor Agent.

26.4 US Guarantee Limitations

- (A) Notwithstanding any term of any Finance Document, no Loan to a US Borrower or other obligation of a US Obligor under this Agreement or under any Finance Document may be, directly or indirectly:
 - (i) guaranteed by a member of the Group (including, for this purpose, any direct or indirect subsidiaries acquired hereafter by the Company) that is a "controlled foreign corporation" (as defined in section 957(a) of the Code) that has a "United States shareholder" (as defined in section 951(b) of the Code) that is a member of the Group, and that is directly or indirectly owned (within the meaning of section 958(a) of the Code) by such United States shareholder (a "**Specified CFC**") or by an entity (a "**FSHCO**") substantially all the assets of which consist of equity interests (or equity interests and indebtedness) of one or more Specified CFCs or other FSHCOs, or guaranteed by a subsidiary of a Specified CFC or FSHCO;
 - (ii) secured by any assets of a Specified CFC, FSHCO or a subsidiary of a Specified CFC or a FSHCO (including any equity interests held directly or indirectly by a Specified CFC or FSHCO); or
 - (iii) secured by a pledge or other security interest in excess of 65% of the total combined voting power of all classes of shares entitled to vote (and

in excess of 100% of the non-voting equity interests) of a Specified CFC or FSHCO.

- (B) The limitations described in paragraph (A) above shall not apply if taking the actions described in subparagraphs (i) – (iii) above would not result in material US federal income taxes under Section 951(a)(1)(B) of the Code for a US member of the Group (as reasonably determined by the Borrower and the Lender in good faith after taking into account Treasury Regulations section 1.956-1(a)(2) and Section 245A and any related guidance).

27. INTERCREDITOR ARRANGEMENTS

27.1 *Pari passu* ranking

Any issue of HY Notes by the Company shall rank *pari passu* in terms of both payment and security with the rights and obligations of the Company under this Agreement and the Deed of Guarantee in accordance with the terms set out in the KEL Intercreditor Agreement.

27.2 Accession to the Intercreditor Agreements

- (A) Subject to paragraph (B) below, each Finance Party and each Obligor agrees that any collateral agent, trustee or other representative of the HY Noteholders may enter into and accede to the KEL Intercreditor Agreement, the KEFI Intercreditor Agreement and/or the Deed of Guarantee for and on behalf of itself and each HY Noteholder without the requirement for any consent or approvals from the Finance Parties or the Obligors (or any of them). Such accession shall confer upon the HY Noteholders all of the rights and privileges set out in the relevant agreement.
- (B) If any collateral agent, trustee or other representative of the HY Noteholders accedes to the Deed of Guarantee, it shall at the same time accede to the Intercreditor Agreements.
- (C) The Company may by ten Business Days written notice (the “**Amendment Notice Period**”) to the Facility Agent request that such amendments and/or additions be made to the KEL Intercreditor Agreement and/or KEFI Intercreditor Agreement and/or the Deed of Guarantee as any collateral agent, trustee or other representative of the HY Noteholders (whether appointed at that time or not) may reasonably require in connection with its accession pursuant to paragraph (A) or (B) above (the “**HY Noteholder Trustee Amendments**”). During the Amendment Notice Period, either:

- (i) the Security and Intercreditor Agent shall enter into an agreement effecting the HY Noteholder Trustee Amendments, acting on the instructions of the Majority Lenders; or
 - (ii) the Facility Agent shall notify the Company in writing of a determination by the Majority Lenders that the HY Noteholder Trustee Amendments would materially and adversely prejudice their interests.
- (D) If, on the instructions of the Majority Lenders, the Facility Agent is required to make the notification described in paragraph (C)(ii) above, the Facility Agent shall promptly contact the Company in writing setting out in reasonable detail the basis and reasons for that decision and the changes (the “**Required Changes**”) which the Majority Lenders (acting reasonably) would require to the KEL Intercreditor Agreement and/or KEFI Intercreditor Agreement for the Security and Intercreditor Agent to enter into the HY Noteholder Trustee Amendments. If the Required Changes are agreed by the parties, then the Security and Intercreditor Agent will be deemed to have been instructed by the Majority Lenders promptly to enter into any agreement effecting the HY Noteholder Amendments, together with the Required Changes.
- (E) For the avoidance of doubt, the Company shall not issue any HY Notes unless on or prior to such issuance, the HY Noteholder Trustee accedes to the Intercreditor Agreements (as amended pursuant to this clause 27.2).

27.3 Authority of Facility Agent, the Company and the Security and Intercreditor Agent

- (A) The Facility Agent is irrevocably authorised for and on behalf of each Finance Party, and the Company is irrevocably authorised for and on behalf of each Obligor, to enter into the Intercreditor Agreements or any amendments thereto in a form as substantially approved by the Majority Lenders or as required pursuant to clause 27.2 (*Accession to Intercreditor Agreements*).
- (B) The Security and Intercreditor Agent is irrevocably authorised for and on behalf of each Finance Party, and the Company is irrevocably authorised for and on behalf of each Obligor, to enter into the Deed of Guarantee or any amendments thereto in a form as substantially approved by the Majority Lenders or as required pursuant to clause 27.2 (*Accession to Intercreditor Agreements*) and any deed of subordination entered into pursuant to the requirements of clause 4(B) of the Deed of Guarantee.
- (C) In all cases, each Finance Party and each Obligor shall be bound by the terms of each such agreements when executed by the Facility Agent or the Security and Intercreditor Agent and the Company respectively, including any terms which impose obligations upon the Finance Parties or the Obligors, respectively.

PART 9
ADMINISTRATION, COSTS AND EXPENSES

28. PAYMENT MECHANICS

28.1 Payments to the Facility Agent

- (A) On each date on which an Obligor or a Lender is required to make a payment under a Finance Document, that Obligor or Lender shall make the same available to the Facility Agent (unless a contrary indication appears in a Finance Document) for value on the due date at the time and in such funds specified by the Facility Agent as being customary at the time for settlement of transactions in the relevant currency in the place of payment.
- (B) Payment shall be made to such account in Amsterdam (or, as the case may be, London, Paris or New York) as the Facility Agent specifies.

28.2 Distributions by the Facility Agent

Subject to the terms of the Intercreditor Agreements, each payment received by the Facility Agent under the Finance Documents for another Party shall be made available by the Facility Agent as soon as practicable after receipt to the Party entitled to receive payment (in the case of a Lender, for the account of its Facility Office), to such account as that Party may notify to the Facility Agent by not less than five Business Days' notice with a bank in Amsterdam (or, as the case may be, London, Paris or New York).

28.3 Clawback

- (A) Where a sum is to be paid to the Facility Agent under the Finance Documents for another Party, the Facility Agent is not obliged to pay that sum to that other Party (or enter into or perform any related exchange contract) until it has been able to establish to its satisfaction that it has actually received that sum.
- (B) If the Facility Agent pays an amount to another Party and it proves to be the case that the Facility Agent had not actually received that amount, then the Party to whom that amount (or the proceeds of any related exchange contract) was paid by the Facility Agent shall on demand refund the same to the Facility Agent together with interest on that amount from the date of payment to the date of receipt by the Facility Agent, calculated by the Facility Agent to reflect its cost of funds.

28.4 Partial Payments

- (A) If the Facility Agent receives a payment for application against amounts due in respect of any Finance Documents that is insufficient to discharge all the

amounts then due and payable by an Obligor under those Finance Documents, the Facility Agent shall apply that payment towards the obligations of that Obligor under the Finance Documents in the following order:

- (i) **first**, in or towards payment pro rata of any unpaid fees, costs and expenses of the Agents under the Finance Documents;
- (ii) **secondly**, in or towards payment pro rata of any accrued interest, fee or commission due but unpaid under the Finance Documents;
- (iii) **thirdly**, in or towards payment pro rata of any principal due but unpaid under the Finance Documents; and
- (iv) **fourthly**, in or towards payment pro rata of any other sum due but unpaid under the Finance Documents.

(B) The Facility Agent shall, if so directed by the Majority Lenders, vary the order set out in paragraphs (A)(ii) to (iv) above.

(C) Paragraphs (A) and (B) above will override any appropriation made by an Obligor.

28.5 No set-off by Obligators

All payments to be made by an Obligor under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

28.6 Business Days

(A) Subject to paragraph (C) below, any payment which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).

(B) During any extension of the due date for payment of any principal or Unpaid Sum under the Finance Documents, interest is payable on the principal or Unpaid Sum at the rate payable on the original due date.

(C) Notwithstanding paragraph (A) above, a payment due on the Termination Date shall be made on the Termination Date.

28.7 Currency of account

- (A) Subject to paragraphs (B) to (E) below, the base currency is the currency of account and payment for any sum due from an Obligor under any Finance Document and is the US Dollar ("**Base Currency**").
- (B) A repayment of a Utilisation or Unpaid Sum or a part of a Utilisation or Unpaid Sum shall be made in the currency in which that Utilisation or Unpaid Sum is denominated on its due date.
- (C) Each payment of interest shall be made in the currency in which the sum in respect of which the interest is payable was denominated when that interest accrued.
- (D) Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred.
- (E) Any amount expressed to be payable in a currency other than the Base Currency shall be paid in that other currency.

28.8 Change of currency

- (A) Unless otherwise prohibited by law, if more than one currency or currency unit are at the same time recognised by the central bank of any country as the lawful currency of that country, then:
 - (i) any reference in the Finance Documents to, and any obligations arising under the Finance Documents in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Facility Agent acting reasonably (after consultation with the Company); and
 - (ii) any translation from one currency or currency unit to another shall be at the official rate of exchange recognised by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Facility Agent (acting reasonably).
- (B) If a change in any currency of a country occurs, the Parties will enter negotiations in good faith with a view to agreeing any amendments which may be necessary to this Agreement to comply with any generally accepted conventions and market practice in the London interbank market and otherwise to reflect the change in currency.

28.9 Disruption to Payment Systems etc.

If either the Facility Agent determines (acting reasonably) that a Disruption Event has occurred or the Facility Agent is notified by the Company that a Disruption Event has occurred:

- (A) the Facility Agent may, and shall if requested to do so by the Company, consult with the Company with a view to agreeing with the Company such changes to the operation or administration of the Facility (including, without limitation, changes to the timing and mechanics of payments due under the Finance Documents) as the Facility Agent may deem necessary in the circumstances;
- (B) the Facility Agent shall not be obliged to consult with the Company in relation to any changes mentioned in paragraph (A) above if, in its reasonable opinion, it is not practicable to do so in the circumstances and, in any event, shall have no obligation to agree to such changes;
- (C) the Facility Agent may consult with the Finance Parties in relation to any changes mentioned in paragraph (A) above but shall not be obliged to do so if, in its opinion, it is not practicable to do so in the circumstances;
- (D) any such changes agreed upon by the Facility Agent and the Company shall (whether or not it is finally determined that a Disruption Event has occurred) be binding upon the Parties as an amendment to (or, as the case may be, waiver of) the terms of the Finance Documents notwithstanding the provisions of clause 37 (*Amendments and Waivers*);
- (E) the Facility Agent shall not be liable for any damages, costs or losses whatsoever (including, without limitation for negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Facility Agent) arising as a result of its taking, or failing to take, any actions pursuant to or in connection with this clause; and
- (F) the Facility Agent shall notify the Finance Parties of all changes agreed pursuant to paragraph (D) above.

29. SET-OFF

Subject to the terms of the Intercreditor Agreements and without prejudice to the rights of the Finance Parties at law, at any time after an Event of Default has occurred and which is continuing, a Finance Party (other than a Non-Funding Lender) may, on giving notice to the relevant Obligor, set off any matured obligation due from an Obligor under the Finance Documents (to the extent beneficially owned by that Finance Party) against any matured obligation owed by that Finance Party to that Obligor, regardless of the

place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

30. COSTS AND EXPENSES

30.1 Transaction expenses

The Company shall within fifteen Business Days of demand, pay the Facility Agent and each Mandated Lead Arranger the amount of all costs and expenses (including legal fees) reasonably incurred by any of them in connection with the negotiation, preparation, printing, and execution of:

- (A) this Agreement and any other documents referred to in this Agreement; and
- (B) any other Finance Documents executed after the date of this Agreement.

30.2 Amendment costs

If:

- (A) an Obligor requests an amendment, waiver or consent;
- (B) an amendment is required pursuant to clause 28.8 (*Change of currency*);
- (C) a Compounding Methodology Supplement or Reference Rate Supplement has been agreed; or
- (D) an Obligor requests an amendment or waiver under Clause 37.4 (*Changes to the Reference Rates*);

the Company shall, within fifteen Business Days of demand, reimburse the Facility Agent for the amount of all costs and expenses (including legal fees) reasonably incurred by the Facility Agent in responding to, evaluating, negotiating or complying with that request, requirement or Compounding Methodology Supplement.

30.3 Enforcement costs

The Company shall, within five Business Days of demand, pay to each Finance Party the amount of all costs and expenses (including legal fees) incurred by that Finance Party in connection with the enforcement or attempted enforcement of, or the preservation of any rights under, any Finance Document.

31. INDEMNITIES

31.1 Obligors' indemnity

Each Obligor shall promptly indemnify the Security and Intercreditor Agent and every Receiver and Delegate against any cost, loss or liability (together with any applicable VAT) incurred by any of them:

- (A) in relation to or as a result of:
 - (i) any failure by the Company to comply with obligations under clause 30 (*Costs and Expenses*);
 - (ii) the taking, holding, protection or enforcement of any Transaction Security from time to time;
 - (iii) the exercise of any of the rights, powers, discretions and remedies vested in the Security and Intercreditor Agent, each Receiver and each Delegate by the Finance Documents or by law; or
 - (iv) any default by any Obligor in the performance of any of the obligations expressed to be assumed by it in the Finance Documents; or
- (B) which otherwise relates to any of the Secured Property or the performance of the terms of this Agreement (otherwise than as a result of its gross negligence or wilful misconduct).

31.2 Priority of indemnity

The Security and Intercreditor Agent and every Receiver and Delegate may, in priority to any payment to the Secured Parties, indemnify itself out of the Charged Property in respect of, and pay and retain, all sums necessary to give effect to the indemnity in clause 31.1 (*Obligors' indemnity*) and shall have a lien on the Transaction Security and the proceeds of the enforcement of the Transaction Security for all moneys payable to it.

31.3 Lenders' indemnity

Each Lender shall (in the proportion that the Liabilities due to it bears to the aggregate of the Liabilities due to all the Lenders for the time being (or, if the Liabilities due to each of those Lenders is zero, immediately prior to their being reduced to zero)), indemnify the Security and Intercreditor Agent and every Receiver and every Delegate, within three Business Days of demand, against any cost, loss or liability incurred by any of them (otherwise than by reason of the relevant Security and Intercreditor Agent's, Receiver's or Delegate's gross negligence or wilful misconduct in acting as Security and Intercreditor Agent, Receiver or Delegate under the Finance Documents (unless the

Security and Intercreditor Agent, Receiver or Delegate has been reimbursed by an Obligor pursuant to a Finance Document)) and the Obligors shall jointly and severally indemnify each Lender against any payment made by it under this clause 31.

32. NOTICES

32.1 Communications in writing

Any communication to be made under or in connection with the Finance Documents shall be made in writing and, unless otherwise stated, may be made by fax, letter or, as appropriate, electronic mail.

32.2 Addresses

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with the Finance Documents is:

- (A) in the case of the Original Borrower and the Original Guarantors, that identified with its name below;
- (B) in the case of each Lender, that notified in writing to the Facility Agent on or prior to the date on which it becomes a Party;
and
- (C) in the case of the Facility Agent, that identified with its name below,

or any substitute address or fax number or department or officer as the Party may notify to the Facility Agent (or the Facility Agent may notify to the other Parties, if a change is made by the Facility Agent) by not less than five Business Days' notice.

Contact details of the Original Borrower

c/o Kosmos Energy LLC
8176 Park Lane
Suite 500
Dallas
Texas 75231
USA

Fax: +1 214 445 9705

Attention: Jason Doughty

Contact details of the Original Guarantors

P.O. Box 32322
4th Floor, Century Yard
Cricket Square
Elgin Avenue
George Town
Grand Cayman
KY1-1209
Cayman Islands

c/o Kosmos Energy LLC
8176 Park Lane
Suite 500
Dallas
Texas 75231
USA

Fax: (345) 946 4090

Fax: +1 214 445 9705

Attention: Andrew Johnson

Attention: Jason Doughty

Contact details of the Facility Agent

Address: ING Bank N.V.
Location code ACT A.16
Bijlmerdreef 24
1102 CT Amsterdam
The Netherlands
Email: Rick.van.Ras@ing.com;
Nora.el.Maach@ing.com
Attention: Agency/Rick van Ras/Nora el Maach

Contact details of the Security and Intercreditor Agent

Address: Crédit Agricole Corporate and Investment Bank
12 place des Etats-Unis, CS 70052
92547 Montrouge Cedex,
France

Fax: +33 1 41 89 10 50
Email: christine.menage@ca-cib.com;
mihaela.cretu@ca-cib.com;
veronica.baccaruiz@ca-cib.com

Attention: Christine Menage/ Mihaela Cretu/ Veronica Baccaruiz

32.3 Delivery

- (A) Subject to clause 32.5 (*Electronic communication*), any communication or document made or delivered by one person to another under or in connection with the Finance Documents will only be effective:
- (i) if by way of fax, when received in legible form; or
 - (ii) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post with postage prepaid in an envelope addressed to it at that address;

and, if a particular department or officer is specified as part of its address details provided under clause 32.2 (*Addresses*), if addressed to that department or officer.

- (B) Any communication or document to be made or delivered to an Agent will be effective only when actually received by that Agent and then only if it is expressly marked for the attention of the department or officer identified with that Agent's signature below (or any substitute department or officer as the Facility Agent shall specify for this purpose).
- (C) All notices from or to an Obligor shall be sent through the Facility Agent.
- (D) Any communication or document made or delivered to the Company in accordance with this clause will be deemed to have been made or delivered to each of the Obligors.

32.4 Notification of address and fax number

Promptly upon receipt of notification of an address or fax number or change of address or fax number pursuant to clause 32.2 (*Addresses*) or changing its own address or fax number, the Facility Agent shall notify the other Parties.

32.5 Electronic communication

- (A) Any communication to be made between the Facility Agent and a Lender under or in connection with the Finance Documents may be made by electronic mail or other electronic means, if the Facility Agent and the relevant Lender:
 - (i) agree that, unless and until notified to the contrary, this is to be an accepted form of communication;
 - (ii) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and
 - (iii) notify each other of any change to their address or any other such information supplied by them.
- (B) Any electronic communication made between the Facility Agent and a Lender will be effective only when actually received in readable form and in the case of any electronic communication made by a Lender to the Facility Agent only if it is addressed in such a manner as the Facility Agent shall specify for this purpose.

32.6 English language

- (A) Any notice given under or in connection with any Finance Document must be in English.
- (B) All other documents provided under or in connection with any Finance Document must be:
 - (i) in English; or
 - (ii) if not in English, and if so required by the Facility Agent or the Security and Intercreditor Agent, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.
- (C) The Security and Intercreditor Agent and/or receiving party shall be entitled to assume the accuracy of and rely upon any English translation of any document provided pursuant to this clause 32.6 and the English translation shall prevail unless the document is a statutory or other official document. Translation costs are for the account of the Obligors.

33. CALCULATIONS AND CERTIFICATES

33.1 Accounts

In any litigation or arbitration proceedings arising out of or in connection with a Finance Document, the entries made in the accounts maintained by a Finance Party are prima facie evidence of the matters to which they relate.

33.2 Certificates and determinations

Any certification or determination by a Finance Party of a rate or amount under any Finance Document is, in the absence of manifest or proven error, prima facie evidence of the matters to which it relates.

33.3 Day count convention and interest calculation

- (A) Any interest, commission or fee accruing under a Finance Document will accrue from day to day and is calculated:
 - (i) on the basis of the actual number of days elapsed and a year of 360 days; and
 - (ii) subject to paragraph (B) below, without rounding.

- (B) The aggregate amount of any accrued interest, commission or fee which is, or becomes, payable by an Obligor under a Finance Document shall be rounded to two decimal places.

34. DISCLOSURE TO NUMBERING SERVICE PROVIDERS

- (A) Any Finance Party may disclose to any national or international numbering service provider appointed by that Finance Party to provide identification numbering services in respect of this Agreement, the Facility and/or one or more Obligors the following information:

- (i) names of Obligors;
- (ii) country of domicile of Obligors;
- (iii) place of incorporation of Obligors;
- (iv) date of this Agreement;
- (v) the names of the Facility Agent and Mandated Lead Arrangers;
- (vi) date of each amendment and restatement of this Agreement;
- (vii) amount of Total Commitments;
- (viii) currencies of the Facility;
- (ix) type of Facility;
- (x) ranking of Facility;
- (xi) Termination Date for the Facility;
- (xii) governing law of this Agreement;
- (xiii) changes to any of the information previously supplied pursuant to paragraphs (i) to (xii) above; and
- (xiv) such other information agreed between such Finance Party and the Company,

to enable such numbering service provider to provide its usual syndicated loan numbering identification services.

- (B) The Parties acknowledge and agree that each identification number assigned to this Agreement, the Facility and/or one or more Obligors by a numbering service

provider and the information associated with each such number may be disclosed to users of its services in accordance with the standard terms and conditions of that numbering service provider.

- (C) The Company represents that none of the information set out in paragraphs (i) to (xiv) of paragraph (A) above is, nor will at any time be, unpublished price-sensitive information.
- (D) The Facility Agent shall notify the Company and the other Finance Parties of:
 - (i) the name of any numbering service provider appointed by the Facility Agent in respect of this Agreement, the Facility and/or one or more Obligors; and
 - (ii) the number or, as the case may be, numbers assigned to this Agreement, the Facility and/or one or more Obligors by such numbering service provider.

35. PARTIAL INVALIDITY

If, at any time, any provision of the Finance Documents is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

36. REMEDIES AND WAIVERS

No failure to exercise, nor any delay in exercising, on the part of any Finance Party, any right or remedy under the Finance Documents shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

37. AMENDMENTS AND WAIVERS

37.1 Required consents

- (A) Subject to clause 37.2 (*Exceptions*) and to paragraph (D) below, any term of the Finance Documents (other than a waiver of a Condition Precedent or a Condition Subsequent, which shall be made pursuant to clause 2.4 (*Waivers of Conditions Precedent*)) may be amended or waived only with the consent of the Majority Lenders and the Obligors and any such amendment or waiver will be binding on all Parties.

- (B) The consent of the Security and Intercreditor Agent shall be required in relation to any proposed amendment or waiver of clause 25 (*The Security and Intercreditor Agent*), clause 26 (*Change of Security and Intercreditor Agent and Delegation*) or clause 31 (*Indemnities*).
- (C) The Facility Agent may effect, on behalf of any Finance Party, any amendment or waiver permitted by this clause.
- (D) Paragraph (C) of clause 22.9 (*Pro rata interest settlement*) shall apply to this clause 37.
- (E) Notwithstanding the terms of this clause 37, in relation to an amendment, variation or waiver of the terms of the Intercreditor Agreements, the terms of the Intercreditor Agreements shall prevail.

37.2 Exceptions

- (A) The following may not be effected without the consent of all the Lenders.
 - (i) amending the definition of “**Majority Lenders**”;
 - (ii) amending, varying or waiving clause 4 (*Finance Parties’ Rights And Obligations*) and/or any other term of any Finance Document which relates to the rights and/or obligations of each Finance Party being several;
 - (iii) varying the date for, or altering the amount or currency of, any payment to Lenders under the Finance Documents (including varying the Margin);
 - (iv) extending the Commitment of a Lender;
 - (v) amending varying or waiving a term of any Finance Document which expressly requires the consent of all the Lenders;
 - (vi) amending, varying or waiving this clause 37 (*Amendments and Waivers*);
 - (vii) any release of Security Interests granted pursuant to any Security Document or amendment, waiver or variation of the obligations of any Obligor pursuant to the Deed of Guarantee; or
 - (viii) amending, varying or waiving clause 18.15 (*Sanctions*), clause 18.16 (*Anti-corruption law*) or clause 20.19 (*Anti-corruption law*) or amending

the definitions “**Restricted Party**”, “**Sanctions**” and “**Sanctions Authority**”.

- (B) The Commitment of a Lender may not be increased (excluding any increase as a result of an assumption of Additional Commitment pursuant to clause 3.2 (*Additional Commitments*) or a transfer made pursuant to clause 22 (*Changes to the Lenders*)) without the consent of that Lender and the Majority Lenders.
- (C) An amendment or waiver which relates to the rights or obligations of the Facility Agent may not be effected without the consent of the Facility Agent.
- (D)
 - (i) If a Lender becomes a Non-Funding Lender that Lender’s Commitment shall not be included for the purposes of calculating Total Commitments under the Facility when ascertaining whether a certain percentage of Total Commitments has been obtained to approve any requested amendment, waiver, consent or approval.
 - (ii) If a Lender does not accept or reject a request for an amendment, waiver, consent or approval within fifteen Business Days (or such longer period as the Company may specify) of such request being made, that Lender shall be deemed to have granted its consent to the requested amendment, waiver, consent or approval. Promptly upon the expiration of such fifteen Business Day period (or such longer period as the Company may have specified), and in any event within two Business Days of the expiration of such period, the Facility Agent shall notify the Company and the Lenders whether the requested amendment, waiver, consent or approval has been approved or given in accordance with the terms of this Agreement.

37.3 Disenfranchisement of Private Equity Shareholder Affiliates

Notwithstanding any other provisions of this Agreement, for so long as a Private Equity Shareholder Affiliate is a Lender and/or to the extent that a Private Equity Shareholder Affiliate beneficially owns a Commitment or has entered into a sub-participation agreement relating to a Commitment or other agreement or arrangement having a substantially similar economic effect and such agreement or arrangement has not been terminated, such Private Equity Shareholder Affiliate shall not be entitled to exercise any rights to vote as Lender in respect of any matters requiring decision by the Lenders under the terms of this Agreement or any of the Finance Documents. Each such Private Equity Shareholder Affiliate acknowledges and agrees that:

- (A) in the event that a matter requires decision by one or more Lenders under this Agreement or any of the Finance Documents,

- (i) the Commitment of such Private Equity Shareholder Affiliate and any associated participation of such Private Equity Shareholder Affiliate in a Loan shall be deemed to be zero; and
 - (ii) such Private Equity Shareholder Affiliate shall be deemed not to be a Lender;
- (B) in relation to any meeting or conference call to which all or any number of Lenders are invited to attend or participate, it shall not attend or participate in the same if so requested by the Facility Agent or, unless the Facility Agent otherwise agree, be entitled to receive the agenda or any minutes of the same; and
- (C) it shall not, unless the Facility Agent otherwise agree, be entitled to receive any report or other document prepared at the behest of, or on the instructions of, the Facility Agent or one or more of the Lenders.

37.4 Changes to reference rates

- (A) Subject to Clause 37.2(C), if a RFR Replacement Event has occurred, any amendment or waiver which relates to:
- (i) providing for the use of a Replacement Reference Rate; and
 - (ii)
 - (a) aligning any provision of any Finance Document to the use of that Replacement Reference Rate ;
 - (b) enabling that Replacement Reference Rate to be used for the calculation of interest under this Agreement (including, without limitation, any consequential changes required to enable that Replacement Reference Rate to be used for the purposes of this Agreement);
 - (c) implementing market conventions applicable to that Replacement Reference Rate ;
 - (d) providing for appropriate fallback (and market disruption provisions) for that Replacement Reference Rate ;
or
 - (e) adjusting the pricing to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value from one Party to another as a result of the application of that Replacement Reference Rate (and if any adjustment or method

for calculating any adjustment has been formally designated, nominated or recommended by the Relevant Nominating Body, the adjustment shall be determined on the basis of that designation, nomination or recommendation),

may be made with the consent of the Facility Agent (acting on the instructions of the Majority Lenders) and the Original Borrower.

- (B) An amendment or waiver that relates to, or has the effect of, aligning the means of calculation of interest on a Loan under this Agreement to any recommendation of a Relevant Nominating Body which:
- (i) relates to the use of a risk free reference rate on a compounded basis in the international or any relevant domestic syndicated loan markets; and
 - (ii) is issued on or after the date of this Agreement,

may be made with the consent of the Facility Agent (acting on the instructions of the Majority Lenders) and the Company.

- (C) If a term secured overnight financing rate (SOFR) reference rate published by an administrator becomes widely acceptable in the syndicated loans market and the Company wishes to adopt such term SOFR reference rate in place of the Compounded Rate Terms, such that the calculation of interest for Loans would be determined by reference to term SOFR and not the applicable Compounded Rate Terms, the Company may notify the Facility Agent and thereafter the Company, the Facility Agent (in its own capacity) and the Facility Agent (acting on the instructions of the Majority Lenders) shall enter into good faith negotiations with a view to agreeing the use of such term SOFR reference rate as soon as reasonably practicable (provided that such term SOFR reference rate shall not be used before 31 March 2022).

37.5 Split voting

- (A) For the purposes of responding (or failing to respond) to a request for a consent, waiver, amendment of or in relation to any term of any Finance Document or any other vote of the Lenders under the terms of this Agreement, a Lender may split its Commitment into any number of portions and may respond (or fail to respond) or otherwise exercise its rights in respect of each such individual portion on a several basis.
- (B) If a Lender exercises its rights under paragraph (A) above in respect of any part of its Commitment, such Lender shall notify the Facility Agent of the portions into which it has split its Commitment.

38. COUNTERPARTS

- (A) This Agreement may be executed in any number of counterparts, and by the parties on separate counterparts, but shall not be effective until each Party has executed at least one counterpart.
- (B) Each counterpart shall constitute an original of this Agreement, but all the counterparts shall together constitute one and the same instrument.

PART 10
GOVERNING LAW AND ENFORCEMENT

39. GOVERNING LAW

This Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law.

40. JURISDICTION

40.1 Arbitration

All disputes arising out of or in connection with this Agreement including its subject matter, existence, negotiation, validity, termination or enforceability (including any non-contractual dispute or claim) between one or several of the Finance Parties on the one hand and one or several Obligors on the other hand (a "**Dispute**") shall be referred to arbitration and finally settled on the following terms:

- (A) the arbitration shall be conducted in accordance with the Rules of Arbitration of the International Chamber of Commerce ("**ICC**") (the "**Rules**"), which Rules are deemed to be incorporated by reference into this clause;
- (B) the seat of the arbitration shall be London;
- (C) the language of the arbitration shall be English;
- (D) there shall be three arbitrators; and
- (E) the arbitration agreement in this clause 40.1 and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law.

40.2 Consolidation and joinder of Disputes

In this clause:

"**Consolidation Order**" means an order by a tribunal that a Primary Arbitration and Later Arbitration be resolved in the same arbitral proceedings.

"**Joinder Order**" means an order by a tribunal that a party to this Agreement may be joined to an arbitration that it was not previously a party to.

"**Later Arbitration**" means, where there is more than one arbitration commenced under this Agreement, any arbitration other than the Primary Arbitration.

“Primary Arbitration” means, where there is more than one arbitration commenced under this Agreement, the arbitration first commenced (to be conclusively determined by the ICC Court in the event of a dispute).

40.3 Joinder

- (A) Each party consents to be joined as a party to an arbitration commenced under this Agreement on the terms provided by paragraphs (B) and (C) below. Each party consents to the joinder of any party to this Agreement to an arbitration under this Agreement on the terms provided by paragraphs (B) and (C) below.
- (B) Within 30 days from the date on which a Request for Arbitration (as defined in Article 4 of the Rules) is served on all parties to the Request for Arbitration (the **“Initial Joinder Period”**), any party to the arbitration may effect joinder by serving notice on any party to this Agreement whom it seeks to join, copying the other parties to the Request for Arbitration. The joined party will become a claimant or respondent party (to be finally determined by the ICC Court in the event of a dispute) to the arbitration and participate in the arbitrator appointment process in clause 40.5 (*Appointment of arbitrators*).
- (C) After the Initial Joinder Period has ended, any party to the Request for Arbitration may submit a request for arbitration against the additional party (the **“Request for Joinder”**) to the Secretariat and promptly notify all parties to the Request for Arbitration and the party it seeks to join of that application. On hearing such application, the tribunal may, if it considers appropriate, make a Joinder Order. Notice of such Joinder Order must be given to all parties to the Request for Arbitration, the joined party and the Secretariat.

40.4 Consolidation

- (A) Any party to either a Primary Arbitration or one or more Later Arbitration(s) may apply to the ICC Court for a Consolidation Order in relation to any Later Arbitration(s). That party must also send such applications to all parties to the Primary Arbitration and the Later Arbitration. The relevant provisions of the Rules shall apply.
- (B) Each party to this Agreement waives any objection, on the basis of joinder, a Joinder Order or a Consolidation Order, to the validity and/or enforcement of any arbitral award made by a tribunal following any joinder, Joinder Order or Consolidation Order and such award shall be binding whether or not the parties to this Agreement participate in the arbitration. For the avoidance of doubt, this includes a waiver of any objection that the joinder, Joinder Order or Consolidation Order has resulted in a party to this Agreement being deprived of any right to participate in the nomination of the arbitrators.

40.5 Appointment of arbitrators

The tribunal shall be three arbitrators selected as follows:

- (A) if there are two parties to the arbitration, and neither party has exercised the right to joinder within the Initial Joinder Period, each party to the arbitration will nominate one arbitrator within 20 days after the end of the Initial Joinder Period. The two arbitrators so nominated shall jointly nominate a third arbitrator who shall act as presiding arbitrator within 30 days of the appointment of the second arbitrator. If an arbitrator is not nominated within the time prescribed above, the appointment shall, at the request of either party to the arbitration, be made by the ICC Court;
- (B) if there are more than two parties to the arbitration, or at least one of the parties has exercised the right to joinder within the Initial Joinder Period, the claimant(s) will jointly nominate one arbitrator and the respondent(s) will jointly nominate one arbitrator, both within 30 days after the end of the Initial Joinder Period. The two arbitrators so nominated shall jointly nominate a third arbitrator who shall act as presiding arbitrator within 30 days of the appointment of the second arbitrator. If an arbitrator is not nominated within the time prescribed above, the appointment shall, at the request of either party to the arbitration, be made by the ICC Court. Any existing nomination or confirmation of the arbitrator chosen by the party or parties on the other side of the proposed arbitration shall be unaffected, and the remaining arbitrator(s) shall be appointed in accordance with the Rules;
- (C) each Finance Party agrees that the Facility Agent, acting on the instructions of the Majority Lenders, shall exercise the right of appointment of an arbitrator for the Finance Parties where more than one Finance Party is party to the Dispute; and
- (D) each party to this Agreement expressly agrees and consents to this process for nominating and appointing the arbitral tribunal and, if this clause operates to exclude a party's right to choose its own arbitrator, irrevocably and unconditionally waives any right it may have to do so.

40.6 Confidentiality

The Parties shall keep confidential and not disclose to any non-party the existence of the arbitration or the content of the arbitral proceedings (including all awards and orders in the arbitration, as well as all materials created for the purpose of the arbitration not otherwise in the public domain), save and to the extent that a disclosure may be required of a party by legal duty, to protect or pursue a legal right or to enforce or

challenge an award in bona fide legal proceedings before a state court or other judicial authority.

40.7 Inter-bank disputes

The Finance Parties irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this Agreement, or the subject matter, existence, negotiation, validity, termination or enforceability (including any non-contractual dispute or claim) of this Agreement, involving one or several Finance Parties with no involvement of any Obligor.

41. SERVICE OF PROCESS

- (A) Without prejudice to any other mode of service allowed under any relevant law, each of the Obligors:
- (i) irrevocably appoints Kosmos Energy Investments Senegal Limited of 10 Stratton Street, 6th Floor, Mayfair, London W1J 8LG (the "**Process Agent**") as its agent for service of process in relation to any proceedings before the English courts in connection with any Finance Document;
 - (ii) irrevocably agrees that any Service Document may be sufficiently and effectively served on it in connection with any Dispute in England and Wales by service on the Process Agent (or any replacement agent appointed pursuant to paragraph (B) of this clause 41 (*Service of Process*)); and
 - (iii) irrevocably agrees that failure by a process agent to notify the relevant Obligor of the process will not invalidate the proceedings concerned.
- (B) If the agent referred to in paragraph (A) of this clause 41 (or any replacement agent appointed pursuant to this paragraph (B)) at any time ceases for any reason to act as such, as the case may be, each Obligor shall as soon as reasonably practicable appoint a replacement agent to accept service having an address for service in England or Wales and shall notify the Facility Agent of the name and address of the replacement agent; failing such appointment and notification, the agent referred to in paragraph (A) of this clause 41 (or any replacement agent appointed pursuant to this paragraph (B)) shall continue to be authorised to act as agent for service of process in relation to any proceedings before the English courts on behalf of the relevant Obligor and service of process on that agent shall constitute good service.

- (C) Any document addressed in accordance with paragraph (A) of this clause 41 shall be deemed to have been duly served if:
 - (i) left at the specified address, when it is left; or
 - (ii) sent by first class post, two clear Business Days after posting.
- (D) For the purposes of this clause 41, "**Service Document**" means a writ, summons, order, judgment or other document relating to or in connection with any Dispute. Nothing contained herein shall affect the right to serve process in any other manner permitted by law.

42. CONTRACTUAL RECOGNITION OF BAIL-IN

Notwithstanding any other term of any Finance Document or any other agreement, arrangement or understanding between the Parties, each Party acknowledges and accepts that any liability of any Party to any other Party under or in connection with the Finance Documents may be subject to Bail-In Action by the relevant Resolution Authority and acknowledges and accepts to be bound by the effect of:

- (A) any Bail-In Action in relation to any such liability, including (without limitation):
 - (i) a reduction, in full or in part, in the principal amount, or outstanding amount due (including any accrued but unpaid interest) in respect of any such liability;
 - (ii) a conversion of all, or part of, any such liability into shares or other instruments of ownership that may be issued to, or conferred on, it; and
 - (iii) a cancellation of any such liability; and
- (B) a variation of any term of any Finance Document to the extent necessary to give effect to any Bail-In Action in relation to any such liability.

43. USA PATRIOT ACT

Each Lender hereby notifies each Obligor that pursuant to the requirements of the USA Patriot Act, such Lender may be required to obtain, verify and record information that identifies such Obligor, which information includes the name and address of such Obligor and other information that will allow such Lender to identify such Obligor in accordance with the USA Patriot Act. Each Obligor shall, and shall cause each of its subsidiaries to provide such information and take such actions as are reasonably requested by the Facility Agent or any other Finance Party in order to assist the Facility Agent and the other Finance Parties in maintain compliance with the USA Patriot Act.

44. ACKNOWLEDGEMENT REGARDING ANY SUPPORTED QFCS

To the extent that the Finance Documents provide support, through a guarantee or otherwise, for Derivative Agreements or any other agreement or instrument that is a QFC (such support, "**QFC Credit Support**" and each such QFC a "**Supported QFC**"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "**US Special Resolution Regimes**") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Finance Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

- (A) In the event a Covered Entity that is party to a Supported QFC (each, a "**Covered Party**") becomes subject to a proceeding under a US Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the US Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States.
- (B) In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a US Special Resolution Regime, Default Rights under the Finance Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the US Special Resolution Regime if the Supported QFC and the Finance Documents were governed by the laws of the United States or a state of the United States.
- (C) Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

**SCHEDULE 1
THE GUARANTORS**

Name	Jurisdiction of Incorporation	Registered Number
Kosmos Energy Operating	Cayman Islands	231417
Kosmos Energy International	Cayman Islands	218274
Kosmos Energy Development	Cayman Islands	225879
Kosmos Energy Ghana HC	Cayman Islands	135710
Kosmos Energy Finance International	Cayman Islands	253656
Kosmos Energy Equatorial Guinea	Cayman Islands	269135
Kosmos Energy GOM Holdings, LLC	State of Delaware	6995407
Kosmos Energy Gulf of Mexico, LLC	State of Delaware	6923352
Kosmos Energy Gulf of Mexico Management, LLC	State of Delaware	5487079
Kosmos Energy Gulf of Mexico Operations, LLC	State of Delaware	5303207
Kosmos Energy Ghana Holdings Limited	England and Wales	13439742
Kosmos Energy Ghana Investments (formerly known as Anadarko WCTP Company)	Cayman Islands	161534

**SCHEDULE 2
THE ORIGINAL LENDERS**

Original Lender	Commitment (USD)
SOCIETE GENERALE, LONDON BRANCH	22,500,000
THE STANDARD BANK OF SOUTH AFRICA LIMITED	40,000,000
N.B.S.A. LIMITED	18,750,000
STANDARD CHARTERED BANK	23,750,000
NATIXIS	25,000,000
BARCLAYS BANK PLC	35,000,000
BANK OF AMERICA, N.A.	15,000,000
ECOBANK GHANA PLC	20,000,000
GLENCORE ENERGY UK LTD.	50,000,000

SCHEDULE 3
CONDITIONS PRECEDENT

Part I
Conditions Precedent to First Utilisation

1. Provision of each of the following Finance Documents, duly executed by each of the parties to them:
 - (i) this Agreement;
 - (ii) the reconfirmation of the Deed of Guarantee;
 - (iii) the Facility Agent Fee Letter;
 - (iv) the front end Fee Letters;
 - (v) the Security and Intercreditor Agent Fee Letter;
 - (vi) the Agent Accession Undertaking for the Facility Agent (as RCF Agent) in respect of the KEFI Intercreditor Agreement; and
 - (vii) the Agent Accession Undertaking for the Facility Agent (as RCF Agent) in respect of the KEL Intercreditor Agreement.
2. Provision of conformed copies of the Deed of Guarantee, the KEFI Intercreditor Agreement and the KEL Intercreditor Agreement.
3. Provision of certified copies of each Obligor's constitutional documents and the director and shareholder corporate resolutions authorising entry into and performance of the Finance Documents to which they are a party and certification as to solvency.
4. Provision of the specimen signatures of the persons authorised by each of the Obligor's corporate resolutions referred to in paragraph 3 above to execute the Finance Documents and all other documents and notices required in connection with such Finance Documents.
5. Receipt by the Facility Agent of appropriate legal opinions from Linklaters LLP, Potter Anderson & Corroon LLP and Walkers (Cayman) LLP.
6. Provision of a certified copy of the Original Borrower's most recent audited accounts.
7. Provision of a certificate from the Original Borrower that all Required Approvals on the date of this Agreement have been obtained.

8. Evidence that the fees, costs and expenses then due from the Original Borrower pursuant to clauses 12 (*Fees*) and 30 (*Costs and Expenses*) have been paid or will be paid.
9. Evidence that the process agent referred to in clause 41 (*Service of Process*) has accepted its appointment.
10. Evidence that commitments under the Existing RCF Agreement have been or will be cancelled in full.
11. Provision of such documentation and other evidence to the satisfaction by the Facility Agent and the Lenders of their respective "know your customer" checks or similar identification procedures.

Part II
Conditions Precedent Required to be Delivered by an Additional Obligor

1. Provision of an Accession Letter, duly executed by the Additional Obligor and the Original Borrower.
2. Provision of certified copies of the Additional Obligor's constitutional documents and certificates of incorporation (or equivalent).
3. A copy of a resolution of the board of directors or managers or equivalent (as applicable) of the Additional Obligor approving the terms of, and the transactions contemplated by, the Accession Letter and the Finance Documents and resolving that one or more specified persons execute the Accession Letter and any other documents and notices in connection with the Finance Documents.
4. A specimen signature of each person authorised to execute the Accession Letter and any other documents and notices in connection with the Finance Documents.
5. A certificate of the Additional Obligor (signed by a director) confirming that borrowing or guaranteeing or securing, as appropriate, the Total Commitments would not cause any borrowing, guarantee, security or similar limit binding on it to be exceeded.
6. A certificate of an Authorised Signatory of the Additional Obligor certifying that each copy document listed in this Part II of Schedule 3 is correct, complete and in full force and effect as at a date no earlier than the date of the Accession Letter.
7. A copy of any Authorisation or other document, opinion or assurance which the Facility Agent considers to be necessary or desirable in connection with the entry into and performance of the transactions contemplated by the Accession Letter or for the validity and enforceability of any Finance Document.
8. If available, the latest audited financial statements of the Additional Obligor.
9. Receipt by the Facility Agent of any appropriate legal opinions.
10. If the proposed Additional Obligor is incorporated in a jurisdiction other than England and Wales, evidence that the process agent specified in clause 41 (*Service of Process*), if not an Obligor, has accepted its appointment in relation to the proposed Additional Obligor.
11. If applicable, a copy of a resolution signed by all the holders of the issued shares of the Additional Guarantor, approving the terms of, and the transactions contemplated by, the Finance Documents to which the Additional Guarantor is a party.

12. A copy of a good standing certificate (including verification of tax status) with respect to each Additional Obligor which is a US Obligor, issued as of a date not more than five days prior to the date of its accession to this Agreement by the Secretary of State or other appropriate official of that US Obligor jurisdiction of organisation.
13. In relation to an Additional Obligor which is a US Obligor, a solvency certificate issued by the Original Borrower and addressed to the Facility Agent issued on the date of the accession of such US Obligor to this Agreement confirming the solvency of the Original Borrower and its subsidiaries (including such Additional Obligor which is a US Obligor) on a consolidated basis following the entry by such US Obligor to any Finance Document to which it will be a party.
14. If applicable, copies of financing statements (Form UCC-1) or appropriate local equivalent in appropriate form for filing under the Uniform Commercial Code of each applicable jurisdiction as may be necessary to perfect the Security Interest purported to be created by each Security Document entered into by each US Obligor or in respect of shares or indebtedness of any such company.
15. If applicable, copies of UCC search reports, each of a recent date listing all effective financing statements that name each US Obligor, as debtor, and that are filed in the jurisdictions referred to in paragraph 14 above, together with copies of such financing statements in respect of all of which appropriate termination statements shall be delivered to the Facility Agent (except in respect of financing statements related to Security Interest permitted to subsist under this Agreement).
16. If the proposed Additional Obligor is an Additional Borrower and qualifies as a "legal entity customer" under the Beneficial Ownership Regulation, provision of a Beneficial Ownership Certification in relation to such Additional Borrower at least five (5) days prior to the delivery of the Accession Letter.

**SCHEDULE 4
UTILISATION REQUEST**

From: [●] (the "Borrower")

To: ING Bank N.V (the "Facility Agent")

Dated:

Dear Sirs

KOSMOS ENERGY LTD. – Facility Agreement dated [] (as amended or as amended and restated from time to time) (the "Agreement")

1. We refer to the Agreement. This is a Utilisation Request in respect of a Utilisation under the Facility. Terms defined in the Agreement have the same meaning in this Utilisation Request unless given a different meaning in this Utilisation Request.

2. We wish to borrow a Loan under the Facility on the following terms:

Proposed Utilisation Date:	[] (or, if that is not a Business Day, the next Business Day)
Currency:	USD
Amount:	[] under or, if less, the Available Facility
Amount attributable to Interest payments	[]
Interest Period:	[]

3. We hereby certify that on the proposed Utilisation Date:

- (a) no Default or Event of Default is continuing or will result from the proposed Loan;
- (b) [this Loan is to be made in [whole]/[part] for the purpose of refinancing [*identify maturing Loan*];]
- (c) the making of the Utilisation would not result in the aggregate principal amount outstanding under the Facility exceeding the Borrowing Base Amount; and
- (d) the Repeating Representations to be made by each Obligor on the proposed Utilisation Date are, in the light of the facts and circumstances then existing,

true and correct in all material respects (or, in the case of a Repeating Representation that contains a materiality concept, true and correct in all respects).

4. The proceeds of this Loan should be credited to [*account*] and to the extent an amount has been attributed to Interest payments above, such amount shall be applied towards the payment of Interest on the Facility.
5. This Utilisation Request is irrevocable and is a Finance Document.

Yours faithfully

.....

Authorised Signatory for
[*Borrower*]

SCHEDULE 5
FORM OF TRANSFER CERTIFICATE

To: ING Bank N.V. as the “**Facility Agent**”

From: [the Existing Lender] (the “**Existing Lender**”) and [the New Lender] (the “**New Lender**”)

Dated:

Dear Sirs

KOSMOS ENERGY LTD. – Facility Agreement dated [] (as amended or as amended and restated from time to time) (the “Agreement”)

1. We refer to the Agreement. This is a Transfer Certificate. Terms defined in the Agreement have the same meaning in this Transfer Certificate unless given a different meaning in this Transfer Certificate.
2. We refer to clause 22.5 (*Procedure for transfer*):
 - (a) The Existing Lender and the New Lender agree to the Existing Lender transferring to the New Lender by novation, and in accordance with clause 22.5 (*Procedure for transfer*), all of the Existing Lender's rights and obligations under the Agreement and the other Finance Documents which relate to that portion of the Existing Lender's Commitment and participations in Loans under the Agreement as specified in the Schedule.
 - (b) The proposed Transfer Date is [].
 - (c) The Facility Office and address, fax number and attention details for notices of the New Lender for the purposes of clause 32.2 (*Addresses*) are set out in the Schedule.
3. The New Lender expressly acknowledges the limitations on the Existing Lender's obligations set out in paragraph (C) of clause 22.4 (*Limitation of responsibility of Existing Lenders*).
4. The New Lender confirms that it is a Qualifying Bank.
5. This Transfer Certificate may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Transfer Certificate.
6. This Transfer Certificate and any non-contractual obligations arising out of or in connection with it are governed by English law.

7. This Transfer Certificate has been entered into on the date stated at the beginning of this Transfer Certificate.

Note: The execution of this Transfer Certificate may not transfer a proportionate share of the Existing Lender's interest in the Transaction Security in all jurisdictions. It is the responsibility of the New Lender to ascertain whether any other documents or other formalities are required to perfect a transfer of such a share in the Existing Lender's Transaction Security in any jurisdiction and, if so, to arrange for execution of those documents and completion of those formalities.

THE SCHEDULE
Commitments/rights and obligations to be transferred

[Insert relevant details]

[Facility Office address, fax number and attention details for notices and account details for payments]

[Existing Lender] [New Lender]

By: By:

This Transfer Certificate is accepted by the Facility Agent and the Transfer Date is confirmed as
[].

ING Bank N.V.

By:

**SCHEDULE 6
FORM OF ACCESSION LETTER**

From: [name of subsidiary] (the “**Company**”) and KOSMOS ENERGY LTD.

To: ING Bank N.V. (the “**Facility Agent**”)

Dated:

Dear Sirs

**KOSMOS ENERGY LTD. – Facility Agreement dated [] (as amended or as amended and restated from time to time) (the
“Agreement”)**

1. We refer to the Agreement. This is an Accession Letter. Terms defined in the Agreement have the same meaning in this Accession Letter unless given a different meaning in this Accession Letter.
2. The Company agrees to become an Additional [Borrower]/[Guarantor] and to be bound by the terms of the Agreement and the Intercreditor Agreements as an Additional [Borrower]/[Guarantor] pursuant to clause [23.2 (*Additional Borrowers*)/23.4 (*Additional Guarantor*)] of the Agreement. The Company is a company duly incorporated under the laws of [name of relevant jurisdiction].
3. [Kosmos Energy Ltd confirms that no Default is continuing or would occur as a result of the Company becoming an Additional Borrower.]
4. The Company’s administrative details are as follows:

Address:

Fax No:

Attention:
5. This Accession Letter and any non-contractual obligations arising out of or in connection with it are governed by English law.

This Accession Letter is entered into by deed.

[name of Company]

KOSMOS ENERGY LTD.

**SCHEDULE 7
FORM OF RESIGNATION LETTER**

From: [resigning Obligor] and KOSMOS ENERGY LTD.

To: ING Bank N.V. (the "Facility Agent")

Dated:

Dear Sirs

**KOSMOS ENERGY LTD. – Facility Agreement dated [] (as amended or as amended and restated from time to time) (the
"Agreement")**

1. We refer to the Agreement. This is a Resignation Letter. Terms defined in the Agreement have the same meaning in this Resignation Letter unless given a different meaning in this Resignation Letter.
2. Pursuant to clause [23.3 (*Resignation of a Borrower*)/23.7 (*Resignation of a Guarantor on disposal*)] of the Agreement, we request that [resigning Obligor] be released from its obligations as a [Borrower/Guarantor] under the Agreement.
3. We confirm that:
 - (a) no Default is continuing or would result from the acceptance of this request; and
 - (b) [].
4. This Resignation Letter and any non-contractual obligations arising out of or in connection with it are governed by English law.

[resigning Obligor]

KOSMOS ENERGY LTD.

**SCHEDULE 8
FORM OF COMPLIANCE CERTIFICATE**

To: ING Bank N.V. (the “**Facility Agent**”)

From: [] (the “**Borrower**”)

Dated:

Dear Sirs

**KOSMOS ENERGY LTD. – Facility Agreement dated [] (as amended or as amended and restated from time to time) (the
“Agreement”)**

1. We refer to the Agreement. This is a Compliance Certificate. Terms defined in the Agreement have the same meaning in this Compliance Certificate unless given a different meaning in this Compliance Certificate.
2. We confirm that the financial statements supplied to the Facility Agent pursuant to clause 17.2 (*Financial statements*) of the Agreement:
 - (A) is certified by an Authorised Signatory of the Borrower as a true and correct copy; and
 - (B) [gives a true and fair view of]¹ / [fairly represents]² the financial condition of the Borrower for the period to the date on which those financial statements were drawn up.
3. We confirm that as at [], being the last occurring Calculation Date:
 - (A) the debt cover ratio was []; and
 - (B) the interest cover ratio was [].
4. We set out below the calculations establishing the figures in paragraph 2 above:

[]
5. We confirm that as at [], so far as we are aware having made diligent enquiries, no Default has occurred or is continuing.³

¹ Insert if audited.

² Insert if unaudited.

³ If this statement cannot be made, the certificate should identify any Default that has occurred or is continuing and the action taken, or proposed to be taken, to remedy it.

Yours faithfully

.....
Authorised Signatory for
[Borrower]

.....
Authorised Signatory for
[Borrower]

SCHEDULE 9
FORM OF CONFIDENTIALITY UNDERTAKING

To: *[Purchaser's details]*

Re:

KOSMOS ENERGY LTD. (the "**Company**") and its USD [●] million revolving credit facility dated [●] (as amended or as amended and restated from time to time) (the "**Facility**")

[insert date]

Dear Sirs

We understand that you are considering participating in the Facility. In consideration of us agreeing to make available to you certain information, by your signature of a copy of this letter you agree as follows:

1. *Confidentiality Undertaking:* You undertake:

- (A) to keep the Confidential Information confidential and not to disclose it to anyone except as provided for by paragraph 2 below and to ensure that the Confidential Information is protected with security measures with a degree of care not less than that which you would apply to your own confidential information;
- (B) to keep confidential and not disclose to anyone except as provided for by paragraph 2 below the fact that the Confidential Information has been made available or that discussions or negotiations are taking place or have taken place between us;
- (C) to use the Confidential Information only for the Permitted Purpose;
- (D) to ensure that any person to whom you pass any Confidential Information in accordance with paragraph 2 (unless disclosed under paragraph 2(B) below) acknowledges and complies with the provisions of this letter as if that person were also a party to it; and
- (E) not to make enquiries in relation to the Confidential Information of any other person, whether a third party or any member of the Group or any of their officers, directors, employees or professional advisers, save for such officers, directors, employees or professional advisers as may be expressly nominated by us for this purpose, provided that this paragraph shall not prevent or restrict you from conducting and completing all necessary and appropriate due diligence in accordance with your normal credit and underwriting approval processes and as required to be performed in order to obtain any requisite

credit or underwriting approvals in relation to your possible participation in the Facility.

2. *Permitted Disclosure:* We agree that you may disclose Confidential Information:

- (A) to members of the Participant Group and their officers, directors, employees, consultants and professional advisers but only to the extent necessary for the proper fulfilment of the Permitted Purpose, provided that:
 - (i) such information is disclosed strictly on a need to know basis and provided that the Confidential Information may not be disclosed to any person in the Participant Group who is not working directly on matters concerning your participation in the Facility; and
 - (ii) appropriate information barriers or other procedures as may be necessary are in place to ensure there can be no unauthorised disclosure of, or access to, the Confidential Information to any such person referred to in subparagraph (i) above;
- (B) (i) where required by any court of competent jurisdiction or any competent judicial, governmental, supervisory or regulatory body, (ii) where required by the rules of any stock exchange on which the shares or other securities of any member of the Participant Group are listed or (iii) where required by the laws or regulations of any country with jurisdiction over the affairs of any member of the Participant Group; or
- (C) with our prior written consent.

3. *Notification of Required or Unauthorised Disclosure:* You agree (to the extent permitted by law) to inform us of the full circumstances of any disclosure under paragraph 2(B) (in advance where reasonable and practicable) or immediately upon becoming aware that Confidential Information has been disclosed in breach of this letter.

4. *Return of Copies:* If we so request in writing, you shall return all Confidential Information supplied to you by us or any member of the Group and destroy or permanently erase all copies of Confidential Information made by you and use all reasonable endeavours to ensure that anyone to whom you have supplied any Confidential Information destroys or permanently erases such Confidential Information and any copies made by them, in each case save to the extent that you or the recipients are required to retain any such Confidential Information by any applicable law, rule or regulation or by any competent judicial, governmental, supervisory or regulatory body, or where the Confidential Information has been disclosed in accordance with paragraph 2(B) above.

5. *Continuing Obligations:* The obligations in the preceding paragraphs of this letter are continuing and, in particular, shall survive the termination of any discussions or negotiations between you and us, irrespective of their outcome. Notwithstanding the previous sentence, the obligations in this letter shall cease twelve Months after you have returned all Confidential Information and destroyed or permanently erased all copies of Confidential Information made by you to the extent required pursuant to paragraph 4 above.
6. *No Representation; Consequences of Breach, etc:* You acknowledge and agree that:
- (A) neither we nor any of our officers, employees or advisers, and no other member of the Group and none of the officers, employees or advisers of any member of the Group (each a "**Relevant Person**"), (i) make any representation or warranty, express or implied, as to, or assume any responsibility for, the accuracy, reliability or completeness of any of the Confidential Information or any other information supplied by us or any member of the Group or the assumptions on which it is based or (ii) shall be under any obligation to update or correct any inaccuracy in the Confidential Information or any other information supplied by us or any other member of the Group or be otherwise liable to you or any other person in respect of the Confidential Information or any such information; and
 - (B) we and other members of the Group may be irreparably harmed by the breach of the terms of this letter and damages may not be an adequate remedy; each Relevant Person may be granted an injunction or specific performance for any threatened or actual breach of the provisions of this letter by you or any other person.
7. *Inside Information:* You acknowledge that some or all of the Confidential Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation relating to insider dealing and you undertake not to use any Confidential Information for any unlawful purpose. As a result of being given the Confidential Information you may well become insiders and, therefore, be unable to take certain actions which you would otherwise be able to take.
8. *No Waiver; Amendments, etc:* This letter shall not affect any other obligation owed by you to any member of the Group. No failure or delay in exercising any right, power or privilege under this letter will operate as a waiver thereof nor will any single or partial exercise of any right, power or privilege preclude any further exercise thereof or the exercise of any other right, power or privileges under this letter. The terms of this letter and your obligations under this letter may only be amended or modified by written agreement between us and you.

9. *Nature of Undertakings:* The undertakings and acknowledgements given by you under this letter are given to us and (without implying any fiduciary obligations on our part) are also given for the benefit of each other member of the Group.

10. *Third party rights:*

(A) Each other member of the Group and each Relevant Person (each a “**Third Party**”) may enforce the terms of this letter by virtue of the Contracts (Rights of Third Parties) Act 1999 (the “**Third Parties Act**”). This paragraph 10(A) confers a benefit on each Third Party, and, subject to the remaining provisions of this paragraph 10, is intended to be enforceable by each Third Party by virtue of the Third Parties Act.

(B) Subject to paragraph 10(a), a person who is not a party to this letter has no right under the Third Parties Act to enforce or enjoy the benefit of any term of this letter.

(C) Notwithstanding any provisions of this letter, the parties to this letter do not require the consent of any person to rescind or vary this letter at any time.

11. *Counterparts:* This letter may be executed in any number of counterparts, and by the parties on separate counterparts, but shall not be effective until each party has executed at least one counterpart. Each counterpart shall constitute an original of this letter, but all the counterparts shall together constitute one and the same instrument.

12. *Governing Law and Jurisdiction:* Any matter, claim or dispute, whether contractual or non-contractual, arising out of or in connection with this letter (including the agreement constituted by your acknowledgement of its terms), is to be governed by and determined in accordance with English law, and the parties submit to the non-exclusive jurisdiction of the English courts.

13. *Definitions and Construction:* In this letter (including the acknowledgement set out below):

“**Confidential Information**” means any and all information relating to the Company, the Group and the Facility, provided to you by us or any member of the Group or any of our affiliates or advisers, in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information and information regarding all discussions and negotiations between us (including information regarding the outcome of such discussions or negotiations), but excludes information that (a) is or becomes public knowledge other than as a direct or indirect result of any breach of this letter or (b) is known by you before the date the information is disclosed to you by us or any member of the Group or any of our affiliates or advisers or is lawfully obtained by

you after that date, other than from a source which is connected with the Group and which, in either case, as far as you are aware, has not been obtained in violation of, and is not otherwise subject to, any obligation of confidentiality;

“**Group**” means, in respect of a person, that person and that person’s Holding Companies and each of their respective Subsidiaries;

“**Holding Company**” means, in relation to a company, any other company in respect of which it is a Subsidiary;

“**Participant Group**” means you, and each of your Holding Companies and Subsidiaries;

“**Permitted Purpose**” means considering and evaluating whether to enter into contracts with us in relation to your participation in the Facility; and

“**Subsidiary**” means a subsidiary within the meaning of section 1159 of the Companies Act 2006.

Please acknowledge your agreement to the above by signing and returning the enclosed copy.

Yours faithfully

.....
For and on behalf of [*Seller’s details*].

To: [*Seller’s details*]

We acknowledge and agree to the above:

.....
For and on behalf of [*Purchaser’s details*]

SCHEDULE 10
FORM OF LENDER ACCESSION NOTICE

To: ING Bank N.V. as Facility Agent

From: [Additional Lender]

Dated:

Dear Sirs,

Kosmos Energy Ltd. - Facility Agreement dated _____ (as amended or as amended and restated from time to time) (the "Facility Agreement")

1. We refer to the Agreement and the Facility Agreement. This is a Lender Accession Notice. Terms defined in the Facility Agreement relating to the Agreement have the same meaning in this Lender Accession Notice unless given a different meaning in this Lender Accession Notice.
2. [Additional Lender] agrees:
 - (a) to be bound by the terms of the Finance Documents (other than the KEL Intercreditor Agreement [and the KEFI Intercreditor Agreement]⁴) as a Lender pursuant to clause [3.2] (*Additional Commitments*) of the Facility Agreement;
 - (b) to be bound by the terms of the KEL Intercreditor Agreement as a Lender; and
 - (c) [to be bound by the terms of the KEFI Intercreditor Agreement as a Lender.]
3. [Additional Lender's] Additional Commitment is USD [].
4. [Additional Lender's] administrative details are as follows:

Account details: []

Facility Office Address: []

Telephone No.: []

Fax No.: []

Attention: []

⁴ Exclude if KEFI Intercreditor Agreement is no longer in force.

5. The Additional Lender expressly acknowledges the limitations on the Lenders' obligations set out in paragraph (I) of clause 3.2 (*Additional Commitments*).
6. This Lender Accession Notice may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Lender Accession Notice.
7. This Lender Accession Notice and any non-contractual obligations arising out of or in connection with it are governed by English law.
8. This Lender Accession Notice has been delivered as a deed on the date stated at the beginning of this Lender Accession Notice.

[Additional Lender]

By:

This Lender Accession Notice is accepted by the Facility Agent and the Additional Commitment Date is confirmed as [].

ING Bank N.V.

By:

SCHEDULE 11
FORM OF U.S. TAX COMPLIANCE CERTIFICATE

Part I

For Foreign Lenders that are not Partnerships for U.S. Federal Income Tax Purposes

Reference is hereby made to the Revolving Credit Facility Agreement dated as of 23 November 2012 (as amended, supplemented or otherwise modified from time to time, the "**Credit Agreement**"), between, amongst others, Kosmos Energy Ltd. (as Original Borrower), ING Bank N.V. (as Facility Agent) and each lender from time to time party thereto.

Pursuant to the provisions of clause [] of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Loan(s) (as well as any note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the relevant Borrower within the meaning of section 871(h)(3)(B) of the Code and (iv) it is not a controlled foreign corporation related to the relevant Borrower as described in section 881(c)(3)(C) of the Code.

The undersigned has furnished the Facility Agent and the relevant Borrower with a certificate of its non-U.S. Person status on US Internal Revenue Form W-8BEN-E or Form W-8BEN. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the relevant Borrower and the Facility Agent, and (2) the undersigned shall have at all times furnished the relevant Borrower and the Facility Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By:

Name:

Title:

Date: _____, 20[]

Part II
For Foreign Lenders that are Partnerships for U.S. Federal Income Tax Purposes

Reference is hereby made to the Revolving Credit Facility Agreement dated as of 23 November 2012 (as amended, supplemented or otherwise modified from time to time, the "**Credit Agreement**"), between, amongst others, Kosmos Energy Ltd. (as Original Borrower), ING Bank N.V. (as Facility Agent) and each lender from time to time party thereto.

Pursuant to the provisions of clause [] of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Loan(s) (as well as any note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such Loan(s) (as well as any note(s) evidencing such Loan(s)), (iii) with respect to the extension of credit pursuant to this Credit Agreement or any other Finance Document, the undersigned is not a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members that is not fiscally transparent for United States federal income tax purposes is a ten percent shareholder of the relevant Borrower within the meaning of section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the relevant Borrower as described in section 881(c)(3)(C) of the Code.

The undersigned has furnished the Facility Agent and the relevant Borrower with US Internal Revenue Service Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) a US Internal Revenue Service Form W-8BEN-E or Form W-8BEN or (ii) a US Internal Revenue Service Form W-8IMY accompanied by a US Internal Revenue Service Form W-8BEN-E or Form W-8BEN from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the relevant Borrower and the Facility Agent, and (2) the undersigned shall have at all times furnished the relevant Borrower and the Facility Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By:

Name:

Title:

Date: _____, 20[]

SCHEDULE 12
FORM OF RESIGNATION LETTER (DGE GROUP GUARANTOR)

To: **CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK** as Security and Intercreditor Agent for itself and each of the other parties to the Intercreditor Agreement referred to below.

Copy to: **ING BANK N.V.** as RCF Agent.

Copy to: **WILMINGTON TRUST, NATIONAL ASSOCIATION** as HY Noteholder Trustee.

From: **KOSMOS ENERGY LTD.** and [the Retiring DGE Guarantor]

Dated:

Dear Sirs

1. We refer to:

- (a) the revolving credit facility agreement originally dated 23 November 2012 between, among others, Kosmos Energy Ltd. ("**KEL**") as the Original Borrower and ING Bank N.V. as the Facility Agent as amended and / or amended and restated from time to time (the "**Facility Agreement**");
- (b) the intercreditor agreement originally dated 1 August 2014 between KEL as the RCF Borrower and as the HY Note Issuer, Crédit Agricole Corporate and Investment Bank as the Security and Intercreditor Agent, ING Bank N.V. as the RCF Agent and Wilmington Trust, National Association as the HY Noteholder Trustee as amended and / or amended and restated from time to time (the "**Intercreditor Agreement**"); and
- (c) the deed of guarantee and indemnity dated 23 November 2012 between, among others, KEL as the Company and Crédit Agricole Corporate and Investment Bank as the Security and Intercreditor Agent on behalf of the Beneficiaries (as defined therein) as amended and / or amended and restated from time to time (the "**Deed of Guarantee**").

2. Pursuant to Clause 23.8 (*Resignation of a DGE Group Guarantor*) of the Facility Agreement, we request that [the Retiring DGE Guarantor] be released from its obligations as a Guarantor under the Facility Agreement and the Deed of Guarantee.

3. We confirm that:

- (a) no Default is continuing or would result from the acceptance of this request; and

(b) no payment is due from [the Retiring DGE Guarantor] under the Deed of Guarantee.

4. This letter and any non-contractual obligations arising out of or in connection with it are governed by English law.
5. Terms which are used in this resignation letter which are not defined in this letter but are defined in the Facility Agreement shall have the meaning given to those terms in the Facility Agreement.

KOSMOS ENERGY LTD.

By:

Title:

[the Retiring DGE Guarantor]

By:

Title:

Accepted by **CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK** as Security and Intercreditor Agent

By:

Title:

By:

Title:

**SCHEDULE 13
EXCESS CASH STATEMENT**

"A" is the aggregate of:	\$ in Millions	"B" is the aggregate of:	\$ in Millions
Total sources of funds before debt service / repayments over the next 12 months (cash flows net of operational and capital expenditure) from RBL Obligor Group (excluding any restricted cash) ⁵		committed exploration and appraisal costs for the Group over the next 12 months (which are not included in the Total Sources net calculation)	
Total sources of funds before debt service / repayments over the next 12 months (net of operational and capital expenditure) from GoM Obligor Group (excluding any restricted cash) ⁶		committed development costs for the Group over the next 12 months (which are not included in the Total Sources net calculation)	
Total sources of funds over the next 12 months (net of operational and capital expenditure) from KEGHL Group (excluding any restricted cash) ⁷		payment obligations under rig contracts or other similar operational contracts for the Group over the next 12 months (which are not included in the Total Sources net calculation)	
Unrestricted Cash balance of Group as at <i>[insert date]</i> (being cash that is not restricted by applicable laws or regulations or under the terms of the RBL Facility Agreement or GoM Loan)		payment obligations under a sale and purchase agreement or other similar agreements (in the context of an acquisition or otherwise) for the Group over the next 12 months (which is not included in the Total Sources net calculation)	

⁵ Based on latest approved Model (as defined in the RBL). Restricted cash refers to cash that is restricted by applicable laws or regulations or under the terms of the RBL Facility Agreement or GoM Loan (including application of the Cash Waterfall under and as defined in the RBL Facility Agreement).

⁶ Based on GOM Term Loan projection / KEL corporate projection. Restricted cash refers to cash that is restricted by applicable laws or regulations or under the terms of the RBL Facility Agreement or GoM Loan (including application of the Cash Waterfall under and as defined in the RBL Facility Agreement).

⁷ Based on KEL corporate projection. Restricted cash refers to cash that is restricted by applicable laws or regulations or under the terms of the RBL Facility Agreement or GoM Loan (including application of the Cash Waterfall under and as defined in the RBL Facility Agreement).

		scheduled repayments, interest, fees, costs and expenses relating to the Revolving Credit Facility and HY Notes (otherwise referred to as Scheduled KEL Debt Payments) over the next 12 months	
		scheduled repayments, interest, fees, costs and expenses relating to the RBL and GoM Loan over the next 12 months	
		any other material committed liability including any guarantee, indemnity or other contingent liability which could reasonably be expected to entail a cash outflow in the next 12 months	
		any mandatory prepayment(s) under the RBL to ensure outstanding amounts under the RBL do not exceed the Borrowing Base Amount (as defined in the RBL) during the next 12 months, as indicated by the latest approved Model (as defined in the RBL) as at the date of this calculation	
TOTAL GROUP SOURCES	-	TOTAL GROUP USES	-
EXCESS CASH (A - B)			
50% OF EXCESS CASH			

SCHEDULE 14
REFERENCE RATE TERMS

CURRENCY:

US
Dollars.

Definitions

Additional Business Days:

An
RFR
Banking
Day.

Business Day Conventions (definition of “Month” and Clause 10.2 (Non-Business Days)): If any period is expressed to accrue by reference to a Month or any number of Months then, in respect of the last Month of that period:

- (i) subject to paragraph (iii) below, if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end (if there is one) or (if there is not) on the immediately preceding Business Day;
- (ii) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month; and
- (iii) if an Interest Period begins on the last Business Day of a calendar month, that Interest Period shall end on the last Business Day in the calendar month in which that Interest Period is to end.

If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

Central Bank Rate:

The short-term interest rate target set by the US Federal Open Market Committee as published by the Federal Reserve Bank of New York from time to time or, if that target is not a single figure, the arithmetic mean of:

- (i) the upper bound of the short-term interest rate target range set by the US Federal Open Market Committee and published by the Federal Reserve Bank of New York; and
- (ii) the lower bound of that target range.

Central Bank Rate Adjustment:

In relation to the Central Bank Rate prevailing at close of business on any RFR Banking Day (relevant to that RFR), the 20 per cent. trimmed arithmetic mean (calculated by the Agent or by any other Finance Party which agrees to do so in place of the Agent) of the Central Bank Rate Spreads for the five most immediately preceding RFR Banking Days (relevant to that RFR) for which the relevant RFR is available.

Central Bank Rate Spread:

The difference (expressed as a percentage rate per annum) calculated by the Agent (or by any other Finance Party which agrees to do so in place of the Agent) between:

- (a) the RFR for any RFR Banking Day (relevant to that RFR); and
- (b) the Central Bank Rate prevailing at close of business on that RFR Banking Day.

Credit Adjustment Spread:

For any Interest Period, the percentage rate per annum set out in the table below in the column headed "Credit Adjustment Spread (% per annum)" for the length of such Interest Period:

Interest Period
Credit Adjustment Spread (% per annum)

Shorter than or equal to one Month
0.11448

Longer than one Month and shorter than or equal to three Months
0.26161

Longer than three Months and shorter than or equal to six Months
0.42826

Daily Rate:

The "Daily Rate" for any RFR Banking Day is:

- (a) the RFR for that RFR Banking Day;
- (a) if the RFR is not available for that RFR Banking Day, the percentage rate per annum which is the aggregate of:
 - (i) the Central Bank Rate for that RFR Banking Day; and
 - (ii) the applicable Central Bank Rate Adjustment; or
- (b) if paragraph (a) above applies but the Central Bank Rate for that RFR Banking Day is not available, the percentage rate per annum which is the aggregate of:
 - (i) the most recent Central Bank Rate for a day which is no more than five RFR Banking Days before that RFR Banking Day; and
 - (ii) the applicable Central Bank Rate Adjustment,

rounded, in either case, to five decimal places and, if, in either case, the aggregate of that rate and the applicable Credit Adjustment Spread is less than zero, the Daily Rate shall be deemed to be such a rate that the aggregate of the Daily Rate and the applicable Credit Adjustment Spread is zero.

Lookback Period:	Five RFR Banking Days.
Market Disruption Rate:	The percentage rate which is the aggregate of (a) the Cumulative Compounded RFR Rate for the Interest Period of the relevant Loan and (b) the applicable Credit Adjustment Spread.
Relevant Market:	The market for overnight cash borrowing collateralised by US Government securities.
Reporting Day:	The Business Day which follows the day which is the Lookback Period prior to the last day of the Interest Period.
RFR:	The secured overnight financing rate (SOFR) administered by the Federal Reserve Bank of New York (or any other person which takes over the administration of that rate) published by the Federal Reserve Bank of New York (or any other person which takes over the publication of that rate).
RFR Banking Day:	Any day other than: <ul style="list-style-type: none"> (a) a Saturday or Sunday; and (b) a day on which the Securities Industry and Financial Markets Association (or any successor organisation) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in US Government securities.

Interest Periods

Periods capable of selection as Interest Periods (Clause 10.1 (Selection of Interest Periods)): One, three or six Months or any other period agreed between a Borrower and the Facility Agent (acting on the instructions of all the Lenders).

Reporting Times

Deadline for Lenders to report their cost of funds for market disruption in accordance with Clause 11.2(B) (Market Disruption): Close of business in London on the Reporting Day for the relevant Loan.

Deadline for Lenders to report their cost of funds in accordance with Clause 11.2(A)(ii) (Market Disruption): Close of business in London on the date falling three (3) Business Days after the Reporting Day for the relevant Loan (or, if earlier, on the date falling two (2) Business Days before the date on which interest is due to be paid in respect of the Interest Period for that Loan).

SCHEDULE 15 DAILY NON-CUMULATIVE COMPOUNDED RFR RATE

The “**Daily Non-Cumulative Compounded RFR Rate**” for any RFR Banking Day “i” during an Interest Period for a Compounded Rate Loan is the percentage rate per annum (without rounding, to the extent reasonably practicable for the Finance Party performing the calculation, taking into account the capabilities of any software used for that purpose) calculated as set out below:

$$(UCCDR_i - UCCDR_{i-1}) \times \frac{dcc}{n_i}$$

where:

“**UCCDR_i**” means the Unannualised Cumulative Compounded Daily Rate for that RFR Banking Day “i”;

“**UCCDR_{i-1}**” means, in relation to that RFR Banking Day “i”, the Unannualised Cumulative Compounded Daily Rate for the immediately preceding RFR Banking Day (if any) during that Interest Period;

“**dcc**” means 360 or, in any case where market practice in the Relevant Market is to use a different number for quoting the number of days in a year, that number;

“**n_i**” means the number of calendar days from, and including, that RFR Banking Day “i” up to, but excluding, the following RFR Banking Day; and

the “**Unannualised Cumulative Compounded Daily Rate**” for any RFR Banking Day (the “**Cumulated RFR Banking Day**”) during that Interest Period is the result of the below calculation (without rounding, to the extent reasonably practicable for the Finance Party

performing the calculation, taking into account the capabilities of any software used for that purpose):

$$\text{ACCDR} \times \frac{tn_i}{\text{dcc}}$$

where:

“**ACCDR**” means the Annualised Cumulative Compounded Daily Rate for that Cumulated RFR Banking Day;

“**tn_i**” means the number of calendar days from, and including, the first day of the Cumulation Period to, but excluding, the RFR Banking Day which immediately follows the last day of the Cumulation Period;

“**Cumulation Period**” means the period from, and including, the first RFR Banking Day of that Interest Period to, and including, that Cumulated RFR Banking Day;

“**dcc**” has the meaning given to that term above; and

the “**Annualised Cumulative Compounded Daily Rate**” for that Cumulated RFR Banking Day is the percentage rate per annum (rounded to the same number of decimal places as the applicable Daily Rate) calculated as set out below:

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{\text{DailyRate}_{i-LP} \times n_i}{\text{dcc}} \right) - 1 \right] \times \frac{\text{dcc}}{tn_i}$$

where:

“**d₀**” means the number of RFR Banking Days in the Cumulation Period;

“**Cumulation Period**” has the meaning given to that term above;

“**i**” means a series of whole numbers from one to d₀, each representing the relevant RFR Banking Day in chronological order in the Cumulation Period;

“**DailyRate_{i-LP}**” means, for any RFR Banking Day “i” in the Cumulation Period, the Daily Rate for the RFR Banking Day which is the applicable Lookback Period prior to that RFR Banking Day “i”;

“**n_i**” means, for any RFR Banking Day “i” in the Cumulation Period, the number of calendar days from, and including, that RFR Banking Day “i” up to, but excluding, the following RFR Banking Day;

“**dcc**” has the meaning given to that term above; and

“**tn_i**” has the meaning given to that term above.

SCHEDULE 16
CUMULATIVE COMPOUNDED RFR RATE

The “**Cumulative Compounded RFR Rate**” for any Interest Period for a Compounded Rate Loan is the percentage rate per annum (rounded to the same number of decimal places as is specified in the definition of “**Annualised Cumulative Compounded Daily Rate**” in Schedule 15 (*Daily Non-Cumulative Compounded RFR Rate*)) calculated as set out below:

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{\text{DailyRate}_{i-LP} \times n_i}{\text{dcc}} \right) - 1 \right] \times \frac{\text{dcc}}{d}$$

where:

“**d₀**” means the number of RFR Banking Days during the Interest Period;

“**i**” means a series of whole numbers from one to d₀, each representing the relevant RFR Banking Day in chronological order during the Interest Period;

“**DailyRate_{i-LP}**” means for any RFR Banking Day “**i**” during the Interest Period, the Daily Rate for the RFR Banking Day which is the applicable Lookback Period prior to that RFR Banking Day “**i**”;

“**n_i**” means, for any RFR Banking Day “**i**”, the number of calendar days from, and including, that RFR Banking Day “**i**” up to, but excluding, the following RFR Banking Day;

“**dcc**” means 360 or, in any case where market practice in the Relevant Market is to use a different number for quoting the number of days in a year, that number; and

“**d**” means the number of calendar days during that Interest Period.

SIGNATURES

Original Borrower

KOSMOS ENERGY LTD.

By: /s/ Nealesh D. Shah

Name: Nealesh D. Shah

Title: Senior Vice President and Chief Financial Officer.

Original Guarantors

KOSMOS ENERGY OPERATING

By: /s/ Nealesh D. Shah

Name: Nealesh D. Shah

Title: Director and Vice President

KOSMOS ENERGY INTERNATIONAL

By: /s/ Nealesh D. Shah

Name: Nealesh D. Shah

Title: Director and Vice President

KOSMOS ENERGY DEVELOPMENT

By: /s/ Nealesh D. Shah

Name: Nealesh D. Shah

Title: Director and Vice President

KOSMOS ENERGY GHANA HC

By: /s/ Nealesh D. Shah

Name: Nealesh D. Shah

Title: Director and Vice President

KOSMOS ENERGY FINANCE INTERNATIONAL

By: /s/ Nealesh D. Shah

Name: Nealesh D. Shah

Title: Director and Vice President

KOSMOS ENERGY EQUATORIAL GUINEA

By: /s/ Nealesh D. Shah

Name: Nealesh D. Shah

Title: Director and Vice President

KOSMOS ENERGY GOM HOLDINGS, LLC

By: /s/ Nealesh D. Shah

Name: Nealesh D. Shah

Title: Manager and Vice President

KOSMOS ENERGY GULF OF MEXICO, LLC

By: /s/ Nealesh D. Shah

Name: Nealesh D. Shah

Title: Manager and Vice President

KOSMOS ENERGY GULF OF MEXICO MANAGEMENT, LLC

By: /s/ Nealesh D. Shah

Name: Nealesh D. Shah

Title: Vice President

KOSMOS ENERGY GULF OF MEXICO OPERATIONS, LLC

By: /s/ Nealesh D. Shah

Name: Nealesh D. Shah

Title: Vice President

KOSMOS ENERGY GHANA HOLDINGS LIMITED

By: /s/ Nealesh D. Shah

Name: Nealesh D. Shah

Title: Director and Vice President

KOSMOS ENERGY GHANA INVESTMENTS

By: By: /s/ Nealesh D. Shah

Name: Nealesh D. Shah

Title: Director and Vice President

Mandated Lead Arrangers

BANK OF AMERICA, N.A., LONDON BRANCH

By: /s/ Khairul Islam

Name: Khairul Islam
Title: Director

BARCLAYS BANK PLC

By: /s/ Craig Malloy

Name: Craig Malloy
Title: Director

ECOBANK GHANA PLC

By: /s/ Henry Ampong

Name: Henry Ampong
Title: Head Corporate Banking Department

GLENCORE ENERGY UK LTD

By: /s/ Ann Nash

Name: Ann Nash
Title: Head of Structured Finance, Oil Marketing Division

NATIXIS

+

By: /s/ Ludwig Renard

Name: Ludwig Renard
Title: Executive Director

By: /s/ Mylene Namvong

Name: Mylene Namvong
Title: Vice-President

N.B.S.A. Limited

By: /s/ Glen Corbett

Name: Glen Corbett
Title: Director

By: /s/ David Sidgwick

Name: David Sidgwick
Title: Director

SOCIETE GENERALE, LONDON BRANCH

By: /s/ Arun Mago

Name: Arun Mago
Title: Managing Director RBF

STANDARD CHARTERED BANK

By: /s/ Fathima Hussain

Name: Fathima Hussain
Title: Managing Director, Project Finance

THE STANDARD BANK OF SOUTH AFRICA LIMITED

By: /s/ Pablo Gonzalez-Spahr

Name: Pablo Gonzalez-Spahr
Title: Executive

Original Lenders

BANK OF AMERICA, N.A.

By: /s/ Albert Wheeler

Name: Albert Wheeler

Title: Vice President

BARCLAYS BANK PLC

By: /s/ Craig Malloy

Name: Craig Malloy
Title: Director

ECOBANK GHANA PLC

By: /s/ Henry Ampong

Name: Henry Ampong

Title: Head Corporate Banking Department

GLENCORE ENERGY UK LTD

By: /s/ Ann Nash

Name: Ann Nash

Title: Head of Structured Finance, Oil Marketing Division

NATIXIS

By: /s/ Ludwig Renard

Name: Ludwig Renard
Title: Executive Director

By: /s/ Mylene Namvong

Name: Mylene Namvong
Title: Vice-President

N.B.S.A. Limited

By: /s/ Glen Corbett

Name: Glen Corbett
Title: Director

By: /s/ David Sidgwick

Name: David Sidgwick
Title: Director

SOCIETE GENERALE, LONDON BRANCH

By: /s/ Arun Mago

Name: Arun Mago

Title: Managing Director, RBF

STANDARD CHARTERED BANK

By: /s/ Fathima Hussain

Name: Fathima Hussain

Title: Managing Director, Project Finance

THE STANDARD BANK OF SOUTH AFRICA LIMITED

By: /s/ Pablo Gonzalez-Spahr

Name: Pablo Gonzalez-Spahr

Title: Executive

Facility Agent

ING BANK N.V.

By: /s/ Olivier de Vries

Name: Olivier de Vries

Title: Authorised Signature

By: /s/ Rick van Ras

Name: Rick van Ras

Title: Authorised signatory

Security and Intercreditor Agent

CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK

By: /s/ Veronica Bacco Ruiz

Name: Veronica Bacco Ruiz

Title: Deputy Head of Agency & Middle Office for EIG

By: /s/ Guillaume Granjoux

Name: Guillaume Granjoux

Title: Head Agency Middle Office EIG

Certification of Chief Executive Officer

I, Andrew G. Inglis, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Kosmos Energy Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2022

/s/ ANDREW G. INGLIS

Andrew G. Inglis

*Chairman of the Board of Directors and Chief Executive Officer
(Principal Executive Officer)*

Certification of Chief Financial Officer

I, Neal D. Shah, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Kosmos Energy Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2022

/s/ NEAL D. SHAH

Neal D. Shah

*Senior Vice President and Chief Financial Officer
(Principal Financial Officer)*

Certification of Chief Executive Officer
Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the accompanying quarterly report of Kosmos Energy Ltd. (the "Company") on Form 10-Q for the quarter ended March 31, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Andrew G. Inglis, Chairman of the Board of Directors and Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 9, 2022

/s/ ANDREW G. INGLIS

Andrew G. Inglis

Chairman of the Board of Directors and Chief Executive Officer

(Principal Executive Officer)

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Certification of Chief Financial Officer
Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the accompanying quarterly report of Kosmos Energy Ltd. (the "Company") on Form 10-Q for the quarter ended March 31, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Neal D. Shah, Senior Vice President and Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 9, 2022

/s/ NEAL D. SHAH

Neal D. Shah

Senior Vice President and Chief Financial Officer

(Principal Financial Officer)

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.